[Translation]

January 14, 2025

To Whom it may concern:

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

**Notice Concerning Share Consolidation, Abolition of the Provision on Share Units, Partial Amendment to the Articles of Incorporation and Appointment of an Executive Director**

Net One Systems Co., Ltd. (the "Company") hereby announces that, as stated below, at the meeting of the Board of Directors held today, the Company resolved to convene an extraordinary shareholders' meeting that is scheduled to be held on February 18, 2025 (the "Extraordinary Shareholders' Meeting") and to submit to the Extraordinary Shareholders' Meeting a proposal for a share consolidation, the abolition of the provision on share units, partial amendment to the Articles of Incorporation and the appointment of an Executive Director.

In the course of the above procedures, the Company's shares of common stock (the "Company Shares") will meet the delisting criteria stipulated in the Securities Listing Regulations of the Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange"). As a result, the Company Shares are scheduled to be designated as securities to be delisted (*seiri meigara*) between February 18, 2025 and March 17, 2025 and subsequently delisted on March 18, 2025. Please note that, after being delisted, the Company Shares will no longer be traded on the Tokyo Stock Exchange Prime Market.

I. Share Consolidation

1. Purpose of and Reasons for the Share Consolidation

As announced in the "Notice Concerning the Opinion in Support of the Tender Offer for the Shares, etc. of the Company by SCSK Corporation, and Recommendation to Tender the Shares" (the "Expression of Opinion Press Release") published by the Company on November 6, 2024, SCSK Corporation (the "Tender Offeror"), as part of a transaction (the "Transaction") intended to acquire all of the Company Shares listed on the Tokyo Stock Exchange Prime Market (including the Company Shares to be delivered as a result of the exercise of the Stock Acquisition Rights (Note 1) and excluding treasury shares held by the Company; the same applies hereinafter) and all of the Stock Acquisition Rights and make the Company a wholly-owned subsidiary of the Tender Offeror, implemented a tender offer (the "Tender Offer") for the Company Shares, the Stock Acquisition Rights and the American Depositary Receipts (Note 2) and set the period for purchase (the "Tender Offer Period") to 30 business days from

November 7, 2024 to December 18, 2024.

As announced in the "Notice Concerning the Results of the Tender Offer for the Shares, etc. of the Company by SCSK Corporation, and the Changes in Parent Companies, a Major Shareholder and the Largest Shareholder Among the Major Shareholders" published by the Company on December 19, 2024, as a result of the Tender Offer, the Tender Offeror has come to hold 63,304,886 shares of the Company (ownership ratio (Note 3): 79.69%) as of December 25, 2024, the settlement commencement date of the Tender Offer.

(Note 1) "Stock Acquisition Rights" collectively refers to the stock acquisition rights in (i) through (x) below.

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

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

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

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

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

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

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

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

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

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

(Note 2) "American Depositary Receipts" refers to the American depository receipts issued in the United States by Deutsche Bank Trust Company Americas and Citibank, N.A. (collectively, the "Depositary Banks") for the Company Shares.

(Note 3) "Ownership ratio" refers to the percentage (rounded to the second decimal place) relative to the number of voting rights (794,408 voting rights) represented by the number of the Company Shares (79,440,893 shares) calculated as follows: (i) the total number of outstanding shares as of September 30, 2024 as stated in the Semi-Annual Securities Report for the 38th fiscal year published by the Company on November 12, 2024 (80,308,700 shares), plus (ii) the number of Company Shares to be issued upon exercise of 846 Stock Acquisition Rights, which is the total number of Stock Acquisition Rights remaining as of November 6, 2024 (84,600 shares) (with the resulting sum being 80,393,300 shares), minus (iii) the number of treasury shares held by the Company as of September 30, 2024 as stated in the "Summary of Consolidated Financial Results for the Six Months (interim period) Ended September 30, 2024 (Based on Japanese GAAP)" published by the Company on November 6, 2024 (952,407 shares). The same applies hereinafter.

The purpose and background of the Transaction, including the Tender Offer and the consolidation of the Company Shares to make the Tender Offeror the sole shareholder of the Company (the "Share Consolidation"), have been announced in the Expression of Opinion Press Release, and are outlined again below. Of the following statements, the statements regarding the Tender Offeror are based on the explanation received from the Tender Offeror.

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

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

the Transaction, including the Tender Offer, and to handle the Process, in early February 2024, the Company appointed Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("Mitsubishi UFJ Morgan Stanley Securities") as a financial advisor to the Company independent of the Potential Partners and the Company. The Company also decided to continue to appoint Nagashima Ohno & Tsunematsu, which had been advising the Company since October 2023, as a legal advisor independent of the Potential Partners and the Company, beyond early February 2024. In addition, in mid-April 2024, for the purpose of further strengthening the advisory structure for the deliberation of strategic options, including the enhancement of corporate value by stand-alone management, the Company appointed QuestHub Co. Ltd. ("QuestHub"), which had assisted the Company in the past with formulation of its mid-term business plan, as a strategic advisor independent of the Potential Partners and the Company.

In deliberating the Process, although the Transaction does not constitute a so-called management buyout (MBO) (Note 4) or an acquisition of a subsidiary company by a controlling shareholder, it was expected that the Potential Partners would make a proposal involving the privatization of the Company Shares in the Process. Therefore, for the purpose of (i) eliminating arbitrariness in the Company's decision-making regarding the Transaction, (ii) deliberating the strategic options available to the Company from the standpoint of enhancing the Company's corporate value and the interests of general shareholders, and, subsequently, (iii) deliberating and judging the merits and demerits of the Transaction, the appropriateness of the terms and conditions of the Transaction and the fairness of the procedures, etc., the Company commenced the building of a system to enable itself to deliberate and negotiate the Transaction and the Process from a position that is independent of the Potential Partners, including the Tender Offeror, the Company and the success or failure of the Transaction. Specifically, as described in "B. Establishment of an Independent Special Committee by the Company and Obtainment of a Report from the Special Committee" in "(3) Measures to Ensure Fairness of the Transaction and Measures to Avoid Conflicts of Interest" in "3. Rationale, etc. for the Amount of Cash Expected to Be Delivered to the Shareholders in Compensation for the Fractional Shares Resulting from the Share Consolidation" below, from mid-February of the same year, the Company prepared for the establishment of a special committee consisting of its independent Outside Executive Directors (the "Special Committee"). Subsequently, on the 28th of the same month, by a resolution at a meeting of its Board of Directors, from the viewpoint that it is appropriate to appoint Outside Executive Directors who have insights in the legal, accounting and business fields as the members of the Special Committee, the Company established the Special Committee consisting of three members, i.e., Ms. Maya Ito (the Company's Independent Outside Executive Director), who is an attorney, Mr. Kazuhiro Noguchi (the Company's Independent Outside Executive Director and Full-time Member of the Audit & Supervisory Committee), who is a certified public accountant, and Mr. Masayoshi Wada (the Company's Independent Outside Executive Director), who has experience serving as a director of a company engaged in the same type of business as the Company (for the background of the establishment of the Special Committee, the process of deliberation and the details of the decisions, etc., please refer to "B. Establishment of an Independent Special Committee by the Company and Obtainment of a Report from the Special Committee" in "(3) Measures to Ensure Fairness of the Transaction and Measures to Avoid Conflicts of Interest" in "3. Rationale, etc. for the Amount of Cash Expected to Be Delivered to the Shareholders in Compensation for the Fractional Shares Resulting from the Share Consolidation" below), and consulted with the Special Committee regarding (i) the reasonableness of the purpose of the Transaction (including whether the Transaction will contribute to the enhancement of the

corporate value of the Company), (ii) the appropriateness of the terms and conditions of the Transaction (including the appropriateness of the method of implementation of, and the type of consideration for the Transaction), (iii) the fairness of the procedures for the Transaction (including the process of selecting potential partners), (iv) whether the Transaction is not disadvantageous to the Company's general shareholders in light of (i) through (iii), and (v) the propriety for the Company's Board of Directors, in the event that the Transaction involved a tender offer for the Company Shares, the Stock Acquisition Rights, and the American Depositary Receipts, to (x) express an opinion in support of the Tender Offer, (y) recommend that the Company's shareholders and the holders of the Stock Acquisition Rights (the "Stock Acquisition Rights Holders") tender in the Tender Offer; and (z) recommend that the holders of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Company Shares related to the American Depositary Shares (Note 5) represented by their American Depositary Receipts (collectively, the "Consulted Matters"). Further, the Company's Board of Directors passed a resolution upon establishing the Special Committee that the decisions of the Company's Board of Directors shall be made with the highest degree of respect for the opinion of the Special Committee. Moreover, the Company's Board of Directors passed a resolution that it would authorize the Special Committee (i) to secure conditions in which the Special Committee would be able to substantially affect the process of negotiations regarding the transaction terms and conditions by, among others, reviewing in advance the policy for the negotiations between the Company and the Potential Partners, receiving reports on the status of such negotiations in a timely manner, and expressing its opinion, giving directions and making requests in crucial phases of such negotiations, (ii) to appoint its own advisors at the Company's expense if necessary when deliberating and making decisions regarding the Consulted Matters or approve (including ex post facto approval) the advisors selected by the Company, and to receive from such advisors expert advice as necessary, and (iii) to collect or receive from the Company's officers and employees and advisors information that is necessary for deliberating and making decisions regarding the Consulted Matters. As described in "B. Establishment of an Independent Special Committee by the Company and Obtainment of a Report from the Special Committee" in "(3) Measures to Ensure Fairness of the Transaction and Measures to Avoid Conflicts of Interest" in "3. Rationale, etc. for the Amount of Cash Expected to Be Delivered to the Shareholders in Compensation for the Fractional Shares Resulting from the Share Consolidation" below, the Special Committee first confirmed that there was no problem in terms of the independence and expertise of each of Mitsubishi UFJ Morgan Stanley Securities, Nagashima Ohno & Tsunematsu and QuestHub, and approved the appointment of Mitsubishi UFJ Morgan Stanley Securities, Nagashima Ohno & Tsunematsu and QuestHub as the financial advisor and third-party valuation agent, the legal advisor and the strategic advisor of the Company, respectively. In addition, the Special Committee determined to receive expert advice from each advisor as necessary.

(Note 4) "Management buyout (MBO)" refers to a transaction in which the tender offeror conducts a tender offer under an agreement with the officers of the target company and in which the tender offeror shares common interests with the officers of the target company.

(Note 5) "American Depositary Shares" refers to the American depositary shares deposited with the Depositary Banks, which are represented by the American Depositary Receipts.

As described above, considering the fact that the Company had received a strategic proposal of

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

From February 29, 2024, the Company commenced the first-round process (the "First-Round Process"), in which the Company requested the Potential Partners, all of which are business companies, to submit initial statements of intent describing the background and purpose of their interest in the Company, the intended transaction structure, the economic terms of the transaction, the management policy after the transaction, and the method of financing the consideration for the transaction. In the First-Round Process, the Company disclosed and explained the business plan of the Company for three periods from the fiscal year ending March 2025 through the fiscal year ending March 2027 (the "Business Plan") to the Potential Partners and conducted interviews with them, and on April 30 of the same year, the Company received non-legally binding initial statements of intent (the "First Statements of Intent") from two of the Potential Partners, including the Tender Offeror. The First Statements of Intent submitted by the Tender Offeror included a non-legally binding initial statement of intent to set the tender offer price (the "Tender Offer Price") at 4,250 yen (a 60.74% premium on the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on the same day, which was 2,644 yen).

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

exclusive negotiation period until November 6 of the same year, which was the timing of the announcement of the Transaction that the Company had envisioned.

Subsequently, on October 8 of the same year, the Company requested the Tender Offeror to further raise the Tender Offer Price, as the Tender Offer Price did not fully reflect the intrinsic value that the Company could realize and in consideration of the premium level. However, on the 21st of the same month, the Company received a response from the Tender Offeror stating that it was difficult to further raise the Tender Offer Price. In response, on the 23rd of the same month, the Company requested the Tender Offeror to reconsider the Tender Offer Price. In addition, the Special Committee requested the Tender Offeror on the 24th of the same month through an interview to consider the Tender Offer Price again. In response, on the 28th of the same month, the Tender Offeror responded to the Company, stating that even after considering the request from the Special Committee to raise the Tender Offer Price, it would still be difficult to further raise the Tender Offer Price from 4,500 yen.

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

As a result of the consultations and negotiations described above, the Company reached an agreement with the Tender Offeror on the content of an agreement regarding business integration and the tender offer (the "Business Integration and Tender Offer Agreement"), including the Tender Offer Price and the Stock Acquisition Right Purchase Price.

On November 5, 2024, the Company received a report (the "Report") from the Special Committee stating that (i) the purpose of the Transaction is considered to be reasonable and the Transaction is considered to contribute to the enhancement of the corporate value of the Company, (ii) the terms and conditions of the Transaction (including the method of implementation (the method of implementing a series of procedures to make the Tender Offeror the sole shareholder of the Company and make the Company the Tender Offeror's wholly-owned subsidiary (the "Squeeze-Out Procedures") after the completion of the Tender Offer if the Tender Offeror is unable to acquire all of the Company Shares through the Tender Offer (including the Company Shares to be delivered upon exercise of the Stock Acquisition Rights but excluding the treasury shares owned by the Company) and all of the Stock Acquisition Rights) of the Transaction and the type of consideration for the Transaction) are considered to be appropriate, (iii) the procedures for the Transaction (including the process of selecting the Potential Partners) are considered to be fair, (iv) the Transaction is considered to be not disadvantageous to the Company's general shareholders (for the avoidance of doubt, the "general shareholders" here include "Minority Shareholders" as defined in the Securities Listing Regulations of the Tokyo Stock Exchange) in light of (i) through (iii), and (v) it is appropriate for the Company's Board of Directors to pass a resolution to (a) express an opinion in support of the Tender Offer, (b) recommend that the Company's shareholders tender in the Tender Offer, (c) recommend that the holders of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Company Shares related to the American Depositary Shares represented by their American Depositary Receipts, and (d) leave the decision to the Stock Acquisition Rights Holders as to whether or not to tender in the Tender Offer (For an overview of the Report, please refer to "B. Establishment of an Independent Special Committee by the Company and Obtainment of a Report from the Special Committee" in "(3) Measures to Ensure Fairness of the Transaction and Measures to Avoid Conflicts of Interest" in "3. Rationale, etc. for the Amount of Cash Expected to Be Delivered to the Shareholders in Compensation for

the Fractional Shares Resulting from the Share Consolidation" below).

As a result of multiple discussions and deliberations involving the top management of both companies through the Process, the Company has determined that the Transaction would realize the Company's "Vision for 2030" (Note 6) and, in turn, significantly contribute to the fulfilment of its corporate philosophy and purpose. Thus, the Company has decided to implement the Transaction. The main reasons for this decision are as follows:

(Note 6) In order to realize the Company's purpose of "unleashing the potential of people and networks, and creating a prosperous future by carrying on/inheriting tradition and making innovation happen," the Company has formulated the "Vision for 2030," which sets out the Company's medium- to long-term management goals and direction in relation to the four visions established by the Company, i.e., "acting with pride as a leading network company," "creating added value unique to Net One and achieving sustained growth," "continuing to be an elite group of people who train their minds and skills through continuous self-improvement," and "maintaining an appropriate profit structure to fulfill our responsibilities to a wide range of stakeholders."

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

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

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

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

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

Short- and medium-term expected effects:

1. Expansion of markets and customers that Company serves:

   While the Tender Offeror has strengths in terms of enterprise customers such as manufacturers and financial institutions, the Company conducts business not only with

enterprises but also with public institutions, telecommunications carriers and business partners, and thus the Company and the Tender Offeror have strengths in different markets and customers with different attributes. The Company believes that the Transaction will enable both companies to provide enhanced value to their existing customers through, among others, referring their customers to one another and proposing to their customers each other's services.

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

   The Company believes that the Transaction will strengthen the PBOO model that supports the lifecycle of the ICT infrastructure of both companies' customers, thereby enabling both companies to provide comprehensive support for solving customers' problems in a wider range of domains than before. Specifically, the Company believes that it is possible to strengthen both companies' service lines by complementing each other's products and solutions. The Company also believes that, by not only strengthening service lines and complementing each other but also building unique consulting services based on the operational track records of both companies, they can aim to provide unprecedented unique value. Furthermore, the Company believes that, as a result of research and development, by the discovery of new commercial materials and development of services through the integration of the knowledge and expertise of both companies, the two companies will also be able to strengthen their service lines to create new value that they would not be able to achieve individually.

3. Expansion of technology domains:

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

4. Management efficiency:

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

5. Creation of innovation:

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

activities involving customers and business partners and create new innovations, thereby contributing to the revitalization of the ICT industry in Japan.

6. Opportunities for personnel training:

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

In addition, in comparison with the stand-alone management option, although the Company believes that it will be able to realize the above-mentioned purpose even through management on a stand-alone basis, the Company determined that it can achieve the above-mentioned purpose in a more progressive way by proceeding with the Transaction together with the Tender Offeror. Specifically, the Company believes that, by integrating the management of the two companies based on the spirit of equality, they will be able to promote the utilization of digital platforms while providing services through vertical integration, and, as a result, strive to become a company that leads the digitalization of society, Japan and their customers comprehensively.

Moreover, the Company has determined that the Tender Offer Price and other terms and conditions of the Tender Offer are appropriate in light of the following: (a) the terms and conditions of the Transaction, including the Tender Offer Price, were obtained through the Process described in "A. Implementation of the Process" in "(3) Measures to Ensure Fairness of the Transaction and Measures to Avoid Conflicts of Interest" in "3. Rationale, etc. for the Amount of Cash Expected to Be Delivered to the Shareholders in Compensation for the Fractional Shares Resulting from the Share Consolidation" below and, as a result of the Company securing opportunities to receive proposals for enhancing its corporate value from multiple Potential Partners, there were no candidates which proposed more advantageous terms and conditions to the Company's shareholders and the Stock Acquisition Rights Holders (including the terms and conditions proposed in the First-Round Process) as compared to the proposal offered by the Tender Offeror; (b) in the process of determining the terms and conditions of the Transaction, as a result of negotiations and discussions through the Process, a reasonable increase in the Tender Offer Price was achieved and reasonable efforts were made to ensure that the Transaction would be conducted on terms as advantageous to the Company's general shareholders as possible; (c) with respect to the Tender Offer Price, according to the results of the share valuation of the Company Shares by Mitsubishi UFJ Morgan Stanley Securities as described in "D. Obtainment by the Company of a Share Valuation Report from an Independent Financial Advisor and Third-Party Valuation Agent" in "(3) Measures to Ensure Fairness of the Transaction and Measures to Avoid Conflicts of Interest" in "3. Rationale, etc. for the Amount of Cash Expected to Be Delivered to the Shareholders in Compensation for the Fractional Shares Resulting from the Share Consolidation" below, (i) the Tender Offer Price exceeds the range of the valuation results based on the market price analysis, (ii) the Tender Offer Price exceeds the range of the valuation results based on the comparable company comparison analysis, (iii) the Tender Offer Price is within the range of the valuation results based on the discounted cash flow analysis (the "DCF Analysis") and exceeds the midpoint of such range, (iv) while the premium level of the Tender Offer Price cannot necessarily be said to be high when compared with other similar cases, as the median premium levels for the 109 cases of tender offers (cases of tender offers with the premise of delisting, where the price-to-book ratio of the target company before the transaction was more than 1; excluding tender offers

for treasury shares, so-called discounted tender offers and tender offers which had not completed by the last day of September, 2024 when the negotiation began) announced on or after June 28, 2019, when the Ministry of Economy, Trade and Industry published its “Fair M&A Guidelines - Enhancing Corporate Value and Securing Shareholders' Interests” (the “Fair M&A Guidelines”), were 40.13% of the closing price on the business day before the announcement, 39.80% of the simple average of closing prices over the period of one month prior to the business day before the announcement, 41.66% of the simple average of closing prices over the period of three months prior to the business day before the announcement, and 42.62% of the simple average of closing prices for the period of six months prior to the business day before the announcement, considering that the share price of the Company Shares is in an upward phase and has recently been volatile, recording the highest price since the beginning of the year in terms of closing price three business days before the announcement, it is more appropriate to consider the share prices of the Company Shares over a longer period of time than to consider only the most recent share prices of the Company Shares, and thus the premium level of the Tender Offer Price cannot be said to be unreasonable when compared with the premium levels of other cases of tender offers, (v) the Tender Offer Prices can be said to be a price with a reasonable premium in light of the most recent other cases of tender offers, since the number of cases in which the premium level is relatively low has increased in the cases of successful tender offers in 2024 against the backdrop of the recent rise in the Nikkei Stock Average, and cases with a premium of less than 40% accounted for about 50%, and cases with a premium of less than 30% accounted for 20% to 30%, of the cases of successful tender offer cases in 2024, and (vi) the Tender Offer Price is above 3,970 yen, which is the highest closing price of the shares of the Company in the last three years, and 4,010 yen, which is the highest price during trading sessions in the last three years; (d) it cannot be said to be unreasonable to set the Stock Acquisition Right Purchase Price at 1 yen, considering that the Stock Acquisition Rights have been issued as stock options to the executives and employees of the Company and its subsidiaries and a Stock Acquisition Rights Holder may exercise the Stock Acquisition Rights only for the whole amount, within the exercise period of the Stock Acquisition Rights and only for a period commencing from the day following the day on which such Stock Acquisition Rights Holder ceases to hold all of his/her positions as any of the Company’s or its subsidiary’s director, audit and supervisory board member, executive officer or employee (excluding contract employees), until ten (10) days have passed from such following day (if the tenth (10th) day falls on a public holiday, until the following business day), but there are no Stock Acquisition Rights Holders who, by satisfying the terms and conditions to exercise the Stock Acquisition Rights, intend to exercise them, and the Tender Offeror cannot exercise the Stock Acquisition Rights even if the Tender Offeror acquires such Stock Acquisition Rights; and (e) there is nothing unreasonable in terms of the treatment of the American Depositary Receipts and the American Depositary Shares or in terms of the tender offer price per share of the Company Shares related to the American Depositary Shares represented by the American Depositary Receipts, in light of the facts that (x) when the Tender Offeror, a resident of Japan, intends to acquire the American Depositary Receipts in the Tender Offer conducted outside the United States, there is no financial instruments business operator, etc. that can make such treatment as a tender offer agent in practice and thus it is difficult for the Tender Offeror to acquire the American Depositary Receipts in the Tender Offer and that (y) the tender offer price per share of the Company Shares related to the American Depositary Shares represented by the American Depositary Receipts is set at the same price as the Tender Offer Price.

Based on the above, the Company resolved, at its Board of Directors meeting held on November

6, 2024, to the effect that it shall (i) express its opinion in support of the Tender Offer, (ii) recommend that the Company's shareholders tender their shares in the Tender Offer and the holders of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Company Shares related to the American Depositary Shares represented by their American Depositary Receipts, and (iii) leave the decision to the Stock Acquisition Rights Holders as to whether or not to tender in the Tender Offer.

Subsequently, as stated above, although the Tender Offer was successfully completed, the Tender Offeror failed to acquire all of the Company Shares and all of the Stock Acquisition Rights in the Tender Offer. Therefore, as described in the Expression of Opinion Press Release, the Company, at the request of the Tender Offeror, in order to make the Tender Offeror the sole shareholder of the Company, resolved at the Board of Directors meeting held today to submit a proposal at the Extraordinary Shareholders' Meeting for the Share Consolidation at the consolidation ratio stated in "2. Summary of the Share Consolidation" below, subject to the approval of the shareholders at the Extraordinary Shareholders' Meeting.

As a result of the Share Consolidation, the number of Company Share(s) held by the Company's shareholders other than the Tender Offeror is expected to be less than one share.

For details of the Transaction, please also refer to the Expression of Opinion Press Release.

2. Summary of the Share Consolidation

(1) Schedule of the Share Consolidation

| | |
|---|---|
| Date of public notice of the record date for convening the Extraordinary Shareholders' Meeting | December 11, 2024 |
| Record date for convening the Extraordinary Shareholders' Meeting | December 26, 2024 |
| Date of resolution at the meeting of the Board of Directors | January 14, 2025 |
| Date of the Extraordinary Shareholders' Meeting | February 18, 2025 (tentative) |
| Date of assignment of the Company Shares to the securities to be delisted | February 18, 2025 (tentative) |
| Last trading date of the Company Shares | March 17, 2025 (tentative) |
| Date of delisting of the Company Shares | March 18, 2025 (tentative) |
| Effective date of the Share Consolidation | March 21, 2025 (tentative) |

(2) Details of the Share Consolidation

A. Class of Shares to be Consolidated

Common shares

B. Consolidation Ratio

Every 15,908,000 shares of the Company Shares will be consolidated into one share.

C. Reduction in the Total Number of Outstanding Shares

79,211,926 shares

(Note) Since the Company resolved at the Board of Directors meeting held today to cancel its 1,096,770 treasury shares (equivalent to the total of 952,570 treasury shares held by the Company as of December 26, 2024, plus the 144,200 Company Shares granted as restricted stock remuneration to the Company's Executive Directors (excluding Outside Executive Directors and Executive Directors who are members of the Audit & Supervisory Committee) and Vice Presidents, which the Company intends to acquire without consideration on March 18, 2025) on March 19, 2025, the "Reduction in the Total Number of Outstanding Shares" is the total number of outstanding shares after the cancellation. The cancellation of the treasury shares is subject to the proposal relating to the Share Consolidation being approved as originally proposed at the Extraordinary Shareholders' Meeting.

D. Total Number of Outstanding Shares prior to the Effective Date of the Share Consolidation

79,211,930 shares

(Note) Since the Company resolved at the Board of Directors meeting held today to cancel its 1,096,770 treasury shares (equivalent to the total of 952,570 treasury shares held by the Company as of December 26, 2024, plus the 144,200 Company Shares granted as restricted stock remuneration to the Company's Executive Directors (excluding Outside Executive Directors and Executive Directors who are members of the Audit & Supervisory Committee) and Vice Presidents, which the Company intends to acquire without consideration on March 18, 2025) on March 19, 2025, the "Total Number of Outstanding Shares prior to the Effective Date of the Share Consolidation" is the total number of outstanding shares after the cancellation. The cancellation of the treasury shares is subject to the proposal relating to the Share Consolidation being approved as originally proposed at the Extraordinary Shareholders' Meeting.

E. Total Number of Outstanding Shares after the Effective Date of the Share Consolidation

4 shares

F. Total Number of Shares Authorized to be Issued as of the Effective Date of the Share Consolidation

16 shares

G. Method of Processing of Fractions Less Than One Share, and Amount of Cash Expected to Be Delivered to the Shareholders as a Result of the Processing of Fractions

(i) Whether the Company Intends to Proceed pursuant to Article 235, Paragraph 1 of the Companies Act, or Article 234, Paragraph 2 as Applied *Mutatis Mutandis* under Article 235, Paragraph 2 of the Companies Act, and the Reasons therefor

As described in "1. Purpose and Reasons for the Share Consolidation" above, due to the

Share Consolidation, the number of Company Share(s) held by each of the Company's shareholders other than the Tender Offeror is expected to be less than one share. With respect to the fractional shares resulting from the Share Consolidation, the Company will, in accordance with the procedures set out in Article 235 of the Companies Act (Act No. 86 of 2005, as amended; the same applies hereinafter) and other relevant laws and regulations, pay its shareholders who have such fractional shares cash obtained by selling the Company Share(s) equivalent to the total number of such fractional shares (if the total number includes a fraction of less than one share, the faction will be rounded down pursuant to the provisions of Article 235, Paragraph 1 of the Companies Act. The same applies hereinafter.) to the Company or the Tender Offeror or by other methods. With respect to such sale, in view of the facts that the Share Consolidation is to be carried out as part of the Transaction intended to make the Tender Offeror the Company's sole shareholder, and that the Company Shares will be delisted as of March 18, 2025 and will become non-marketable shares and therefore it is considered that the possibility of a new purchaser appearing through an auction process is low, the Company plans to sell the Company Share(s) equivalent to the total number of such fractional shares to the Tender Offeror with the permission of the court pursuant to the provisions of Article 234, Paragraph 2 of the Companies Act as applied *mutatis mutandis* under Article 235, Paragraph 2 of the Companies Act. If the above permission of the court is obtained as planned, the sale price in such case is planned to be set at a price that will result in the delivery of cash equivalent to the amount obtained by multiplying the number of Company Shares held by each shareholder in the Company's final shareholders' register as of March 19, 2025, which is the business day immediately preceding the effective date of the Share Consolidation, by 4,500 yen, which is the same amount as the Tender Offer Price. However, the amount of cash that will be actually delivered to the shareholders may differ from the above amount in cases where the Company is unable to obtain the permission of the court or it is necessary to make adjustments for fractions in the calculation or in other similar cases.

(ii) Name of a Person Who is Expected to Become the Purchaser of the Shares pertaining to the Sale

SCSK Corporation (the Tender Offeror)

(iii) Method by which a Person Who is Expected to Become the Purchaser of the Shares pertaining to the Sale Secures Funds for Payment of the Purchase Price pertaining to the Sale, and the Appropriateness of Such Method

The Tender Offeror will cover the funds for the acquisition of the Company Share(s) equivalent to the total number of fractions resulting from the Share Consolidation through its cash and deposits and loans to be provided by Sumitomo Mitsui Banking Corporation ("SMBC"), and the Company has confirmed the method by which the Tender Offeror will secure the funds by reviewing the deposit balance certificate dated November 6, 2024 pertaining to the deposit balance as of November 5, 2024 and the loan certificate dated November 6, 2024 regarding the loans to be provided by SMBC, which were submitted as attachments to the Tender Offer Registration Statement regarding the Tender Offer. In addition, according to the Tender Offeror, no event has occurred that might hinder the Tender Offeror's payment of the sale price for the Company Share(s) equivalent to the total number of fractional shares less than one share resulting from the Share

Consolidation, and the Tender Offeror is not aware of any possibility of such an event occurring in the future.

Based on the above, the Company has determined that the Tender Offeror's method of securing funds for the payment of the sale price for the Company Share(s) equivalent to the total number of fractional shares less than one share is appropriate.

(iv) Prospect of the Timing of the Sale and the Timing of Delivery of Proceeds from the Sale to Shareholders

The Company intends to file a petition with the court for permission to sell the Company Share(s) equivalent to the total number of fractional shares less than one share resulting from the Share Consolidation and have the Tender Offeror purchase such Company Share(s) by around late-March 2025 after the effective date of the Share Consolidation pursuant to the provisions of Article 234, Paragraph 2 of the Companies Act as applied *mutatis mutandis* under Paragraph 2 of Article 235 of the Companies Act. The timing of obtaining such permission may vary depending on, among others, the circumstances of the court, but the Company expects to sell the Company Shares by having the Tender Offeror purchase such shares by late-April 2025 with the permission of the court, and after making the necessary preparations to deliver the proceeds obtained through such sale to the Company's shareholders, the Company expects to deliver such proceeds to the shareholders from late-May 2025 to early-June 2025.

In consideration of the period required for the series of procedures pertaining to the sale from the effective date of the Share Consolidation, the Company has determined that at each timing as described above, the Company Share(s) equivalent to the total number of fractional shares less than one share resulting from the Share Consolidation will be sold and the proceeds obtained through such sale will be delivered to the Company's shareholders.

3. Rationale, etc. for the Amount of Cash Expected to Be Delivered to the Shareholders in Compensation for the Fractional Shares Resulting from the Share Consolidation

(1) Rationale and Reason for the Amount of Cash Expected to Be Delivered to the Shareholders in Compensation for the Fractional Shares

A. Matters Noted So That the Interests of the Shareholders Other Than the Parent Company and Subsidiaries (If Any) Are Not Impaired

The Share Consolidation is to be carried out as the second step of the so-called two-step acquisition process following the Tender Offer. As of November 6, 2024, the date on which the Tender Offeror decided to conduct the Tender Offer, the Company is not a subsidiary of the Tender Offeror, and the Tender Offer does not constitute a tender offer by a controlling shareholder. It is not planned that all or part of the Company's management will directly or indirectly invest in the Tender Offeror, and the Transaction, including the Tender Offer, does not constitute a so-called management buyout transaction. However, considering the fact that the Tender Offeror intends to make the Company a wholly-owned subsidiary of the Tender Offeror through the Transaction, the Company and the Tender Offeror have implemented the measures as stated in "(3) Measures to Ensure Fairness of the Transaction and Measures to Avoid Conflicts of Interest" below in order to ensure fairness of the Transaction, including

the Tender Offer, from the perspective of (i) ensuring fairness of the Transaction terms and conditions including the Tender Offer Price and the Stock Acquisition Right Purchase Price, (ii) eliminating arbitrariness in the decision-making process leading to the decision to conduct the Tender Offer and (iii) avoiding conflicts of interest.

B. Method of Processing of Fractions Less Than One Share, and Amount of Cash Expected to Be Delivered to the Shareholders as a Result of the Processing of Fractions and Matters Relating to the Appropriateness of Such Amount

The amount of cash expected to be delivered to the shareholders as a result of the processing of fractions will be the number of the Company Shares held by the shareholders recorded in the Company's final shareholders' register as of March 19, 2025, which is the business day immediately preceding the effective date of the Share Consolidation, multiplied by 4,500 yen, the same amount as the Tender Offer Price, as stated in "(i) Whether the Company Intends to Proceed pursuant to Article 235, Paragraph 1 of the Companies Act, or Article 234, Paragraph 2 as Applied *Mutatis Mutandis* under Article 235, Paragraph 2 of the Companies Act, and the Reasons therefor" in "G. Method of Processing of Fractions Less Than One Share, and Amount of Cash Expected to Be Delivered to the Shareholders as a Result of the Processing of Fractions" in "(2) Details of the Share Consolidation" in "2. Summary of the Share Consolidation" above.

The Company has determined that the Tender Offer Price is an appropriate price that ensures the benefits to be enjoyed by the Company's general shareholders in light of the following: (a) the Tender Offer Price was obtained through the Process described in "1. Purpose of and Reasons for the Share Consolidation" above and, as a result of the Company securing opportunities to receive proposals for enhancing its corporate value from multiple Potential Partners, there were no candidates which proposed more advantageous terms and conditions to the Company's shareholders and the Stock Acquisition Rights Holders (including the terms and conditions proposed in the First-Round Process) as compared to the proposal offered by the Tender Offeror; (b) in the process of determining the terms and conditions of the Transaction, as a result of negotiations and discussions through the Process, a reasonable increase in the Tender Offer Price was achieved and reasonable efforts were made to ensure that the Transaction would be conducted on terms as advantageous to the Company's general shareholders as possible; (c) the Tender Offer Price is the price agreed upon as a result of adequate negotiations with the Tender Offeror with the substantial involvement of the Special Committee, after adequate measures were taken to ensure fairness of the terms and conditions of the Transaction, including the Tender Offer Price, as described in "(3) Measures to Ensure Fairness of the Transaction and Measures to Avoid Conflicts of Interest" below; (d) according to the share valuation report (the "Share Valuation Report") as described in "D. Obtainment by the Company of a Share Valuation Report from an Independent Financial Advisor and Third-Party Valuation Agent" in "(3) Measures to Ensure Fairness of the Transaction and Measures to Avoid Conflicts of Interest" below, (i) the Tender Offer Price exceeds the range of the valuation results based on the market price analysis, (ii) the Tender Offer Price exceeds the range of the valuation results based on the comparable company comparison analysis, (iii) the Tender Offer Price is within the range of the valuation results based on the DCF Analysis and exceeds the midpoint of such range, (iv) while the premium level of the Tender Offer Price cannot necessarily be said to be high when compared with other similar cases, as the median premium levels for the 109 cases of tender offers (cases of tender offers with the premise of delisting, where the price-to-book ratio of the target company before the

transaction was more than 1; excluding tender offers for treasury shares, so-called discounted tender offers and tender offers which had not completed by the last day of September 2024 when the negotiation began) announced on or after June 28, 2019, when the Ministry of Economy, Trade and Industry published the "Fair M&A Guidelines, were 40.13% of the closing price on the business day before the announcement, 39.80% of the simple average of closing prices over the period of one month prior to the business day before the announcement, 41.66% of the simple average of closing prices over the period of three months prior to the business day before the announcement, and 42.62% of the simple average of closing prices for the period of six months prior to the business day before the announcement, considering that the share price of the Company Shares is in an upward phase and has recently been volatile, recording the highest price since the beginning of the year in terms of closing price three business days before the announcement, it is more appropriate to consider the share prices of the Company Shares over a longer period of time than to consider only the most recent share prices of the Company Shares, and thus the premium level of the Tender Offer Price cannot be said to be unreasonable when compared with the premium levels of other cases of tender offers, (v) the Tender Offer Price can be said to be a price with a reasonable premium in light of the most recent other cases of tender offers, since the number of cases in which the premium level is relatively low has increased in the cases of successful tender offers in 2024 against the backdrop of the recent rise in the Nikkei Stock Average, and cases with a premium of less than 40% accounted for about 50%, and cases with a premium of less than 30% accounted for 20% to 30%, of the cases of successful tender offer cases in 2024, and (vi) the Tender Offer Price is above 3,970 yen, which is the highest closing price of the shares of the Company in the last three years, and 4,010 yen, which is the highest price during trading sessions in the last three years, and based on the above points and other factors, the appropriateness of the terms and conditions of the Transaction is ensured; and (e) the Report dated November 5, 2024, obtained from the Special Committee, also concluded that the fairness and appropriateness of the terms and conditions of the Transaction (including the Tender Offer Price) have been ensured as described in "B. Establishment of an Independent Special Committee by the Company and Obtainment of a Report from the Special Committee" in " (3) Measures to Ensure Fairness of the Transaction and Measures to Avoid Conflicts of Interest" below.

In addition, the Company has confirmed that there have been no material changes to the terms and conditions that form the basis of the calculation of the Tender Offer Price from the time of the resolution at the Board of Directors meeting held on November 6, 2024, when the Company resolved to (i) express its opinion in support of the Tender Offer, (ii) recommend, respectively, that the Company's shareholders tender their shares in the Tender Offer and the holders of the American Depositary Receipts tender in the Tender Offer after receiving delivery of the Company Shares related to their American Depositary Receipts in advance, and (iii) leave the decision to the Stock Acquisition Rights Holders as to whether or not to tender in the Tender Offer, to the time of the resolution at the Board of Directors meeting held today, when the Board of Directors resolved to convene the Extraordinary Shareholders' Meeting.

Based on the above, the Company has determined that the amount of cash expected to be delivered to the shareholders as a result of the processing of fractions is appropriate.

C. Disposals by the Company of Material Assets, Assumption of Material Debts, and Other Events That Materially Affect the Company's Financial Condition After the Last Day of the Last Fiscal Year

(i) Tender Offer

As stated in "1. Purpose of and Reasons for the Share Consolidation" above, the Tender Offeror carried out the Tender Offer with the Tender Offer Period lasting from November 7, 2024 to December 18, 2024, and as a result, as of December 25, 2024 (the day of commencement of settlement of the Tender Offer), the Tender Offeror has come to hold 63,304,886 Company Shares (ownership ratio: 79.69%).

(ii) Revision of Dividend Forecast (Non-dividend Distribution)

As announced in "Notice Regarding Revision of Term-End Dividend Forecast for the Year Ending March 2025 (Non-dividend Distribution)" dated November 6, 2024, the Company passed a resolution at the Board of Directors meeting held on the same day to revise the dividend forecast for the year ending March 2025 and not to pay the term-end dividend for the year ending March 2025 on the condition that the Tender Offer is completed. For details, please refer to the content of the relevant announcement.

(iii) Cancellation of Treasury Shares

The Company resolved at the Board of Directors meeting held today to cancel its 1,096,770 treasury shares (equivalent to the 952,570 treasury shares held by the Company as of December 26, 2024, plus the 144,200 Company Shares granted as restricted stock remuneration to the Company's Executive Directors (excluding Outside Executive Directors and Executive Directors who are members of the Audit & Supervisory Committee) and Vice Presidents, which the Company intends to acquire without consideration on March 18, 2025) on March 19, 2025. The cancellation of the treasury shares is subject to the proposal relating to the Share Consolidation being approved as originally proposed at the Extraordinary Shareholders' Meeting, and the total number of outstanding shares of the Company after cancellation will be 79,211,930 shares.

(2) Prospects of Delisting

A. Delisting

As stated in "1. Purpose of and Reasons for the Share Consolidation" above, the Company will carry out the Share Consolidation subject to shareholders' approval at the Extraordinary Shareholders' Meeting, and make the Tender Offeror the sole shareholder of the Company. As a result, the Company Shares will be delisted through the prescribed procedures in accordance with the delisting criteria established by the Tokyo Stock Exchange. As for the schedule, the Company Shares are scheduled to be designated as securities to be delisted (*seiri meigara*) between February 18, 2025 and March 17, 2025 and subsequently delisted on March 18, 2025. After being delisted, the Company Shares will no longer be traded on the Tokyo Stock Exchange Prime Market.

B. Reasons for Pursuing Delisting

As stated in "1. Purpose of and Reasons for the Share Consolidation" above, the Company has determined that the privatization of the Company Shares through the Transaction will contribute to the enhancement of the corporate value of the Company.

C. Impact on Minority Shareholders and Rationale Therefor

As stated in "(B) Establishment of an Independent Special Committee by the Company and Obtainment of a Report from the Special Committee" in "(3) Measures to Ensure Fairness of the Transaction and Measures to Avoid Conflicts of Interest" below, on November 5, 2024, the Company received from the Special Committee the Report stating that the Transaction is not disadvantageous to the minority shareholders of the Company.

(3) Measures to Ensure Fairness of the Transaction and Measures to Avoid Conflicts of Interest

The Share Consolidation is to be carried out as the second step of the so-called two-step acquisition process following the Tender Offer. As of today, the Company is not a subsidiary of the Tender Offeror, and the Tender Offer does not constitute a tender offer by a controlling shareholder. It is not planned that all or part of the Company's management will directly or indirectly invest in the Tender Offeror, and the Transaction, including the Tender Offer, does not constitute a so-called management buyout (MBO) transaction. However, considering the fact that the Tender Offeror intends to make the Company a wholly-owned subsidiary of the Tender Offeror through the Transaction, the Company and the Tender Offeror have implemented the following measures in order to ensure fairness of the Transaction, including the Tender Offer, from the perspective of (i) ensuring fairness of the Transaction terms and conditions including the Tender Offer Price and the Stock Acquisition Right Purchase Price, (ii) eliminating arbitrariness in the decision-making process leading to the decision to conduct the Tender Offer and (iii) avoiding conflicts of interest. Of the measures set out below, statements regarding the measures that have been implemented by the Tender Offeror are based on the explanations given by the Tender Offeror.

A. Implementation of the Process

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

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

(i) Process of Establishment of the Special Committee, etc.

As stated in "1. Purpose of and Reasons for the Share Consolidation" above, by a resolution at the Company's Board of Directors Meeting held on February 28, 2024, the Company established the Special Committee consisting of three members, i.e., Ms. Maya Ito (the Company's Independent Outside Executive Director), Mr. Kazuhiro Noguchi (the Company's Independent Outside Executive Director and Full-time Member of the Audit & Supervisory Committee) and Mr. Masayoshi Wada (the Company's Independent Outside Executive Director), who are independent from the Company and the Tender Offeror. Ms. Maya Ito was nominated as the Chairperson of the Special Committee among the members of the Special Committee. The members of the Special Committee have not changed since its establishment. In addition, it has been decided that a fixed amount of remuneration is to be paid to each member of the Special Committee as compensation for his or her duties regardless of the contents of their report, and such remuneration does not include contingency fees, which are payable subject to completion of the Transaction.

Subsequently, as stated in "1. Purpose of and Reasons for the Share Consolidation" above, while establishing the Special Committee by a resolution at its Board of Directors Meeting, the Company consulted with the Special Committee regarding (i) the reasonableness of the purpose of the Transaction (including whether the Transaction will contribute to the enhancement of the corporate value of the Company), (ii) the appropriateness of the terms and conditions of the Transaction (including the appropriateness of the method of implementation of, and the type of consideration for the Transaction), (iii) fairness of the procedures for the Transaction (including the process of selecting the potential partners), (iv) whether the Transaction is not disadvantageous to the Company's general shareholders in light of (i) through (iii), and (v) the propriety for the Company's Board of Directors, in the event that the Transaction involves a tender offer for the Company Shares, the Stock Acquisition Rights, and the American Depositary Receipts, to (x) express an opinion in support of the Tender Offer, (y) recommend that the Company's shareholders and the Stock Acquisition Rights Holders tender in the Tender Offer; and (z) recommend that the holders of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Company Shares related to the American Depositary Shares represented by their American Depositary Receipts. Further, in regards to establishing the Special Committee, the Company's Board of Directors passed a resolution that the decisions of the Company's Board of Directors shall be made with the highest degree of respect for the opinion of the Special Committee. Moreover, the Company's Board of Directors passed a resolution that it would authorize the Special Committee (i) to secure conditions in which the Special Committee would be able to substantially affect the process of negotiations regarding the transaction terms and conditions by, among others, reviewing in advance the policy for the negotiations between the Company and the Potential Partners, receiving reports on the status of such negotiations in a timely manner, and expressing its opinion, giving directions and making requests in crucial phases of such negotiations, (ii) to appoint its own advisors at the Company's expense if necessary when deliberating and making decisions regarding the Consulted Matters or approve (including ex post facto approval) the advisors selected by the Company, and to receive from such advisors expert advice as necessary, and (iii) to

collect or receive from the Company's officers and employees and advisors information that is necessary for deliberating and making decisions regarding the Consulted Matters.

(ii) Process of Review

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

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

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

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

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

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

(iii) Decisions by the Special Committee

Under the above circumstances, the Special Committee submitted the Report outlined below to the Company's Board of Directors on November 5, 2024, with the unanimous agreement of its members, as a result of carefully and repeatedly discussing and

deliberating the Consulted Matters, taking into consideration the legal advice from Nagashima Ohno & Tsunematsu, the advice from a financial perspective from Mitsubishi UFJ Morgan Stanley Securities, and the content of the Share Valuation Report submitted on the same day.

(a) Contents of the Report

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

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

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

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

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

(b) Rationale of the Report

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

The Special Committee believes that the explanations on the significance and purpose of the Transaction by the management teams of the Tender Offeror and the Company are reasonable. In addition, the explanations by the Tender

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

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

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

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

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

With respect to the Tender Offer Price, the appropriateness of the terms and conditions of the Transaction is determined to be ensured considering, among others, the following: (i) the Tender Offer Price exceeds the range of the valuation results based on the market price analysis; (ii) the Tender Offer Price exceeds the range of the valuation results based on the comparable company comparison analysis; (iii) the Tender Offer Price is within the range of the valuation results based on the DCF Analysis and exceeds the midpoint of such range; (iv) while the premium level of the Tender Offer Price cannot necessarily be said to be high when compared with other similar cases, as the median premium levels for the 109 cases of tender offers (cases of tender offers with the premise of delisting, where the price-to-book ratio of the target company before the transaction was more than 1; excluding tender offers for treasury shares, so-called discounted tender offers and tender offers which had not completed by the last day of September, 2024 when the negotiation began) announced on or after June 28, 2019, when the Ministry of Economy, Trade and Industry published the Fair M&A Guidelines, were 40.13% of the closing price on the business day before the announcement, 39.80% of the simple average of closing prices over the period of one month prior to the business day before the announcement, 41.66% of the simple average of closing prices over the period of three months prior to the business day before the announcement, and 42.62% of the simple average of closing prices for the period of six months prior to the business day before the announcement, considering that the share price of the Company Shares is in an upward phase and has recently been volatile, recording the highest price since the beginning of the year in terms of closing price three business days before the announcement, it is more appropriate to consider the share prices of the Company Shares over a longer period of time than to consider only the most recent share prices of the Company Shares, and thus the premium level of the Tender Offer Price cannot be said to be unreasonable when compared with the premium levels of other cases of tender offers; (v) the Tender Offer Price can be said to be a price with a reasonable premium in light of the most recent other cases of tender offers, since the number of cases in which the premium level is relatively low has increased in the cases of successful tender offers in 2024 against the backdrop of the recent rise in the Nikkei Stock Average, and cases with a premium of less than 40% accounted for about 50%, and cases with a premium of less than 30% accounted for 20% to 30%, of the cases of successful tender offer cases in 2024; and (vi) the Tender Offer Price is above 3,970 yen, which is the highest closing price of the shares of the Company in the last three years, and 4,010 yen, which is the highest price during trading sessions in the last three years. In addition, given, among others, that the Stock Acquisition Rights have been issued as stock options to the executives and employees of the Company and its subsidiaries, it cannot be said to be unreasonable to set the Stock Acquisition Right Purchase Price at 1 yen, and further, there is nothing unreasonable in terms of the treatment of the American Depositary Receipts and the American Depositary Shares or in terms of the tender offer price per share of the Company Shares related to the American Depositary Shares represented by the American Depositary Receipts.

The Transaction is to be carried out in two steps: in the first step, the Tender Offeror will conduct the Tender Offer by setting a minimum number of shares to be purchased at the number of shares which will result in the Tender Offeror's holding of two-thirds or more of the total number of voting rights of the Company when acquired; and in the second step, the Tender Offeror will implement the Squeeze-Out Procedures through the Demand for Share Cash-out (which refers to a demand made to all shareholders of the Company (excluding the Tender Offeror and the Company), pursuant to the provisions of Part II, Chapter 2, Section 4-2 of the Companies Act, for the sale of all of the Company Shares that they own) or the Share Consolidation method. Such scheme is a method commonly used to delist a listed company, and shareholders of the Company who are not satisfied with the Tender Offer Price can file a petition with the court for determination of the price after requesting the purchase of their shares.

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

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

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

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

In accordance with the Fair M&A Guidelines, (i) the Company has established the Special Committee which fulfills the role that a special committee is supposed to serve according to the Fair M&A Guidelines, (ii) the Company has obtained, among others, expert advice from outside experts, (iii) measures have been taken to ensure the opportunity for other offerors to conduct a tender offer for the Company Shares, (iv) in this press release, sufficient disclosure, including disclosure of important information that will help general shareholders make judgments about the appropriateness of the terms of the transaction, is made, and it is recognized that sufficient information is being provided to general shareholders, and (v) it is recognized that measures are being taken to eliminate coercion against the Company's general shareholders in relation to the Transaction. Considering the above, it is recognized, with respect to the Transaction, from both (a) the perspective of securing a situation in which reasonable efforts would be made, in the process of determining the terms and conditions of the Transaction, to ensure

that the Transaction would be conducted on terms as advantageous to the general shareholders and the Stock Acquisition Rights Holders as possible on an arm's length basis, while enhancing the corporate value of the Company, and (b) the perspective of securing an opportunity for general shareholders to make appropriate decisions based on sufficient information (see 2.4 of the Fair M&A Guidelines), that measures to secure fairness were adopted with substance necessary and sufficient for the Transaction, and that such measures to secure fairness are actually being implemented effectively.

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

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

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

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

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

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

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

As stated in "1. Purpose of and Reasons for the Share Consolidation" above, the Company appointed Nagashima Ohno & Tsunematsu as its legal advisor independent from the Potential Partners, including the Tender Offeror, and the Company and received from Nagashima Ohno & Tsunematsu legal advice including advice concerning measures to be taken to ensure fairness of the procedures in the Transaction, various procedures of the Transaction, and the method, process, etc. of the Company's decision-making regarding the Transaction.

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

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

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

Mitsubishi UFJ Morgan Stanley Securities is not a related party of the Potential Partners, including the Tender Offeror, or the Company and does not have any significant interest in relation to the Transaction including the Tender Offer. In addition, Mitsubishi UFJ Morgan Stanley Securities is a company which has the same parent company as MUFG Bank, Ltd. ("MUFG Bank"), and MUFG Bank conducts loan transactions with the Company as part of ordinary banking transactions. According to Mitsubishi UFJ Morgan Stanley Securities, in accordance with applicable laws and regulations, such as Article 36, Paragraph 2 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) and Article 70-4 of the Cabinet Office Order on Financial Instruments Business (Cabinet Office Order No. 52 of 2007, as amended), as measures to prevent adverse effects, appropriate conflict of interest management systems, such as information barrier measures to strictly manage the Company's information, have been established and implemented between, and within each of, Mitsubishi UFJ Morgan Stanley Securities as a financial advisor and MUBG Bank. Therefore, Mitsubishi UFJ Morgan Stanley Securities provides services as a financial advisor without being affected by the judgment of MUFG Bank and calculated the share value of the Company Shares from an independent standpoint. Considering that a strict information management system has been established in respect of the information management between, and within each of, Mitsubishi UFJ Morgan Stanley Securities and MUBG Bank, the Company appointed Mitsubishi UFJ Morgan Stanley Securities as its financial advisor and third-party

valuation agent independent from the Potential Partners, including the Tender Offeror, and the Company. The Special Committee confirmed that there was no problem in terms of the independence of Mitsubishi UFJ Morgan Stanley Securities and approved the appointment of Mitsubishi UFJ Morgan Stanley Securities as the financial advisor and third-party valuation agent of the Company. Further, since the Company deems that sufficient consideration has been given to the interests of the Company's general shareholders in light of the other measures to ensure fairness of the Tender Offer Price and the measures to avoid conflicts of interest implemented in the Transaction, the Company has not obtained from Mitsubishi UFJ Morgan Stanley Securities any opinion concerning the fairness of the Tender Offer Price (fairness opinion).

The remuneration for Mitsubishi UFJ Morgan Stanley Securities includes contingency fees to be paid subject to conditions such as the completion of the Transaction. Considering general customary practices in similar kinds of transactions and the propriety of the renumeration system that would cause the Company to incur a reasonable monetary burden even in the event of a failure of completion of the Transaction, the Company determined that the independence of Mitsubishi UFJ Morgan Stanley Securities would not be denied by the fact that the remuneration for Mitsubishi UFJ Morgan Stanley Securities includes contingency fees to be paid subject to the completion of the Tender Offer and, accordingly, appointed Mitsubishi UFJ Morgan Stanley Securities as its financial advisor and third-party valuation agent based on the above remuneration system.

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

As stated in "C. Process and Reasons for Decision-Making by the Company" in "1. Purpose of and Reasons for the Share Consolidation" above, the Company's Board of Directors carefully discussed and deliberated whether the Transaction including the Tender Offer will contribute to the enhancement of the corporate value of the Company and whether the terms and conditions of the Transaction including the Tender Offer Price are appropriate, taking into consideration the legal advice from Nagashima Ohno & Tsunematsu, advice from a financial perspective from Mitsubishi UFJ Morgan Stanley Securities, and the content of the Share Valuation Report, with the highest degree of respect for the content of the decisions of the Special Committee expressed in the Report.

As a result, as stated in "1. Purpose of and Reasons for the Share Consolidation" above, the Company has determined that the Transaction will contribute to the enhancement of the corporate value of the Company and that the terms and conditions of the Transaction including the Tender Offer Price are appropriate. Accordingly, the Company resolved, at its Board of Directors meeting held on November 6, 2024 and with unanimous approval of all of the Company's disinterested directors who participated in the deliberation and resolution (including those who are the members of the Audit & Supervisory Committee) (unanimous approval of all of the Company's nine directors), to the effect that it shall (i) express its opinion in support of the Tender Offer, (ii) recommend that the Company's shareholders tender their shares in the Tender Offer and the holders of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Company Shares related to the American Depositary Shares represented by their

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

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

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

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

Moreover, as stated in "1. Purpose of and Reasons for the Share Consolidation" above, the Company decided to perform the Transaction with the Tender Offeror after providing several Potential Partners, including the Tender Offeror, an opportunity to make a proposal through the implementation of the Process. Therefore, it can be said that the Transaction came to be performed after other transaction opportunities, such as the purchase of the Company Shares and the Stock Acquisition Rights by persons other than the Tender Offeror, was provided proactively.

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

4. Future Prospects

As a result of the implementation of the Share Consolidation, as stated in "A. Delisting" in "(2) Prospects of Delisting" in "3. Rationale, etc. for the Amount of Cash Expected to Be Delivered to the Shareholders in Compensation for the Fractional Shares Resulting from the Share Consolidation" above, the Company Shares are scheduled to be delisted.

5. Details of Transactions, etc. with a Controlling Shareholder

(1) Status of Compliance with Policies relating to Protection of Minority Shareholders in Transactions, etc. with the Controlling Shareholder

Since the Tender Offeror became a parent company of the Company as of the commencement date of the settlement of the Tender Offer (December 25, 2024), transactions relating to the Share Consolidation constitute transactions with a controlling shareholder. In the Corporate Governance Report disclosed by the Company on June 27, 2024, the Company did not establish the "guidelines relating to policies to protect minority shareholders in transactions,

etc. with the controlling shareholder." However, the Company's policy is that, in conducting transactions, etc. with the controlling shareholder, it takes measures to ensure fairness of the content and terms and conditions of the transactions, such as obtaining advice from attorneys and third-party institutions, etc. as necessary, and the Board of Directors makes decisions after careful deliberation and takes appropriate actions so as not to harm the interests of minority shareholders.

In relation to the Transaction including the Tender Offer, the Company has taken measures as stated in "(3) Measures to Ensure Fairness of the Transaction and Measures to Avoid Conflicts of Interest" in "3. Rationale, etc. for the Amount of Cash Expected to Be Delivered to the Shareholders in Compensation for the Fractional Shares Resulting from the Share Consolidation" above, and the Company believes that such actions are in compliance with the above policy.

(2) Details of Measures for Ensuring Fairness and Measures to Avoid Conflicts of Interest

Please refer to "(3) Measures to Ensure Fairness of the Transaction and Measures to Avoid Conflicts of Interest" in "3. Rationale, etc. for the Amount of Cash Expected to Be Delivered to the Shareholders in Compensation for the Fractional Shares Resulting from the Share Consolidation" above.

(3) Overview of Opinion Obtained from a Person Having No Conflicts of Interest with the Controlling Shareholder that the Transaction is Not Disadvantageous to Minority Shareholders

As stated in "B. Establishment of an Independent Special Committee by the Company and Obtainment of a Report from the Special Committee" in "(3) Measures to Ensure Fairness of the Transaction and Measures to Avoid Conflicts of Interest" in "3. Rationale, etc. for the Amount of Cash Expected to Be Delivered to the Shareholders in Compensation for the Fractional Shares Resulting from the Share Consolidation" above, the Company received the Report submitted from the Special Committee on November 5, 2024, stating that the resolution to conduct the Transaction at the Company's Board of Directors is not disadvantageous to the Company's minority shareholders. In addition, since the Report refers to the Transaction including the Share Consolidation, the Company has not obtained another opinion from a person having no conflicts of interest with the Controlling Shareholder in implementing the Share Consolidation.

II. Abolition of Provision on Share Units

1. Reason for Abolition

If the Share Consolidation becomes effective, the number of outstanding shares of the Company will be 4 shares, which will eliminate the need for the provision on share units.

2. Scheduled Date of Abolition

March 21, 2025

3. Condition for Abolition

The provision on share units shall be abolished subject to the condition that the proposal concerning the Share Consolidation and the proposal concerning the partial amendments to the Articles of Incorporation regarding the abolition of the provision on share units (for details, please refer to "III. Partial Amendments to the Articles of Incorporation" below) are approved at the Extraordinary Shareholders' Meeting as originally proposed and the Share Consolidation becomes effective.

III. Partial Amendments to the Articles of Incorporation

1. Purpose of the Amendments to the Articles of Incorporation

(1) If the proposal concerning the Share Consolidation is approved as originally proposed and the Share Consolidation becomes effective, the total number of the Company Shares authorized to be issued will be reduced to 16 shares pursuant to the provisions of Article 182, Paragraph 2 of the Companies Act. In order to clarify this point, Article 6 (Total Number of Shares Authorized to be Issued by the Company) of the current Articles of Incorporation shall be amended subject to the condition that the Share Consolidation becomes effective.

(2) If the proposal concerning the Share Consolidation is approved as originally proposed and the Share Consolidation becomes effective, the total number of outstanding shares of the Company will be 4 shares, which will eliminate the need for the provision on share units. As such, subject to the condition that the Share Consolidation becomes effective, the entire text of Article 7 (Number of Shares Constituting One Unit of Shares) of the current Articles of Incorporation shall be deleted in order to abolish the provision on share units, which currently stipulates one hundred shares per unit, and the number of articles associated with such amendment shall be renumbered.

(3) If the proposal concerning the Share Consolidation is approved as originally proposed and the Share Consolidation becomes effective, the Tender Offeror will become the sole shareholder of the Company, which will eliminate the need for the provision on record date for ordinary shareholders' meeting. As such, subject to the condition that the Share Consolidation becomes effective, the entire text of Article 11 (Record Date for Ordinary Shareholders' Meeting) of the current Articles of Incorporation shall be deleted, and the number of articles associated with such amendment shall be renumbered.

(4) If the proposal concerning the Share Consolidation is approved as originally proposed and the Share Consolidation becomes effective, the Company Shares will be delisted as a result of the implementation of the Share Consolidation, and the Tender Offeror will become the sole shareholder of the Company, which will eliminate the need for the provision measures for electronic provision of materials for general meeting of shareholders. As such, subject to the condition that the Share Consolidation becomes

effective, the entire text of Article 16 (Measures for Electronic Provision, Etc.) of the current Articles of Incorporation shall be deleted, and the number of articles associated with such amendment shall be renumbered.

2. Details of the Amendments to the Articles of Incorporation

The details of the amendments to the Articles of Incorporation are as follows.

(Underlines indicate portions that are to be amended.)

| Current Articles of Incorporation | Proposed Amendments |
|---|---|
| Articles 1 to 5 (Omitted) | Articles 1 to 5 (Unchanged) |
| Article 6 (Total Number of Shares Authorized to be Issued by the Company)<br>The total number of shares authorized to be issued by the Company shall be two hundred million (200,000,000) shares. | Article 6 (Total Number of Shares Authorized to be Issued by the Company)<br>The total number of shares authorized to be issued by the Company shall be sixteen (16) shares. |
| Article 7 (Number of Shares Constituting One Unit of Shares)<br>The number of shares constituting one unit of shares of the Company shall be one hundred (100). | (Deleted) |
| Articles 8 to 10 (Omitted) | Articles 7 to 9 (Unchanged) |
| Article 11 (Record Date for Ordinary Shareholders' Meeting)<br>The record date for ordinary shareholders' meeting shall be March 31 every year. | (Deleted) |
| Articles 12 to 15 (Omitted) | Articles 10 to 13 (Unchanged) |
| Article 16 (Measures for Electronic Provision, Etc.)<br>1. In the convocation of general meetings of shareholders, the Company shall provide electronically information that is the content of reference documents for the general meeting of shareholders, etc.<br>2. Of the matters to which electronic provision measures apply, the Company may choose not to record all or part of | (Deleted) |

| | |
|---|---|
| matters stipulated in the Ordinance of the Ministry of Justice in the physical documents provided to shareholders who made requests for the provision of physical documents by the record date for the voting rights. | |
| Articles 17 to 29 (Omitted) | Articles 14 to 26 (Unchanged) |
| (Supplementary Provisions) (Omitted) | (Supplementary Provisions) (Unchanged) |

3. Scheduled Date of the Amendments to the Articles of Incorporation

March 21, 2025

4. Condition for the Amendments to the Articles of Incorporation

The Articles of Incorporation shall be amended subject to the condition that the proposal concerning the Share Consolidation and the proposal concerning the amendment to the Articles of Incorporation relating to the abolition of the provision on share units are approved at the Extraordinary Shareholders' Meeting as originally proposed and the Share Consolidation becomes effective.

IV. Appointment of an Executive Director

1. Purpose of the Appointment of the Executive Director

An Executive Director will be appointed in order to promote business integration with the Tender Offeror, etc.

The candidate was selected based on the report of the voluntary Nomination Advisory Committee, which is composed exclusively of independent Outside Executive Directors. It has been reported by the Audit & Supervisory Committee that, as a result of examining the policy and process of determination with respect to the candidate on which the Nomination Advisory Committee has reported to the Board of Directors, the policy and process have been determined to be appropriate and the candidate is suitable as the Company's Executive Director (excluding an Executive Director who is a member of the Audit & Supervisory Committee).

2. Change of Executive Director

The candidate for an Executive Director (excluding an Executive Director who is a member of the Audit & Supervisory Committee) is as follows.

| | |
|---|---|
| Name | Tsutomu Ozaki |
| Date of birth | July 29, 1963 |

| | | |
|---|---|---|
| New appointment / Reappointment | New appointment | |
| Career summary | April 1987 | Joined Sumitomo Corporation |
| | April 2016 | Corporate Officer of Sumitomo Corporation<br>Assistant General Manager for Middle East |
| | April 2017 | Corporate Officer of Sumitomo Corporation<br>Assistant General Manager for Middle East<br>Managing Director of Sumitomo Corporation Middle East FZE |
| | April 2018 | Corporate Officer of Sumitomo Corporation<br>Assistant General Manager for Middle East<br>COO of Sumitomo Corporation Middle East Group<br>Managing Director of Sumitomo Corporation Middle East FZE |
| | April 2019 | Corporate Officer of Sumitomo Corporation<br>Assistant General Manager for Europe, Middle East, Africa & CIS General Manager, European Corporate<br>Management Unit, Sumitomo Corporation Europe Group |
| | April 2020 | Executive Officer of Sumitomo Corporation<br>Assistant General Manager for Europe, Middle East, Africa & CIS General Manager, European Corporate<br>Management Unit, Sumitomo Corporation Europe Group |
| | April 2021 | Executive Officer of Sumitomo Corporation<br>General Manager, Planning & Coordination Dept., Media & Digital Business Unit |
| | April 2023 | Managing Executive Officer of Sumitomo Corporation<br>Assistant to General Manager, Media & Digital Business Unit<br>Concurrent position as Senior Managing Executive Officer of SCSK Corporation |

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|---|---|---|
| | June 2023 | Director of SCSK Corporation<br>Senior Managing Executive Officer<br>Chief Information Security Officer<br>General Manager, Legal & Risk Management |
| | April 2024 | Director of SCSK Corporation<br>Senior Managing Executive Officer<br>Chief Information Security Officer<br>General Manager, General Affairs & Legal & Risk Management<br>General Manager, Global |
| | October 2024 | Director of SCSK Corporation (present)<br>Senior Managing Executive Officer (present)<br>Chief Information Security Officer (present)<br>General Manager, General Affairs & Legal & Risk Management (present)<br>General Manager, Global (present)<br>General Manager, ProActive Business Solutions (present)<br><br>Significant concurrent positions<br>Director of SCSK Corporation |
| Number of the Company's shares owned | 0 Shares | |
| Reasons for selection as a candidate for an Executive Director | Mr. Tsutomu Ozaki has extensive experience and broad knowledge of legal affairs and risk management through his work at Sumitomo Corporation and SCSK Corporation. The Board of Directors expects that he will contribute to the promotion of business integration with the Tender Offeror based on the experience and knowledge he has cultivated in his career to date; therefore, the Board of Directors has selected him as a candidate for an Executive Director. | |

(Note) 1. SCSK Corporation is currently the parent company of the Company.

2. The Company has entered into the Business Integration and Tender Offer Agreement with SCSK Corporation. There are no other special interests between Mr. Ozaki and the Company.

3. If the appointment of Mr. Ozaki is approved, the Company plans to enter into a

limited liability agreement with him to limit the liability as provided for in Article 423, Paragraph 1 of the Companies Act to the amount stipulated in applicable laws and regulations.

4. The Company has entered into an agreement of directors and officers liability insurance policy as provided for by Article 430-3, Paragraph 1 of the Companies Act with an insurance company. If claim for damages is made by shareholder(s), third parties, etc., the compensation for the damage, fees for legal actions, etc. shall be covered by the insurance agreement. Mr. Ozaki will be included in the coverage of the insurance agreement. Additionally, the Company plans to renew the insurance agreement under the same conditions.

3. Scheduled Date of Change of Executive Director

February 18, 2025

End