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November 13, 2026

To Whom It May Concern

Company name: Watami Co., Ltd. (Code No. 7522, Tokyo Stock Exchange Prime Market)
Name of representative: Miki Watanabe, Representative Director, Chairman, President and CEO
Contact: Eisuke Horinouchi, Manager, Corporate Planning Division
(Tel: +81-3-5737-2784)

Notice Regarding Implementation of MBO and Recommendation to Tender

At a meeting of its Board of Directors held today, the Company resolved, as described below, to express its opinion in support of the tender offer (the "Tender Offer") for the common shares of the Company (Note 2) (the "Company Shares") to be conducted by Wisdom Co., Ltd. (the "Tender Offeror") as part of a so-called management buyout (MBO) (Note 1), and to recommend that the Company's shareholders tender their shares in the Tender Offer, and hereby announces the same.

The above resolution of the Board of Directors was adopted on the premise that the Tender Offeror intends, through the Tender Offer and a series of subsequent procedures, to make itself the sole shareholder of the Company as recorded in the Company's shareholder register and to take the Company Shares private, and that the Company Shares are expected to be delisted.

(Note 1) "Management buyout (MBO)" generally refers to a tender offer in which the tender offeror is an officer of the target company, or is a person that conducts the tender offer at the request of an officer of the target company and shares common interests with the officer of the target company.

(Note 2) As of today, in addition to the Company Shares, the Company has issued 120 shares of Class A Preferred Stock (the "Preferred Shares"). Because the Preferred Shares are shares without voting rights and the Articles of Incorporation do not provide that shares with voting rights will be delivered in exchange for the acquisition of such shares, the Preferred Shares fall under Article 2, Item 1 of the Cabinet Office Ordinance on Disclosure Required for Tender Offers for Share Certificates, Etc. by Persons Other Than Issuers (Ministry of Finance Ordinance No. 38 of 1990, as amended), which specifies securities not included in the "share certificates, etc." defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the "Act") and Article 6, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; the "Order"), and are not subject to the obligation to solicit all holders under Article 27-2, Paragraph 5 of the Act and Article 8, Paragraph 5, Item 3 of the Order; accordingly, no offer to purchase or solicitation of an offer to sell will be made for the Preferred Shares in the Tender Offer.

Details

1. Overview of the Tender Offeror

(1)	Name	Wisdom Co., Ltd.
(2)	Address	1-1-3 Haneda, Ota-ku, Tokyo (Note 1)
(3)	Title and Name of Representative	Miki Watanabe, Representative Director (Note 2)

(4)	Business Activities	Acquiring and holding shares of the Company	
(5)	Capital	JPY 500,000	
(6)	Date of Incorporation	October 2, 2026	
(7)	Major Shareholders and Shareholding Ratios	Keniten Co., Ltd.	100%
(8)	Relationship Between the Company and the Tender Offeror		
	Capital Relationship	As of today, the Tender Offeror owns 100 Company Shares (Ownership Ratio (Note 3): 0.00%) (Note 4). In addition, Keniten Co., Ltd. ("Keniten"), the wholly-owning parent company of the Tender Offeror, owns 11,460,425 Company Shares (Note 5) (Ownership Ratio: 28.57%) as of today and is an other affiliated company of the Company.	
	Personnel Relationships	As of today, Mr. Miki Watanabe ("Mr. Watanabe"), the Representative Director, Chairman, President, and CEO of the Company, concurrently serves as the Representative Director of the Tender Offeror.	
	Business Relationships	Not applicable.	
	Status as a Related Party	The Tender Offeror is wholly owned by Keniten which holds all of its voting rights, an other affiliated company of the Company, and therefore constitutes a related party of the Company.	

(Note 1) While the Tender Offeror's registered address as of November 11, 2026 is 2-16-12 Haginaka, Ota-ku, Tokyo, it relocated its head office to 1-1-3 Haneda, Ota-ku, Tokyo on November 12, 2026, and as of today an application to register the change of address is pending.

(Note 2) The Tender Offeror was established with Ms. Akiko Kikumoto as its director at incorporation. Subsequently, as of November 12, 2026, the Tender Offeror received a notice of resignation as director from Ms. Akiko Kikumoto, and Mr. Watanabe assumed office as Representative Director of the Tender Offeror. As of today, an application to register the change of Representative Director is pending.

(Note 3) "Ownership Ratio" refers to the ratio (rounded to two decimal places) to the number of shares (40,113,202 shares; the "Reference Share Number") obtained by deducting the number of treasury shares held by the Company as of September 30, 2026 (2,571,678 shares), as stated in the "Summary of Consolidated Financial Results for the Second Quarter (Interim Period) of the Fiscal Year Ending March 31, 2027 (Under Japanese GAAP)" published by the Company today (the "Company's Financial Results"), from the total number of issued and outstanding common shares as of the same date (42,684,880 shares) as stated in the Company's Financial Results. The same applies hereinafter to references to the Ownership Ratio.

(Note 4) For the purpose of making a request to the Company to inspect and copy its shareholder register, with November 13, 2026 as the acquisition date, the Tender Offeror acquired 100 Company Shares from an employee of the Company through a private transaction at JPY 858 per share, being the closing price of the Company Shares on the Prime Market of Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange") on the business day immediately before the acquisition date (the "Private Transaction").

(Note 5) Such 11,460,425 shares represent the aggregate of the 9,760,425 shares directly owned by Keniten (Ownership Ratio: 24.33%; the "Keniten Directly Owned Shares") and all of the Company Shares held in the name of Sumitomo Mitsui Trust Bank, Limited ("Sumitomo Mitsui Trust Bank") and entrusted to it under the Collateral Share Management and Disposal Trust Agreement dated June 28, 2024 entered into by and between Keniten as settlor and Sumitomo Mitsui Trust Bank as trustee (the "Trust Agreement") (1,700,000 shares; Ownership Ratio: 4.24%; the "Trust Shares").

2. Overview of the Tender Offer

Purpose of the Tender Offer	Going private (management buyout (MBO))
Tender Offer Period	From November 16, 2026 (Monday) through December 28, 2026 (Monday) (30 business days)
Tender Offer Price	JPY 1,284 per common share
Minimum Number of Shares to be Purchased	11,545,500 (shares) (Note)
Maximum Number of Shares to be Purchased	–
Opinion of the Company	We express our opinion in support of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer.

(Note) If the Tender Offeror purchases shares up to the minimum number of shares to be purchased, the ownership ratio of share certificates, etc. of the Tender Offeror after the purchase (meaning the ownership ratio of share certificates, etc. prescribed in Article 27-2, Paragraph 8 of the Act, plus the ownership ratio of share certificates, etc. of specially related parties prescribed in Paragraph 1, Item 1 of the same Article) will be 66.78% (rounded to two decimal places). The ownership ratio of share certificates, etc. is calculated using as the denominator the number of voting rights of all shareholders, etc. as of September 30, 2026 (400,226 units). Because the number of shares of the Company less than one unit as of today is not known and therefore the number of voting rights of all shareholders, etc. of the Company as of today is unknown, and the number of voting rights of all shareholders, etc. as of September 30, 2026 is the most recent number of voting rights of all shareholders, etc. ascertainable by the Company, the number of voting rights of all shareholders, etc. as of September 30, 2026 (400,226 units) is used as the denominator.

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

(1) Details of the Opinion

At the meeting of its Board of Directors held today, the Company resolved, on the basis of and for the reasons described in "(2) Basis and Reasons for the Opinion" below, to express its opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer.

The above Board resolution was adopted by the method described in "(VI) Approval of All Disinterested Directors of the Company (Including Audit and Supervisory Committee Members)" under "(3) Measures to Ensure the Fairness of the Tender Offer" below.

(2) Basis and Reasons for the Opinion

Statements regarding the Tender Offeror contained in the basis and reasons for the opinion on the Tender Offer herein are based on explanations received from the Tender Offeror.

(I) Overview of the Tender Offer

The Tender Offeror is a stock company (*kabushiki kaisha*) established on October 2, 2026 for the primary purpose of acquiring and holding the Company Shares through the Tender Offer. As of today, all of the issued and outstanding shares of the Tender Offeror are owned by Keniten, which is an asset management company all of whose issued and outstanding shares are owned by two persons, Mr. Watanabe, the Representative Director, Chairman, President, and CEO of the Company, and Mr. Shoya Watanabe, Director and Managing Executive Officer of the Company, and which is the largest shareholder and a major shareholder, as well as an other affiliated company, of the Company, owning 11,460,425 Company Shares (Ownership Ratio: 28.57%). Mr. Watanabe serves as Representative Director of the Tender Offeror. In addition, as of today, each of Mr. Watanabe and Mr. Shoya

Watanabe owns 6,536 Company Shares (Ownership Ratio: 0.02%) and 18,997 Company Shares (Ownership Ratio: 0.05%), respectively. As of today, the Tender Offeror owns 100 Company Shares (Ownership Ratio: 0.00%).

The Tender Offeror has now decided to conduct the Tender Offer as part of a series of transactions (the "Transaction") for acquiring all of the Company Shares (including the restricted shares of the Company granted as restricted stock compensation to the Company's directors (excluding directors who are Audit and Supervisory Committee members), executive officers who do not concurrently serve as directors, and employees (the "Restricted Shares"), but excluding the Non-Tender Agreement Shares (as defined below) and the treasury shares held by the Company), for the purpose of taking the Company Shares private.

The Transaction constitutes a so-called management buyout (MBO), and Mr. Watanabe intends to continue managing the Company as its Representative Director, Chairman, President, and CEO, the same position he currently holds, even after the Transaction, with the aim of enhancing the medium- to long-term corporate value of the Company Group (as defined in "(II) Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer" below).

In connection with the Tender Offer, today, the Tender Offeror entered into a tender and non-tender agreement with Keniten (the "Tender and Non-Tender Agreement (Keniten)"), pursuant to which Keniten agreed (i) not to tender in the Tender Offer any of the Keniten Directly Owned Shares it owns (9,760,425 shares; Ownership Ratio: 24.33%), (ii) subject to obtaining the consent of Sumitomo Mitsui Trust Bank, to instruct Sumitomo Mitsui Trust Bank to tender the Trust Shares in the Tender Offer, (iii) after successful completion of the Tender Offer, to vote in favor of the proposals relating to the consolidation of the Company Shares to be implemented by the Company pursuant to Article 180 of the Companies Act (Act No. 86 of 2005, as amended; the "Companies Act") (the "Share Consolidation") at the Extraordinary Shareholders Meeting (as defined in "(4) Policy on Organizational Restructuring After the Tender Offer" below; the same applies hereinafter) (including, if the consent of Sumitomo Mitsui Trust Bank to tender the Trust Shares in the Tender Offer is not obtained, to exercise, as beneficiary, its right to give instructions to vote in favor of such proposals with respect to the Trust Shares; the Company Shares that Keniten will not tender in the Tender Offer are hereinafter referred to as the "Non-Tender Agreement Shares (Keniten)"), and (iv) on or after the effective date of the Share Consolidation, after the Company has been exempted from its obligation to file annual securities reports, to implement the Share Transfer (as defined below; the same applies hereinafter) with respect to the Company Shares owned by Keniten that have not become fractional shares as a result of the Share Consolidation among the Non-Tender Agreement Shares (Keniten).

In addition, today, the Tender Offeror entered into a non-tender agreement (the "Non-Tender Agreement (Suntory)") with Suntory Spirits Limited ("Suntory"; together with Keniten, the "Non-Tender Agreement Shareholders"), a major shareholder and the second largest shareholder of the Company, pursuant to which Suntory agreed (i) not to tender in the Tender Offer any of the Company Shares it owns (5,421,600 shares; Ownership Ratio: 13.52%; the "Non-Tender Agreement Shares (Suntory)", and together with the Non-Tender Agreement Shares (Keniten), the "Non-Tender Agreement Shares"; the Non-Tender Agreement Shares (excluding the Trust) total 15,182,025 shares (Ownership Ratio: 37.85%)), (ii) after successful completion of the Tender Offer, to vote in favor of the proposals relating to the Share Consolidation at the Extraordinary Shareholders Meeting, and (iii) as promptly as practicable after completion of the Share Transfer, to implement a share exchange with the Tender Offeror as the wholly-owning parent company in the share exchange and the Company as the wholly-owned subsidiary in the share exchange (the "Share Exchange") for the purpose of the Tender Offeror acquiring the Non-Tender Agreement Shares (Suntory) in consideration for class shares to be issued by the Tender Offeror (the "Tender Offeror Class Shares"), and for Suntory to reinvest in the Tender Offeror through the Share Exchange. For details of these agreements, please refer to "(6) Material Agreements Relating to the Tender Offer" below.

The Tender Offeror has set the minimum number of shares to be purchased in the Tender Offer at

11,545,500 shares (Ownership Ratio: 28.78%), and if the total number of share certificates, etc. tendered in the Tender Offer (the "Tendered Share Certificates") is less than the minimum number of shares to be purchased (11,545,500 shares), the Tender Offeror will not purchase any of the Tendered Share Certificates. On the other hand, as stated above, because the Tender Offer aims to acquire all of the Company Shares (including the Restricted Shares, but excluding the Non-Tender Agreement Shares and the treasury shares held by the Company), the Tender Offeror has not set a maximum number of shares to be purchased, and if the total number of Tendered Share Certificates is equal to or greater than the minimum number of shares to be purchased (11,545,500 shares), it will purchase all of the Tendered Share Certificates.

Because the Tender Offeror aims to take the Company Shares private in the Transaction, and because implementation of the Share Consolidation requires approval by a special resolution of a shareholders meeting as prescribed in Article 309, Paragraph 2 of the Companies Act, the above minimum number of shares to be purchased (11,545,500 shares) has been set so that, to ensure implementation of the Share Consolidation, the total of the number of voting rights pertaining to the Company Shares owned by the Tender Offeror after the successful completion of the Tender Offer, the number of voting rights pertaining to the Non-Tender Agreement Shares, and the number of voting rights pertaining to the Restricted Shares owned by the Company's directors will be at least two-thirds of the number of voting rights of all shareholders of the Company, in order to satisfy such requirement. Specifically, the minimum number is the number of shares (11,545,500 shares) obtained by multiplying by 100, the number of shares constituting one unit of the Company Shares, the number of voting rights (115,455 units) obtained by deducting, from the number (267,422 units, rounded up to the nearest whole number) obtained by multiplying the number of voting rights pertaining to the Reference Share Number (401,132 units) by two-thirds, the number of voting rights pertaining to each of the following as of today: the Keniten Directly Owned Shares (9,760,425 shares) (97,604 units), the Non-Tender Agreement Shares (Suntory) (5,421,600 shares) (54,216 units), the Company Shares owned by the Tender Offeror (100 shares) (1 unit), and the Restricted Shares owned by the Company's directors (14,662 shares) (Note 1) (146 units). As of today, Keniten intends to instruct Sumitomo Mitsui Trust Bank to tender the Trust Shares in the Tender Offer, and accordingly the Tender Offeror has not taken the Trust Shares into account in setting the minimum number of shares to be purchased. However, under the Trust Agreement, the consent of Sumitomo Mitsui Trust Bank is required to tender the Trust Shares in the Tender Offer, and if, after discussions with Sumitomo Mitsui Trust Bank, such consent is not obtained, Keniten intends to abandon tendering the Trust Shares in the Tender Offer and instead to exercise, as beneficiary, its right to give instructions to vote the Trust Shares in favor of the proposals relating to the Share Consolidation. In such case, the Tender Offeror intends to amend the minimum number of shares to be purchased to 9,845,500 shares, taking into account the number of voting rights pertaining to the Trust Shares (17,000 units). If such amendment is made, an amendment statement will be promptly submitted to the Director-General of the Kanto Local Finance Bureau.

(Note 1) The Restricted Shares cannot be tendered in the Tender Offer because transfer restrictions apply to them. However, because at the meeting of its Board of Directors held today, the Company resolved, by the unanimous vote of all three directors of the Company who participated in the deliberation and resolution, to express its opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer (for the method of resolution at that Board meeting, please refer to "(VI) Approval of All Disinterested Directors of the Company (Including Audit and Supervisory Committee Members)" under "(3) Measures to Ensure the Fairness of the Tender Offer" below), the Tender Offeror expects that the Company's directors who participated in such deliberation and resolution will, if the Tender Offer is successfully completed, vote in favor of each proposal relating to the Squeeze-Out Procedures (as defined below) at the Company's shareholders meeting to approve the share consolidation to be implemented as the Squeeze-Out Procedures. In addition, among the directors who did not participate in such deliberation and resolution, Mr. Watanabe and Mr. Shoya Watanabe, who each own Restricted Shares,

have orally agreed with the Tender Offeror to vote all of the voting rights pertaining to the Restricted Shares held by them in favor of each proposal relating to the Squeeze-Out Procedures at the Extraordinary Shareholders Meeting. Based on the above, in calculating the minimum number of shares to be purchased, the 146 voting rights pertaining to the 14,662 Restricted Shares owned by such directors have been excluded.

On November 5, 2026, the Tender Offeror requested the Company, if the Tender Offer is successfully completed, to submit to DBJ Food and Lodging Support Fund Investment Limited Partnership (the "DBJ Fund") a letter of undertaking (the "Letter of Undertaking") providing that the Company will acquire all of the Preferred Shares owned by the DBJ Fund for cash with January 6, 2027 (or, if the Tender Offer Period is extended, the commencement date of settlement after such extension) as the redemption date, and to seek the DBJ Fund's consent to the implementation of the Transaction. In response, at the meeting of its Board of Directors held today, the Company resolved, subject to the successful completion of the Tender Offer, to acquire all of the Preferred Shares with January 6, 2027 as the redemption date, pursuant to Article 13-13 of the Company's Articles of Incorporation, for JPY 103,232,937.12 per Preferred Share (JPY 12,387,952,454.00 in total) (Note 2), being the amount calculated by the method prescribed in such Article, and, subject to such acquisition, to cancel all of the acquired Preferred Shares on the same date (Note 3) (for details, please refer to the press release published by the Company today, "Notice Regarding Acquisition and Cancellation of All Class A Preferred Stock"). In addition, the Company has submitted the Letter of Undertaking to the DBJ Fund and has received from the DBJ Fund a letter of approval approving the implementation of the Transaction (the "Letter of Approval") (for details of the Letter of Undertaking and the Letter of Approval, please refer to "(IV) Letter of Undertaking and Letter of Approval" under "(6) Material Agreements Relating to the Tender Offer" below).

(Note 2) This is the amount calculated by the method prescribed in Article 13-13 of the Company's Articles of Incorporation assuming a redemption date of January 6, 2027. If the redemption date changes, the redemption amount per Preferred Share will also change in accordance with the calculation prescribed in such Article.

(Note 3) The Company has determined that the acquisition of the Preferred Shares is not disadvantageous to the Company, in light of the fact that the Preferred Shares are debt-like preferred shares for which only cash redemption at a value based on the calculation method prescribed in the Articles of Incorporation has been contemplated from the outset, and that such acquisition, funded by borrowings from the Tender Offeror, is substantively equivalent to a refinancing of the Company.

In the Transaction, if the Tender Offeror is unable to acquire all of the Company Shares (including the Restricted Shares, but excluding the Non-Tender Agreement Shares and the treasury shares held by the Company) through the Tender Offer, the Tender Offeror intends, subject to the successful completion of the Tender Offer, to request the Company to implement the Share Consolidation as a procedure for making the Tender Offeror and the Non-Tender Agreement Shareholders the only shareholders of the Company (the "Squeeze-Out Procedures"). For details of the Share Consolidation, please refer to "(4) Policy on Organizational Restructuring After the Tender Offer" below.

In addition, after the Company obtains approval of its application for exemption from the obligation to file annual securities reports, Keniten intends to transfer to the Tender Offeror all of the Company Shares owned by Keniten that have not become fractional shares as a result of the Share Consolidation among the Non-Tender Agreement Shares (Keniten) (the "Share Transfer"). As of today, the Share Transfer is expected to be effected by an absorption-type company split with Keniten as the splitting company and the Tender Offeror as the successor company, with common shares of the Tender Offeror delivered to Keniten as consideration (the "Absorption-Type Company Split"), although the specific method is subject to determination at the time the Share Transfer is implemented. The Share Transfer will be implemented after approval of the application for exemption from the obligation to file annual securities reports because, given that the Share Transfer constitutes a purchase, etc. of share certificates, etc. (Article 27-2, Paragraph 1 of the Act) even if it is effected by the Absorption-Type

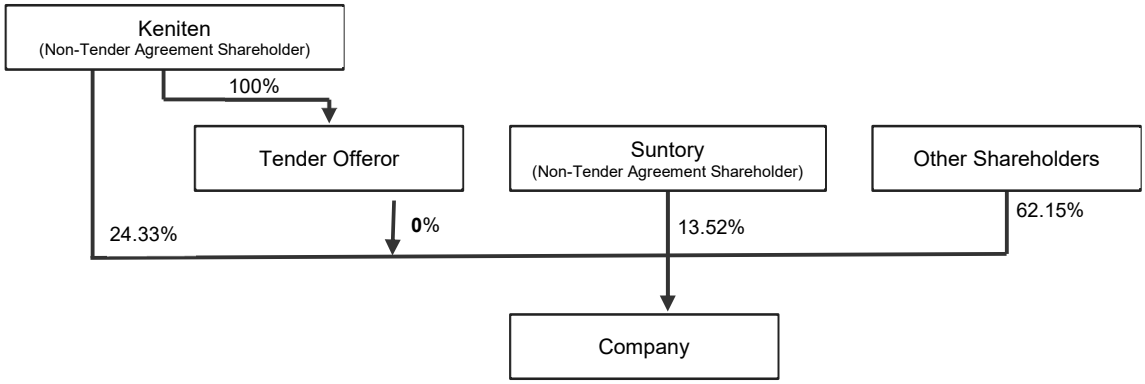
Company Split, the Share Transfer is to be implemented after the Company has been exempted from its obligation to file annual securities reports with respect to its share certificates, etc. and a tender offer is no longer required. In addition, in the Share Transfer, so as not to conflict with the purpose of the uniform tender offer price requirement (Article 27-2, Paragraph 3 of the Act), the Company Shares subject to the Share Transfer are expected to be valued at the same amount as the purchase price per Company Share in the Tender Offer (the "Tender Offer Price") (subject to a formal adjustment based on the consolidation ratio of the Company Shares in the Share Consolidation), and, by also appropriately valuing the common shares of the Tender Offeror to be delivered to Keniten, the terms of the Share Transfer are expected to be determined so that such terms are not substantively more favorable to Keniten than the Tender Offer Price.

Then, after acquiring the Company Shares owned by Keniten through the Share Transfer, the Tender Offeror intends to make the Company its wholly-owned subsidiary by delivering the Tender Offeror Class Shares to Suntory in the Share Exchange. As a result, the Tender Offeror will be the only shareholder of the Company, and the shareholders of the Tender Offeror will be Keniten and Suntory. However, because the Tender Offeror Class Shares are expected to be non-voting shares, Keniten will own 100% of the voting rights of the Tender Offeror. Suntory is expected to own the Tender Offeror Class Shares acquired through the Share Exchange because, in light of the fact that Suntory has built a continuing business relationship with the Company in respect of alcoholic beverages and is one of the Company's stable and material suppliers of alcoholic beverages, it has been concluded that continuing a certain capital relationship between Suntory and the Company through the Tender Offeror after the Transaction will contribute to maintaining a stable business relationship between the two companies and, in turn, to the stable business operation of the Company and the maintenance and enhancement of its corporate value. In addition, given that Suntory's continued investment through the Share Exchange was considered in view of the importance of continuing a certain capital relationship between Suntory and the Company for the above business purpose, independently of whether Suntory could tender in the Tender Offer, and since the Share Exchange does not provide additional consideration for not tendering in the Tender Offer, the Tender Offeror therefore believes that it does not conflict with the purpose of the uniform tender offer price requirement (Article 27-2, Paragraph 3 of the Act).

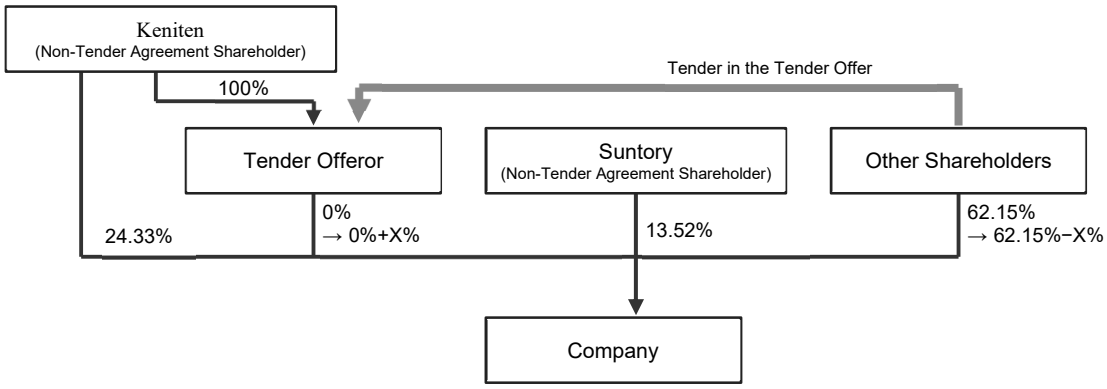
The Tender Offeror Class Shares to be delivered to Suntory as consideration in the Share Exchange are expected to provide that (i) with respect to dividends of surplus, holders will be entitled to receive dividends (cumulative, non-participating) in priority to holders of, or registered pledgees over, common shares of the Tender Offeror, (ii) holders will be entitled to receive distributions of residual assets (non-participating) in priority to holders of, or registered pledgees over, common shares of the Tender Offeror, (iii) with respect to voting rights at shareholders meetings, holders will have no voting rights except as otherwise required by laws and regulations, and (iv) holders of the Tender Offeror Class Shares may require the Tender Offeror to acquire all or part of the Tender Offeror Class Shares for cash, and the Tender Offeror may acquire all or part of the Tender Offeror Class Shares for cash (provided that, as a term of the shares or a contractual restriction, the put right is expected to become exercisable after the lapse of seven years and six months from the issuance of the Tender Offeror Class Shares, and each of the acquisition pursuant to the put right and the acquisition pursuant to the call provision are expected to be conditional upon the full repayment of specified LBO loan-related obligations or the consent of the necessary financial institutions). The specific share exchange ratio, which will be set taking these terms into account, has not been determined as of today. However, in determining the ratio, so as not to conflict with the purpose of the uniform tender offer price requirement (Article 27-2, Paragraph 3 of the Act), the Company Shares owned by Suntory are expected to be valued at the same amount as the Tender Offer Price (subject to a formal adjustment based on the consolidation ratio of the Company Shares in the Share Consolidation), and the value of the Tender Offeror Class Shares is expected to be appropriately assessed taking into account its dividends, liquidation preference, put right, call provision and other terms, so that the share exchange ratio will be set such that the value of the Tender Offeror Class Shares to be delivered to Suntory is substantively equivalent to the value of the Company Shares for which they are the consideration and the terms are not more favorable to Suntory than the Tender Offer Price.

The outline of the Transaction as currently contemplated is as follows.

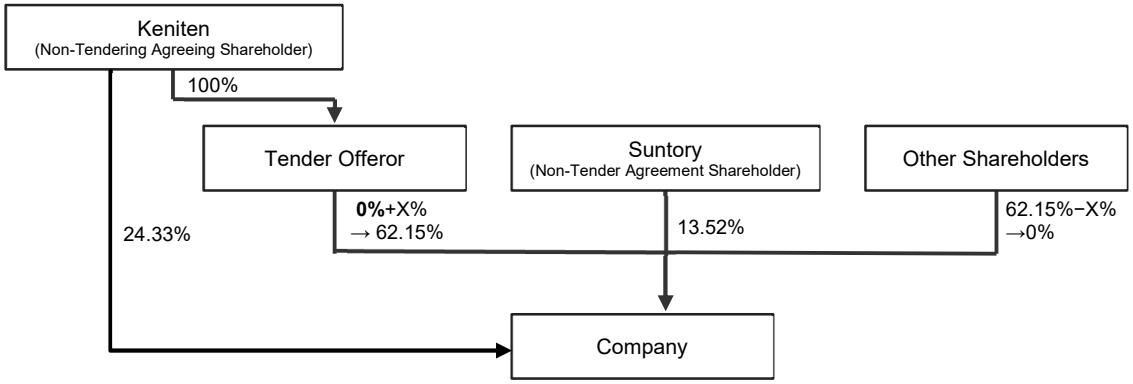
(a) Before the Tender Offer (current status)



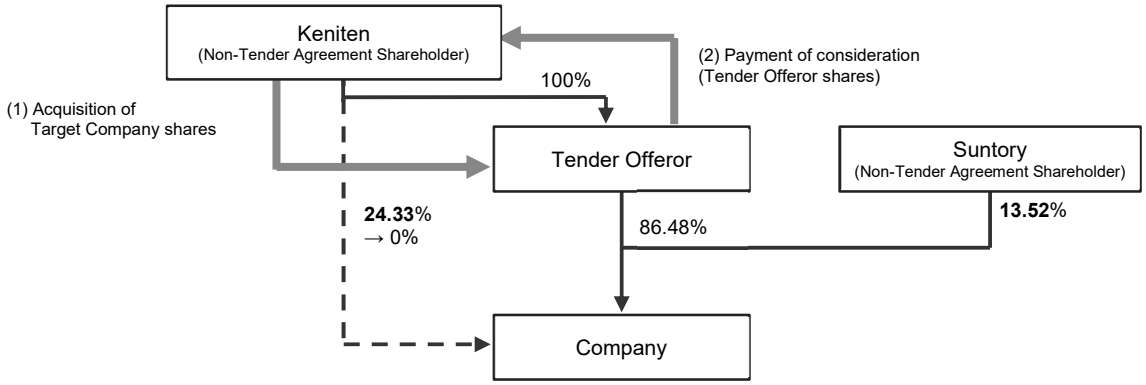
(b) After completion of settlement of the Tender Offer (expected timing: early January 2027)



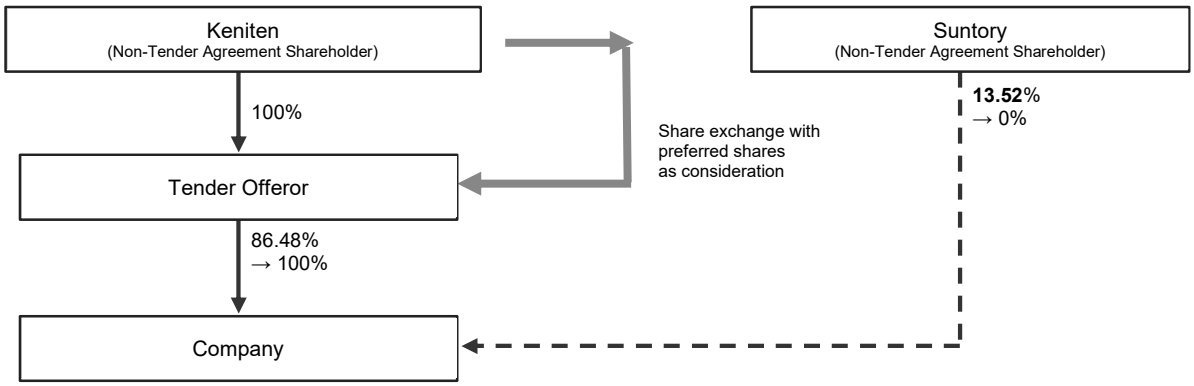
(c) Implementation of the Share Consolidation (expected timing: around late March 2027)



(d) Implementation of the Share Transfer (expected timing: around May 2027)



(e) Implementation of the Share Exchange (expected timing: around June 2027)



The Tender Offeror intends to fund the Transaction, including the Tender Offer, with borrowings (the "Loan") from The Bank of Yokohama, Ltd. ("Bank of Yokohama") and Sumitomo Mitsui Banking Corporation ("SMBC"), and intends to receive the Loan, subject to the successful completion of the Tender Offer, by the business day immediately before the commencement date of settlement of the Tender Offer. The detailed terms of the Loan will be set out in the loan agreement for the Loan after separate discussions with Bank of Yokohama and SMBC, and the loan agreement is expected to require that the Company Shares owned by the Tender Offeror be pledged as collateral.

(II) Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer

The Company has received the following explanation from the Tender Offeror regarding the background, purpose, and decision-making process leading to the decision to conduct the Tender Offer.

In April 1984, Watami Shoji Yugen Gaisha was established for the purpose of operating restaurants and entered into a franchise agreement with Tsubohachi Co., Ltd. as a franchisee of the izakaya chain "Tsubohachi" and began operating izakaya restaurants. In May 1986, Watami Co., Ltd. (the current Company) was established for the purpose of developing restaurant chains and new businesses, and in March 1987, for the purpose of diversifying its business and expanding its scale, it acquired the entire business of Watami Shoji Yugen Gaisha, and has continued to the present. After registering its shares for over-the-counter trading with the Japan Securities Dealers Association in October 1996, the Company listed on the Second Section of the Tokyo Stock Exchange in August 1998, was designated to the First Section of the Tokyo Stock Exchange in March 2000, and, following the restructuring of the Tokyo Stock Exchange's market segments in April 2022, is currently listed on the Prime Market

of the Tokyo Stock Exchange.

As of today, the Company's group consists of the Company, 32 consolidated subsidiaries and three equity-method affiliates (collectively, the "Company Group"). The Company Group operates under the slogan "Becoming the group that collects the most 'thank yous' on Earth" and the mission "To create a better environment and provide better opportunities for the improvement of the humanity of the people of Earth." The Company Group also contributes to solving social issues through its business activities and strives to maximize its impact relative to its existence (Note 4).

In addition, the Company Group has built a circular "sixth-sector industry" business model (the "Watami Model") as a unique business model that consistently spans from organic farming and dairy (primary industry), to processing at "Watami Tezukuri Chubo" (Note 5) (secondary industry), to the foodservice and home meal delivery businesses (tertiary industry), supports these with renewable energy, and integrates public-interest activities such as forest conservation and support for developing countries.

(Note 4) "Maximizing its impact relative to its existence" means not merely returning profits to society, but contributing to the resolution of social issues through business activities themselves and maximizing the social value of the company.

(Note 5) "Watami Tezukuri Chubo" means the central kitchens that centrally manufacture products for the Company's foodservice and home meal delivery businesses.

The Company Group operates the domestic foodservice business, home meal delivery business, overseas business, environmental business and agriculture business, among others. An overview of each is as follows.

(a) Domestic Foodservice Business

In the domestic foodservice business, the Company Group operates foodservice brands in Japan, including izakaya formats ("Miraizaka," "Torimero," etc.) and yakiniku formats ("Yakiniku no Watami," "Kamimura Bokujo," etc.). In October 2024, the Company Group made a full-scale entry into the QSR (quick service restaurant) sector by entering into a master franchise agreement and acquiring the equity interests of Subway Japan G.K. (making it a subsidiary). Leveraging its strong product appeal and productivity, the Company Group is working to diversify its revenue sources in order to expand the foodservice business, and is striving to improve customer satisfaction by providing high added value.

(b) Home Meal Delivery Business

In the home meal delivery business, centered on "Watami no Takushoku", the Company Group manufactures, sells and delivers prepared meals and meal-kit ingredient sets. This business consists of a conventional home delivery service handling refrigerated products and a home delivery service handling frozen products ("Frozen Home Meal Delivery"). In addition to strengthening product appeal, reviewing its area strategy and strengthening corporate sales, the Company Group is seeking to develop the market and expand its market share by acquiring new customers through the further expansion of the frozen home delivery business, leveraging the frozen food factory constructed in Amagasaki City, and by providing high-quality, low-priced products suited to an inflationary environment. At the same time, it is working to further improve productivity, including by advancing labor-saving investments at its manufacturing plants.

(c) Overseas Business

In the overseas business, the Company Group operates restaurants in 10 regions—Hong Kong,

Taipei, Macau, Shenzhen, Shanghai, Singapore, the Philippines, South Korea, Los Angeles and Las Vegas (a sushi processing and wholesale company)—and also conducts a food processing and wholesale business. In May 2026, for the purpose of strengthening the supply chain, improving procurement, product development and manufacturing and processing capabilities, and expanding the supply network and sales channels in its U.S. business, the Company acquired 51.0% of the issued shares of Onigilly, Inc., which operates onigiri specialty stores in the United States. While strengthening coordination with the domestic foodservice business in Japan, including the product development system, the Company Group is developing and opening new formats and continuously building a highly productive organization together with strategic scrap-and-build. In addition, by utilizing its local subsidiary in Singapore engaged in procurement, processing and wholesale, the Company Group is strengthening its overseas supply chain, procurement and sales capabilities, and is also working to improve its sales capabilities in the United States.

(d) Environmental Business

In the environmental business, the Company Group develops, constructs and manages the operation of renewable energy power generation facilities, including wind and solar power generation, and operates an electricity retail business selling electricity, including electricity generated by those facilities, both within and outside the Company Group. It is also engaged in supporting the development of community-based renewable energy power generation in cooperation with local businesses and others. Through these initiatives, the Company Group seeks to reduce its environmental impact and realize a sustainable, circular society, and positions this business as one of the businesses supporting the “Watami Model.”

(e) Agriculture

In the agriculture business, the Company Group produces agricultural products, centered on organic farming, at its directly operated farms, and also processes and sells them. The agricultural products produced are supplied to the Company Group’s domestic foodservice business and home meal delivery business and are also sold outside the Company Group. The Company Group positions agriculture as one of the businesses supporting the “Watami Model.”

Mr. Watanabe, the Representative Director, Chairman, President, and CEO of the Company, recognizes that the business environment surrounding the Company Group has reached an unprecedented major turning point. In particular, he regards the weak yen and rising prices as “unstoppable” risks that are keeping raw material costs, personnel costs, utility costs, construction material costs and other costs at high levels, and he has a strong sense of crisis over the medium to long term. In addition, as swift responses to changes in customers’ behavior will be increasingly required going forward, he believes that management must be steered from a longer-term perspective.

In light of these circumstances, Mr. Watanabe believes that, for the Company Group to overcome the above difficult business environment and continue to embody over the medium to long term its group slogan, “Becoming the group that collects the most ‘thank yous’ on Earth,” and its group mission, “To create a better environment and provide better opportunities for the improvement of the humanity of the people of Earth,” it is essential to evolve the “Watami Model,” which it has built over more than 40 years, to the next stage. Specifically, he believes that it is necessary to simultaneously strengthen the sustainability of, and globalize, the circular sixth-sector industry business model utilizing natural energy, and that further enhancement of the Company Group’s corporate value can be achieved by implementing the following measures.

(i) Strengthening the earnings base by accelerating the opening of SUBWAY stores in the domestic foodservice business

Mr. Watanabe recognizes that consumer needs regarding food are diversifying in the domestic foodservice market, and that, for the Company Group to achieve sustainable growth, it is essential to offer formats capable of meeting each of these diversifying demands and to broaden its business portfolio. He believes that the Company Group needs to continue to pursue steady growth in the izakaya format, based on the brands, store operation know-how and food procurement capabilities cultivated in this format over more than 40 years. In addition, he believes that establishing a new pillar that captures changes in demand, such as increasing health consciousness and a preference for convenience, will further expand the Company Group's room for growth. From this perspective, in October 2024 the Company entered into a master franchise agreement and acquired the equity interests of Subway Japan G.K. (making it a subsidiary). Going forward, he believes it is necessary to accelerate the opening of both directly operated and franchised stores and to advance product development utilizing the Company Group's ingredients, including organic vegetables produced by Watami Farm, so as to extend the "Watami Model" across the entire domestic foodservice business and differentiate it from other QSR formats. He believes that, although in the short term these initiatives will entail upfront costs and investments in connection with the development of store development and logistics systems and investments in store openings, causing a slowdown in profit growth, from a medium- to long-term perspective they will strengthen the earnings base through increased net sales accompanying expansion of the store network and economies of scale.

(ii) Full-scale business development in the U.S.

Mr. Watanabe recognizes that, given the possibility that the depreciation of the yen will continue over the medium to long term, it would be difficult for the Company Group to achieve sustainable growth with a business structure relying solely on the domestic market, and that it is essential to establish a business base in overseas growth markets, particularly the U.S. market, where demand for Japanese food is expanding. From this perspective, in May 2026 the Company made Onigilly, Inc. a subsidiary and opened "Hayama by WATAMI" in Los Angeles as its first store on the U.S. mainland. Going forward, he believes it is necessary to expand the store network, develop a product supply system, and recruit and train local personnel, based on Onigilly, Inc.'s manufacturing and processing functions and sales channels in the United States. However, business development in the U.S. market involves upfront burdens of store investment, capital expenditure and personnel costs, as well as foreign exchange-related risks and uncertainty regarding the local competitive environment and consumer trends, and may squeeze the Company Group's profits in the short term. Nevertheless, he believes that from a medium- to long-term perspective it will contribute to enhancing corporate value through geographic diversification of the Company Group's revenue sources and establishment of a new growth base.

(iii) Increasing meal volume in the home meal delivery business and full-scale rollout of Frozen Home Meal Delivery

Mr. Watanabe recognizes that the conventional home meal delivery service has earned high praise from, and strong relationships of trust with, customers through community-based communication and attentive service via hand delivery by "Magokoro staff." He believes it is necessary to continue steadily increasing meal volume, with improvement of the satisfaction of each customer as the top priority, by maintaining and strengthening the delivery system and responding to detailed needs.

However, he recognizes that there are also needs that cannot be fully met within the conventional framework alone, arising from diversifying customer lifestyles and changing work environments, and demand from households for which in-person daytime receipt is difficult and from corporations (offices, facilities, etc.).

Accordingly, he believes that the Company Group needs to promote the following combined initiatives in order to further enhance customer convenience and satisfaction and further increase meal volume.

First, strengthening corporate sales. He believes it is necessary to develop corporate channels, such as demand for healthy meals in offices and for various facilities, to capture bulk meal demand and improve sales efficiency.

Second, diversifying delivery methods and products (including the introduction of Frozen Home Meal Delivery). He believes it is necessary to expand the product lineup and channels such as mail order, and to invest in the production and logistics systems supporting them, so that high-quality meals can be delivered to customers who wish for nationwide delivery, subscriptions, or contactless receipt.

These initiatives may squeeze the Company Group's profits in the short term due to upfront investments in developing new channels, product development and building a delivery network. However, he believes that, from a medium- to long-term perspective, a strong growth base for the home meal delivery business can be established by responding to diverse customer needs and diversifying sales channels.

(iv) Strengthening the human resource base by enhancing distribution to employees

Mr. Watanabe recognizes that, in each of the domestic foodservice business, home meal delivery business and overseas business operated by the Company Group, "people" are the greatest source of differentiation and the greatest strength. He believes that, in a difficult environment of continuing price increases, in order to respond to the efforts and growth of each employee and further increase their motivation, it is essential to continuously provide returns to employees together with improving business performance.

From this perspective, in the most recent fiscal year the Company implemented wage increases averaging 7%, combining base pay increases and regular pay raises. However, he believes that future continuous wage increases and further returns should be earned by everyone, with management and employees working as one to achieve results through the growth and productivity improvement of the Company Group.

Continuous wage increases and return measures may, in the short term, temporarily squeeze the Company Group's profits through increased personnel and other costs. In addition, as a listed company, securing profits for each single fiscal year tends to be prioritized, and as a result this cycle of human capital investment and returning results has in some respects been constrained.

However, he believes that by transitioning through the Transaction to a management structure based on a medium- to long-term perspective, it is necessary to build an evaluation and return system that properly rewards employees' challenges and achievements without being bound by short-term fluctuations in business performance. He believes that from a medium- to long-term perspective, securing and retaining talented personnel, improving service quality and improving employee labor productivity will form a strong foundation for the Company Group's sustainable growth and enhancement of corporate value.

(v) Investment to deepen the "Watami Model"

Mr. Watanabe recognizes that uncertainty in the procurement environment for food and energy is

increasing against the backdrop of climate change and changes in the international situation. He believes that, for the Company Group, strengthening its own base in the agriculture and renewable energy businesses will further enhance the competitive advantage of the "Watami Model," under which the Company Group itself consistently handles everything from production to processing and sales. From this perspective, he believes that the Company Group needs to advance investments aimed at expanding its production system centered on organic farming and expanding its procurement of renewable energy. Because these investments will take a considerable period to produce results, they will not necessarily contribute to the Company Group's earnings in the short term. However, from a medium- to long-term perspective, he believes that they will contribute to enhancing the Company Group's corporate value through the stabilization of procurement costs and the improvement of brand value backed by the quality of its ingredients.

On the other hand, Mr. Watanabe believes that, as long as the Company Shares remain listed, management conscious of shareholders will be required and consideration must be given to securing and distributing short-term profits, such that the listing of the Company Shares is highly likely to hinder the implementation of medium- to long-term measures, including upfront investments and fundamental structural reforms, that may cause short-term cash flow or earnings to deteriorate. He also believes that the above measures will not necessarily contribute to earnings immediately and involve considerable time and significant risk, and that it would be difficult, while maintaining the listing of the Company Shares, to have the Company's shareholders bear such risks and fully support the implementation of the measures. In addition, he believes that, in view of maximizing the Company Group's corporate value over the medium to long term, it is essential to build a strong and stable management structure that enables agile and flexible decision-making from a medium- to long-term perspective, and for the Company Group to work as one to expand its business and strengthen its management base.

Furthermore, Mr. Watanabe believes that, owing to the tightening of capital market regulations in recent years and other factors, the additional and ongoing disclosure items for stakeholders through annual securities reports, corporate governance reports and other documents have been increasing year by year, the burden of the human and financial costs necessary for the Company to maintain its listing as a listed company is on an upward trend, and it cannot be ruled out that these costs may become a significant burden on the Company Group's management going forward.

Since its listing in August 1998, the Company Group has enjoyed various benefits as a listed company, such as securing excellent personnel through increased name recognition and enhanced social credibility. On the other hand, Mr. Watanabe believes that, in light of the Company Group's current financial position, in which the funds necessary for its business activities are sufficiently secured through borrowings from financial institutions and other means, the need for large-scale fundraising through equity financing is not high for the time being, and that, given that the Company Group's social credibility and brand power have already been established through its business activities, the need for the Company to maintain its listing and the benefits to be enjoyed by maintaining it have relatively declined.

Based on the foregoing, in early August 2026, Mr. Watanabe informed Mr. Kuniaki Shimizu, Director, Executive Vice President and CHO of the Company ("Director Shimizu"), that he was conducting a preliminary review of taking the Company Shares private, and began a concrete review of taking the Company Shares private. In considering the Transaction, in early August 2026, Mr. Watanabe appointed SMBC Nikko Securities Inc. ("SMBC Nikko Securities") as financial advisor and Anderson Mōri & Tomotsune (Gaikokuho Kyodo Jigyo) ("Anderson Mōri & Tomotsune") as legal

advisor. Subsequently, on August 24, 2026, Mr. Watanabe made an initial oral approach to all directors, including the outside directors, stating that he wished to begin consideration and discussions toward the implementation of a management buyout (MBO), and submitted a letter proposing the commencement of discussions regarding the Transaction (the "Proposal Letter"). On the same day, the Company indicated to Mr. Watanabe its intention to put in place a review framework for discussions regarding the Transaction, and from that day Mr. Watanabe began specific discussions with the Company regarding the Transaction.

Then, on October 14, 2026, the Tender Offeror, Mr. Watanabe and Keniten (collectively, the "Tender Offerors") made a first proposal to the Company and the Special Committee (as defined in "(i) Background to the Establishment of the Review Framework" under "(IV) Decision-Making Process and Reasons Leading to the Company's Support of the Tender Offer" below; the same applies hereinafter) setting the Tender Offer Price at JPY 1,079 (a price representing a premium (rounded to two decimal places; the same applies hereinafter to calculations of premiums or discounts) of 26.49% over JPY 853, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on October 13, 2026, the business day immediately preceding the proposal date; 22.47% over JPY 881, the simple average closing price (rounded to the nearest yen; the same applies hereinafter to calculations of simple average closing prices) for the one-month period up to that date; 16.02% over JPY 930, the simple average closing price for the three-month period up to that date; and 15.65% over JPY 933, the simple average closing price for the six-month period up to that date), and on October 14, 2026, received a request from the Company and the Special Committee to significantly increase the Tender Offer Price on the grounds that the proposed Tender Offer Price could by no means be considered sufficient for the Company's general shareholders and that it would be difficult to express an opinion supporting the Tender Offer and recommending that shareholders tender.

In response to such request, on October 22, 2026, the Tender Offerors made a second proposal setting the Tender Offer Price at JPY 1,156 (a price representing a premium of 31.96% over JPY 876, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on October 21, 2026, the business day immediately preceding the proposal date; 33.33% over JPY 867, the simple average closing price for the one-month period up to that date; 25.52% over JPY 921, the simple average closing price for the three-month period up to that date; and 24.84% over JPY 926, the simple average closing price for the six-month period up to that date), and on October 23, 2026, received a request from the Company and the Special Committee to significantly increase the Tender Offer Price on the grounds that the Tender Offer Price in the revised proposal also could by no means be considered sufficient for the Company's general shareholders and that it would be difficult to express an opinion supporting the Tender Offer and recommending that shareholders tender.

Subsequently, on October 27, 2026, the Tender Offerors made a third proposal setting the Tender Offer Price at JPY 1,217 (a price representing a premium of 42.34% over JPY 855, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on October 27, 2026, the proposal date; 40.86% over JPY 864, the simple average closing price for the one-month period up to that date; 32.72% over JPY 917, the simple average closing price for the three-month period up to that date; and 31.71% over JPY 924, the simple average closing price for the six-month period up to that date), and on October 29, 2026, received a request from the Company and the Special Committee to significantly increase the Tender Offer Price on the grounds that the Tender Offer Price in the third proposal also could by no means be considered sufficient for the Company's general shareholders and that it would be difficult to express an opinion supporting the Tender Offer and recommending that shareholders tender.

Subsequently, on November 2, 2026, the Tender Offerors made a fourth proposal setting the Tender

Offer Price at JPY 1,264 (a price representing a premium of 49.41% over JPY 846, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on November 2, 2026, the proposal date; 47.49% over JPY 857, the simple average closing price for the one-month period up to that date; 38.90% over JPY 910, the simple average closing price for the three-month period up to that date; and 37.39% over JPY 920, the simple average closing price for the six-month period up to that date), and on November 4, 2026, received a request from the Company and the Special Committee to significantly increase the Tender Offer Price on the grounds that the Tender Offer Price in the fourth proposal also could by no means be considered sufficient for the Company's general shareholders and that it would be difficult to express an opinion supporting the Tender Offer and recommending that shareholders tender.

Subsequently, on November 9, 2026, the Tender Offerors made a fifth proposal setting the Tender Offer Price at JPY 1,270 (a price representing a premium of 54.13% over JPY 824, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on November 6, 2026, the business day immediately preceding the proposal date; 48.71% over JPY 854, the simple average closing price for the one-month period up to that date; 40.33% over JPY 905, the simple average closing price for the three-month period up to that date; and 38.34% over JPY 918, the simple average closing price for the six-month period up to that date), and on November 9, 2026, received a request from the Company and the Special Committee to significantly increase the Tender Offer Price on the grounds that the Tender Offer Price in the fifth proposal also could by no means be considered sufficient for the Company's general shareholders and that it would be difficult to express an opinion supporting the Tender Offer and recommending that shareholders tender.

Subsequently, on November 10, 2026, the Tender Offerors made a sixth proposal setting the Tender Offer Price at JPY 1,281 (a price representing a premium of 51.24% over JPY 847, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on November 10, 2026, the proposal date; 50.00% over JPY 854, the simple average closing price for the one-month period up to that date; 42.18% over JPY 901, the simple average closing price for the three-month period up to that date; and 39.69% over JPY 917, the simple average closing price for the six-month period up to that date), and on November 10, 2026, received a request from the Company and the Special Committee to significantly increase the Tender Offer Price on the grounds that the Tender Offer Price in the sixth proposal still could not be considered sufficient for the Company's general shareholders and that it would be difficult to express an opinion supporting the Tender Offer and recommending that shareholders tender.

Subsequently, on November 11, 2026, the Tender Offerors made a seventh proposal setting the Tender Offer Price at JPY 1,283 (a price representing a premium of 51.30% over JPY 848, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on November 11, 2026, the proposal date; 50.23% over JPY 854, the simple average closing price for the one-month period up to that date; 42.56% over JPY 900, the simple average closing price for the three-month period up to that date; and 40.07% over JPY 916, the simple average closing price for the six-month period up to that date), and on November 11, 2026, received a request from the Company and the Special Committee, stating that they had determined that it would be difficult to express an opinion supporting the Tender Offer and recommending that shareholders tender even taking into account the Tender Offer Price in the seventh proposal, to either consider setting a majority of minority condition or, if no majority of minority condition is set, make a final price proposal.

Subsequently, on November 12, 2026, the Tender Offerors made a final proposal setting the Tender Offer Price at JPY 1,284 (a price representing a premium of 49.65% over JPY 858, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on November 12, 2026, the proposal date; 50.35% over JPY 854, the simple average closing price for the one-month period up to that date; 42.83% over JPY 899, the simple average closing price for the three-month period up to that date; and 40.33% over JPY 915, the simple average closing price for the six-month period up to that date), and received a response from the Company and the Special Committee that they

had determined that the Tender Offer Price in the eighth proposal was at a level at which the Company could express its support for the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer. Since the submission of the first proposal, the Tender Offerors have held multiple discussions with Suntory toward the execution of the Non-Tender Agreement (Suntory) and, taking into account the results of the discussions and negotiations with the Company regarding the Tender Offer Price, entered into the Non-Tender Agreement (Suntory) today.

For details of the Non-Tender Agreement (Suntory), please refer to "(II) Non-Tender Agreement (Suntory)" under "(6) Material Agreements Relating to the Tender Offer" below.

(III) Management Policy After the Tender Offer

The Transaction constitutes a so-called management buyout (MBO), and Mr. Watanabe intends to continue managing the Company as its Representative Director, Chairman, President, and CEO after the Tender Offer, as he does currently, and to promote the management measures described in "(II) Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer" above. As of today, the Tender Offeror has not reached any agreement with the Company's other directors (including Mr. Shoya Watanabe and the Audit and Supervisory Committee members) regarding their appointment as officers or their treatment after the Transaction.

The details of the management structure after the Transaction, including the composition of the Company's officers, will be determined after the Transaction in consultation with the Company, but the Tender Offeror intends, in principle, to maintain the Company's current management structure. In addition, the Tender Offeror's basic policy is to maintain the employment of the Company's employees after the Transaction and not to change their terms of employment to their detriment.

In addition, as stated in the "Notice Regarding Revision of Dividend Forecast (No Dividend) and Abolition of the Shareholder Benefit Program" published by the Company today, at its Board of Directors meeting held today, the Company resolved, subject to the successful completion of the Tender Offer, to abolish the shareholder benefit program after providing the shareholder benefits (meal vouchers, etc. scheduled to be sent on or around November 20, 2026) to shareholders recorded in the shareholder register as of September 30, 2026.

After the implementation of the Tender Offer, the Tender Offeror wishes to consider a reduction in the amount of the Company's stated capital from the perspective of improving management efficiency, reducing costs and other matters. The details and specific timing will be determined in consultation with the Company.

In addition, Keniten, recognizing that the customers who have used the Company Group's stores and services for many years and the shareholders who support the Company are the Company's irreplaceable assets, wishes to continue and deepen its relationships with them even after the Transaction, and has proposed to the Company the establishment within the Company of the "Watami Friends Club (tentative name)" as an initiative to maintain and strengthen relationships with customers and others after the Company Shares are taken private. The club is being considered not as a replacement for the shareholder benefit program, but as a program in which those who patronize the Company's products and services can widely participate, and there will be no differences in treatment with respect to membership eligibility, fees or benefits based on whether a person holds or has held Company Shares, whether they tendered in the Tender Offer, or whether and how they exercised shareholder rights. For the status of consideration of the "Watami Friends Club (tentative name)," please refer to the press release published today by the Company in response to Keniten's proposal, "Notice Regarding Consideration of Establishment of the 'Watami Friends Club (Tentative Name)'".

To make the Company its wholly-owned subsidiary, after the successful completion of the Tender Offer, the Tender Offeror intends to acquire Company Shares through the Squeeze-Out Procedures described in "(4) Policy on Organizational Restructuring After the Tender Offer" below, to acquire Company Shares from Keniten through the Share Transfer, and to acquire Company Shares from Suntory through the Share Exchange. For the methods and terms of these acquisitions, please refer to

"(I) Overview of the Tender Offer" above and "(4) Policy on Organizational Restructuring After the Tender Offer" below. Other than the foregoing, as of today, the Tender Offeror has no specific plan to acquire additional Company Shares after the Tender Offer.

(IV) Decision-Making Process and Reasons Leading to the Company's Support of the Tender Offer

(i) Background to the Establishment of the Review Framework

As described in "(II) Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer" above, in early August 2026, Director Shimizu of the Company was informed by Mr. Watanabe that he was conducting a preliminary review of taking the Company Shares private. In response, in light of the fact that the Transaction is being conducted as part of a so-called management buyout (MBO), that structural conflicts of interest may arise between the Tender Offeror and the Company's general shareholders with respect to the Tender Offer Price and other terms of the Transaction, and that there is an issue of information asymmetry between the Tender Offeror and the Company's general shareholders because Mr. Watanabe is in a position to obtain information about the Company's management, in order to address these issues and ensure the fairness of the Transaction, the Company appointed, on August 21, 2026, Nakamura, Tsunoda & Matsumoto as legal advisor independent of the Tender Offeror, the Non-Tender Agreement Shareholders, Mr. Watanabe, Mr. Shoya Watanabe (Director and Managing Executive Officer of the Company, who concurrently serves as Representative Director of Keniten), and Bank of Yokohama and SMBC, which will provide the Loan (collectively, the "Tender Offer Related Parties"), and the Company, and Plutus Consulting Co., Ltd. ("Plutus Consulting") as financial advisor and third-party valuator independent of the Tender Offer Related Parties and the Company.

In addition, to ensure the fairness of the Transaction, the Company, while obtaining advice from Nakamura, Tsunoda & Matsumoto, began establishing a framework for considering, negotiating and making decisions on the Transaction from a position independent of the Tender Offer Related Parties and from the perspective of enhancing the Company's corporate value and of the Company's general shareholders. Specifically, upon receipt of the Proposal Letter dated August 24, 2026 from Mr. Watanabe, the Company established, by resolution of the Board of Directors meeting held on August 25 of the same month, a special committee to consider the proposal for the Transaction (the "Special Committee"; for the composition of its members, its specific activities and other matters, please refer to "(III) Establishment of an Independent Special Committee at the Company and Receipt of a Written Report from the Special Committee" under "(3) Measures to Ensure the Fairness of the Tender Offer" below).

In addition, as described in "(III) Establishment of an Independent Special Committee at the Company and Receipt of a Written Report from the Special Committee" under "(3) Measures to Ensure the Fairness of the Tender Offer" below, the Company obtained the Special Committee's approval of the appointment of Plutus Consulting as the Company's financial advisor and third-party valuator and of Nakamura, Tsunoda & Matsumoto as the Company's legal advisor, after the Special Committee confirmed that there were no issues with their independence from the Tender Offer Related Parties, the Company and the success or failure of the Transaction, or with their expertise and track record.

In addition, in order to consider, negotiate and make decisions on the Transaction from a position independent of the Tender Offer Related Parties, as described in "(V) Establishment of an Independent Review Framework at the Company" under "(3) Measures to Ensure the Fairness of the Tender Offer" below, the Company established within the Company a review framework composed solely of officers and employees whose independence from the Tender Offer Related Parties has been recognized, and has obtained the approval of the Special Committee that there are no issues with this review framework from the perspective of independence and fairness.

Furthermore, on August 27, 2026, the Special Committee decided to appoint Trustees Advisory Co., Ltd. ("Trustees") as its own financial advisor and third-party valuator, independent of the Tender Offer Related Parties, the Company and the success or failure of the Transaction.

(ii) Background of the Review and Negotiations

Under the above framework, the Company has carefully discussed and considered its negotiation policy, from the perspective of giving consideration to the interests of its general shareholders, taking into account the outline of the Tender Offer including the purpose of the Transaction, the impact of the Transaction on the Company, the details of the management policy after the Transaction and recent share price trends, while receiving advice from Plutus Consulting and Nakamura, Tsunoda & Matsumoto. In addition, since its establishment by resolution of the Company's Board of Directors meeting held on August 25, 2026, the Special Committee has held continuous discussions and negotiations with the Tender Offerors regarding the implementation of the Transaction. The Special Committee has also held continuous discussions and negotiations with the Tender Offerors regarding the terms of the Transaction, including the Tender Offer Price, on eight occasions from mid-October to mid-November 2026.

Specifically, on September 14, 2026, the Special Committee first sent Mr. Watanabe a list of questions regarding the background and purpose of the Transaction, the management policy after the execution of the Transaction, the structure of the Transaction, the terms of the Transaction and other matters, to which a written response was received from Mr. Watanabe on September 25, 2026, and on September 29, 2026 conducted an interview with Mr. Watanabe including a question-and-answer session, and considered these matters.

Then, on October 14, 2026, the Company and the Special Committee received from the Tender Offerors a proposal on the structure and other matters as contemplated as of that date, together with a price proposal setting the Tender Offer Price at JPY 1,079 (a price representing a premium of 26.49% over JPY 853, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on October 13, 2026, the business day immediately preceding the proposal date; 22.47% over JPY 881, the simple average closing price for the one-month period up to that date; 16.02% over JPY 930, the simple average closing price for the three-month period up to that date; and 15.65% over JPY 933, the simple average closing price for the six-month period up to that date). In response, on October 14, 2026, the Company and the Special Committee requested that the Tender Offerors significantly increase the Tender Offer Price and submit a new proposal, stating that they had determined that the proposed Tender Offer Price could by no means be considered sufficient for the Company's general shareholders and that it would be difficult to express an opinion supporting the Tender Offer and recommending that shareholders tender.

In addition, on October 22, 2026, the Company and the Special Committee received from the Tender Offerors a revised proposal setting the Tender Offer Price at JPY 1,156 (a price representing a premium of 31.96% over JPY 876, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on October 21, 2026, the business day immediately preceding the proposal date; 33.33% over JPY 867, the simple average closing price for the one-month period up to that date; 25.52% over JPY 921, the simple average closing price for the three-month period up to that date; and 24.84% over JPY 926, the simple average closing price for the six-month period up to that date). In response, on October 23, 2026, the Company and the Special Committee requested that the Tender Offerors significantly increase the Tender Offer Price and submit a new proposal, stating that they had determined that the Tender Offer Price in the revised proposal also could by no means be considered sufficient for the Company's general shareholders and that it would be difficult to express an opinion supporting the Tender Offer and recommending that shareholders tender.

Subsequently, on October 27, 2026, the Company and the Special Committee received from the Tender Offerors a third proposal setting the Tender Offer Price at JPY 1,217 (a price representing a premium of 42.34% over JPY 855, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on October 27, 2026, the proposal date; 40.86% over JPY 864, the simple average closing price for the one-month period up to that date; 32.72% over JPY 917, the simple average closing price for the three-month period up to that date; and 31.71% over JPY 924, the simple average closing price for the six-month period up to that date). In response, on October 29, 2026, the Company and the Special Committee requested that the Tender Offerors significantly increase the Tender Offer Price and submit a new proposal, stating that they had determined that the Tender Offer Price in the third proposal also could by no means be considered sufficient for the Company's general shareholders and that it would be difficult to express an opinion supporting the Tender Offer and

recommending that shareholders tender.

On November 2, 2026, the Company and the Special Committee received from the Tender Offerors a fourth proposal setting the Tender Offer Price at JPY 1,264 (a price representing a premium of 49.41% over JPY 846, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on November 2, 2026, the proposal date; 47.49% over JPY 857, the simple average closing price for the one-month period up to that date; 38.90% over JPY 910, the simple average closing price for the three-month period up to that date; and 37.39% over JPY 920, the simple average closing price for the six-month period up to that date). In response, on November 4, 2026, the Company and the Special Committee requested that the Tender Offer Price be significantly increased, stating that they had determined that the Tender Offer Price in the fourth proposal also could by no means be considered sufficient for the Company's general shareholders and that it would be difficult to express an opinion supporting the Tender Offer and recommending that shareholders tender.

On November 9, 2026, the Company and the Special Committee received from the Tender Offerors a fifth proposal setting the Tender Offer Price at JPY 1,270 (a price representing a premium of 54.13% over JPY 824, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on November 6, 2026, the business day immediately preceding the proposal date; 48.71% over JPY 854, the simple average closing price for the one-month period up to that date; 40.33% over JPY 905, the simple average closing price for the three-month period up to that date; and 38.34% over JPY 918, the simple average closing price for the six-month period up to that date). In response, on November 9, 2026, the Company and the Special Committee requested that the Tender Offer Price be significantly increased, stating that they had determined that the Tender Offer Price in the fifth proposal also could by no means be considered sufficient for the Company's general shareholders and that it would be difficult to express an opinion supporting the Tender Offer and recommending that shareholders tender.

On November 10, 2026, the Company and the Special Committee received from the Tender Offerors a sixth proposal setting the Tender Offer Price at JPY 1,281 (a price representing a premium of 51.24% over JPY 847, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on November 10, 2026, the proposal date; 50.00% over JPY 854, the simple average closing price for the one-month period up to that date; 42.18% over JPY 901, the simple average closing price for the three-month period up to that date; and 39.69% over JPY 917, the simple average closing price for the six-month period up to that date). In response, on November 10, 2026, the Company and the Special Committee requested that the Tender Offer Price be significantly increased, stating that they had determined that the Tender Offer Price in the sixth proposal still could not be considered sufficient for the Company's general shareholders and that it would be difficult to express an opinion supporting the Tender Offer and recommending that shareholders tender.

On November 11, 2026, the Company and the Special Committee received from the Tender Offerors, as the result of their final consideration, a seventh proposal setting the Tender Offer Price at JPY 1,283 (a price representing a premium of 51.30% over JPY 848, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on November 11, 2026, the proposal date; 50.23% over JPY 854, the simple average closing price for the one-month period up to that date; 42.56% over JPY 900, the simple average closing price for the three-month period up to that date; and 40.07% over JPY 916, the simple average closing price for the six-month period up to that date). In response, on November 11, 2026, stating that they had determined that it would be difficult to express an opinion supporting the Tender Offer and recommending that shareholders tender even taking into account the Tender Offer Price in the seventh proposal, the Company and the Special Committee requested that the Tender Offerors either consider setting a majority of minority condition or, if no majority of minority condition is set, make a final price proposal.

On November 12, 2026, the Company and the Special Committee received from the Tender Offerors, as their final proposed price, an eighth proposal setting the Tender Offer Price at JPY 1,284 (a price representing a premium of 49.65% over JPY 858, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on November 12, 2026, the proposal date; 50.35% over JPY 854, the simple average closing price for the one-month period up to that date; 42.83% over JPY 899, the simple average closing price for the three-month period up to that date; and 40.33%

over JPY 915, the simple average closing price for the six-month period up to that date). In response, on November 12, 2026, the Company and the Special Committee responded to the Tender Offerors that they had determined that the Tender Offer Price in the eighth proposal was at a level at which the Company could express its support for the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer.

(iii) Details of the Decision

In light of the above, the Company received necessary legal advice from its legal advisor, Nakamura, Tsunoda & Matsumoto, regarding the method and process of decision-making by the Company's Board of Directors, including the various procedures for the Transaction, and other points to note, and received from the Special Committee a written report dated November 12, 2026 (the "Report") (please refer to Annex 1 for the contents of the Report, and to "(III) Establishment of an Independent Special Committee at the Company and Receipt of a Written Report from the Special Committee" under "(3) Measures to Ensure the Fairness of the Tender Offer" below for the specific activities of the Special Committee).

The Company also received from Plutus Consulting a share valuation report on the Company Shares dated November 12, 2026 (the "Share Valuation Report (Plutus Consulting)") (for an overview, please refer to "(I) Receipt by the Company of a Share Valuation Report from an Independent Third-Party Valuator" under "(3) Measures to Ensure the Fairness of the Tender Offer" below).

Furthermore, the Special Committee received from Trustees a share valuation report on the Company Shares dated November 12, 2026 (the "Share Valuation Report (Trustees)") and a fairness opinion to the effect that Trustees has determined that the Tender Offer Price of JPY 1,284 per share is fair to the Company's general shareholders from a financial point of view (the "Fairness Opinion (Trustees)") (for an overview of the Share Valuation Report (Trustees) and the Fairness Opinion (Trustees), please refer to "(IV) Receipt by the Special Committee of a Share Valuation Report and Fairness Opinion from an Independent Third-Party Valuator" under "(3) Measures to Ensure the Fairness of the Tender Offer" below).

On that basis, the Company carefully discussed and considered whether the Transaction, including the Tender Offer, will contribute to the enhancement of the Company's corporate value and whether the terms of the Transaction, including the Tender Offer Price, are fair, taking into account the legal advice received from Nakamura, Tsunoda & Matsumoto, the advice from a financial point of view received from Plutus Consulting and the contents of the Share Valuation Report (Plutus Consulting) obtained from it, and the contents of the Share Valuation Report (Trustees) and the Fairness Opinion (Trustees) submitted through the Special Committee, while respecting to the maximum extent the decisions of the Special Committee set out in the Report.

As a result, as set out below, the Company has concluded that the Transaction will contribute to enhancing the corporate value of the Company Group.

The Company Group operates under the slogan "Becoming the group that collects the most 'thank yous' on Earth" and the mission "To create a better environment and provide better opportunities for the improvement of the humanity of the people of Earth." The Company Group also contributes to solving social issues through its business activities and strives to maximize its impact relative to its existence.

In addition, the Company Group has built a circular sixth-sector industry business model as a unique business model that consistently spans from organic farming and dairy (primary industry), to processing at "Watami Tezukuri Chubo" (secondary industry), to the foodservice and home meal delivery businesses (tertiary industry), supports these with renewable energy, and integrates public-interest activities such as forest conservation and support for developing countries.

However, the business environment surrounding the Company Group has been changing rapidly in recent years, and the Company Group faces the following structural management issues.

(a) Changes in the market and lifestyles in the domestic foodservice business

The izakaya business market continues to shrink and customers' eating and drinking styles have changed significantly, making it important to respond to diverse usage needs, not only dine-in

but also takeout and delivery. Accordingly, the Company recognizes that, for the Company Group to achieve sustainable growth, it is essential to offer formats capable of meeting each of these diversifying demands and to broaden its business portfolio.

(b) Increasing meal volume and expanding channels in the home meal delivery business

While the market is expanding with the progression of the aging society, the competitive environment is intensifying due to an increase in new entrants and other factors. In addition, expansion into further channels, such as entry into the B2B market, is required, and achieving this requires developing production and logistics systems, developing new channels and products, and providing high-quality, low-priced products, so that the issue is to develop the market and expand market share by acquiring new customers.

(c) Responding to changes in the business environment in the overseas business

In existing regions, the competitive environment is also intensifying due to the diversification of needs. Accordingly, the Company recognizes that opening new local stores and strengthening product planning and menu development tailored to local needs are issues. Meanwhile, because it is essential to establish a business base in the U.S. market, where demand for Japanese food is expanding, the Company recognizes that it is essential to improve the profitability of overseas markets and optimize the business portfolio by expanding the store network, developing a product supply system, and recruiting and training local personnel.

(d) Response to rising raw material prices

There is a risk that significant fluctuations in the harvest volumes and purchase prices of agricultural and marine products due to unseasonable weather, the global situation and other factors, as well as supply delays and price increases for containers and materials, may affect production costs and manufacturing plans. Accordingly, the Company Group needs to strengthen its own base in the agriculture and renewable energy businesses and, through the "Watami Model," under which the Company Group itself consistently handles everything from production to processing and sales, enhance the Company Group's corporate value through the stabilization of procurement costs and the improvement of brand value backed by the quality of its ingredients.

(e) Strengthening the human resource base

The Company recognizes that, in each of the domestic foodservice business, home meal delivery business and overseas business operated by the Company Group, "people" are the greatest source of differentiation and the greatest strength. The Company recognizes that, in a difficult environment of continuing price increases, in order to respond to the efforts and growth of each employee and further increase their motivation, it is essential to continuously provide returns to employees together with improving business performance, and that this is also necessary to address stagnating recruitment due to the current contraction of the labor market, as well as working environment issues and labor shortages.

(f) Response to the depreciation of the yen

The Company's earnings base and business portfolio are heavily skewed toward the domestic market, and the Company has a structure that is susceptible to the disadvantages of a weak yen, including increases in import costs for raw materials and supplies. The Company recognizes that, in order to hedge over the medium to long term against the negative impact of such exchange rate fluctuations on its results, it is necessary to build an earnings structure in the overseas business capable of earning foreign currency and to optimize its business portfolio.

Under these circumstances, as described in "(II) Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer" above, the Company received from Mr. Watanabe, in the Proposal Letter received on August 24, 2026, a proposal of specific management measures to be implemented after the Transaction, organized into five pillars: (i) strengthening the earnings base by accelerating the opening of SUBWAY stores in the domestic foodservice business; (ii) full-scale business development in the U.S.; (iii) increasing meal volume in the home meal delivery business and full-scale rollout of Frozen Home Meal Delivery; (iv) strengthening the human resource base by enhancing distribution to employees; and (v) investment to deepen the "Watami Model."

The Company recognizes that each of these measures directly addresses the above management issues faced by the Company and should be actively promoted for the enhancement of the Company's medium- to long-term corporate value. On the other hand, the Company believes that it is not easy to promote these measures with speed and execution capability within the current framework of a listed company, from the perspectives of human resources, expertise, capital and speed of decision-making. In this regard, Mr. Watanabe, the Representative Director of the Tender Offeror and the Representative Director, Chairman, President, and CEO of the Company, is thoroughly familiar with the Company's business and management issues, and the Company has determined that the Transaction is reasonable in that it aligns ownership and management and enhances the ability to execute each of the above measures.

On the other hand, the above management measures involve the strategic restructuring of the store portfolio (including a review of existing stores), large-scale investments including the construction of a new home meal delivery factory, and continued investment in accelerated store openings in the U.S., and it is expected that a considerable period and upfront costs will be required before their effects are reflected in the Company Group's results. In other words, if the Company were to implement these measures while remaining listed, it cannot be ruled out that the Company Group's results may temporarily deteriorate in the short term due to impairment losses associated with store restructuring, increased depreciation for home meal delivery factory investments, upfront personnel costs, and the burden of continued overseas investment, and the Company believes that, as a result, its shareholders may suffer significant adverse effects in the form of a decline in the share price, a reduction in dividends, or no dividends.

Under these circumstances, the Company has concluded that, in order to enhance its corporate value from a medium- to long-term perspective while avoiding the above adverse effects that may arise for its shareholders, the optimal option for enhancing its corporate value is to take the Company Shares private through a so-called management buyout (MBO), align ownership and management, and thereby (a) build a management environment in which management decisions can be made from a medium- to long-term perspective, at a distance from short-term evaluation by the stock market, (b) establish a structure in which Mr. Watanabe and the current management team can, as one, promote the above management measures flexibly and fundamentally, and (c) while maintaining an appropriate corporate governance system, redirect the management resources previously devoted to the various costs of maintaining the listing (corporate governance compliance, disclosure and audit under the Financial Instruments and Exchange Act, IR and shareholder relations, etc.) to resolving the Company's management issues and growing its business.

If the Company Shares are taken private, the following disadvantages are generally pointed out: (a) the means of raising funds through equity financing from the capital markets will be restricted; (b) the social credibility and name recognition the Company has enjoyed as a listed company may be affected; (c) as a result, the securing of personnel, the expansion of business partners and relationships with existing business partners may be affected; and (d) the external monitoring function of the capital markets and of a large number of unspecified shareholders will recede, and management discipline may decline.

However, the Company assesses that each of these disadvantages is limited, taking into account the following: with respect to (a), in light of the Company's current financial position and the funding needs anticipated under the Business Plan (as defined in "(ii) Overview of Valuation" under "(I) Receipt by the Company of a Share Valuation Report from an Independent Third-Party Valuator" in "(3) Measures to Ensure the Fairness of the Tender Offer" below), the need for fundraising through equity financing is considered limited for the time being, and even if a need arises, it is expected that the funds necessary for the Company's business operations can be fully secured through its relationships with financial institutions and the use of diverse fundraising methods; with respect to (b) and (c), the Company considers that the impact of delisting on its social credibility, the securing of personnel and its relationships with business partners will be limited, given that the Company Group's social credibility and brand power have already been established through its business activities, that Suntory, an important business partner of the Company, is expected to reinvest after the Transaction so that the cooperative relationship through a capital relationship is expected to be

maintained after the Transaction, and that good relationships have been built with the other business partner shareholders through past business dealings and other means, such that even if the capital relationships are dissolved as a result of the Transaction, no particular adverse effect or obstacle is expected to arise for the continuation of future business transactions or the maintenance of relationships; and with respect to (d), the Company has been working to enhance its corporate governance system, and according to the Tender Offeror, there is no particular plan to change the Company's governance system after the Transaction, so it is considered possible to continue to maintain an appropriate corporate governance system. In addition, the Company believes that if the Transaction makes it possible to redirect the management resources relating to shareholder matters, such as listing maintenance expenses that have continuously increased to comply with the Corporate Governance Code and other requirements, the resources and expenses for disclosure and audit under the Financial Instruments and Exchange Act and IR-related expenses, to resolving the Company's management issues and growing its business, this will also contribute to enhancing corporate value from a long-term perspective. Accordingly, the Company's Board of Directors has determined that the advantages of taking the Company Shares private outweigh its disadvantages.

Based on the above, the Company's Board of Directors has determined that the measures contemplated by Mr. Watanabe described above are reasonable, and that the implementation of the Transaction, including taking the Company Shares private through a so-called management buyout (MBO), will contribute to the enhancement of the Company's medium- to long-term corporate value and is also in the interests of the Company's shareholders.

Furthermore, the Company has determined, in light of the following points, that the Tender Offer Price (JPY 1,284) and the other terms of the Tender Offer are fair to the Company's shareholders and that the Tender Offer provides the Company's shareholders with a reasonable opportunity to sell their shares. As described in (Note 4) under "1. Overview of the Tender Offeror" above, on November 13, 2026, the Tender Offeror acquired 100 Company Shares at JPY 858 per share through the Private Transaction; however, because that price was the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on November 12, 2026, the business day preceding the acquisition date, and is lower than the Tender Offer Price (JPY 1,284), the Company believes that the price in the Private Transaction does not affect its determination of the fairness of the Tender Offer Price.

(a) The Tender Offer Price (JPY 1,284) is at a level that exceeds the upper limit of the valuation results under the market price method and the comparable company method, and exceeds the median of the range of the valuation results under the DCF method, among the valuation results of the Company Shares by Plutus Consulting described in "(ii) Overview of Valuation" under "(I) Receipt by the Company of a Share Valuation Report from an Independent Third-Party Valuator" in "(3) Measures to Ensure the Fairness of the Tender Offer" below.

(b) The Tender Offer Price (JPY 1,284) is at a level that exceeds the upper limit of the valuation results under the market price method, is slightly below but close to the upper limit of the range of the valuation results under the comparable public company method, and exceeds the median of the range of the valuation results under the DCF method, among the valuation results of the Company Shares by Trustees described in "(ii) Overview of Valuation" under "(IV) Receipt by the Special Committee of a Share Valuation Report and Fairness Opinion from an Independent Third-Party Valuator" in "(3) Measures to Ensure the Fairness of the Tender Offer" below.

(c) (i) The Tender Offer Price (JPY 1,284) represents a premium of 49.65% over the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on November 12, 2026 (the reference date), the business day before the date of announcement of the Tender Offer, of JPY 858, 50.35% over the simple average closing price for the preceding one-month period of JPY 854, 42.83% over the simple average closing price for the preceding three-month period of JPY 899, and 40.33% over the simple average closing price for the preceding six-month period of JPY 915., and as compared to the premium

levels (the median premiums on the closing price on the business day before the announcement date and on the simple average closing prices for the one-month, three-month and six-month periods before the announcement being 42.33%, 45.18%, 47.08% and 49.27%, respectively) in MBO cases announced from June 28, 2019 through September 30, 2026 (excluding cases in which the tender offer was not commenced, cases in which the tender offer was unsuccessful, issuer tender offers, discount tender offers, tender offers aimed at maintaining a listing, two-step tender offers, and leaked tender offers), this premium level is slightly below for the three-month and six-month periods before the announcement but above for the business day before the announcement date and the one-month period before the announcement; and (ii) when the distribution of premium rates in the above MBO cases is viewed in 10% increments, the range of 40% or more but less than 50% is the range with the largest number of cases for the premium rates over the simple average closing prices for both the three-month and six-month periods before the announcement (32 cases for the three-month period and 28 cases for the six-month period), and the premium rates of the Tender Offer Price over the simple average closing prices for the three-month and six-month periods before the announcement both fall within that range; and accordingly, the Tender Offer Price can be assessed as carrying a premium that compares favorably with similar cases.

(d) As described in "(IV) Receipt by the Special Committee of a Share Valuation Report and Fairness Opinion from an Independent Third-Party Valuator" under "(3) Measures to Ensure the Fairness of the Tender Offer" below, Trustees has submitted the Fairness Opinion (Trustees) to the effect that Trustees has determined that the Tender Offer Price (JPY 1,284) is fair to the Company's general shareholders from a financial point of view.

(e) The fairness of the procedures for the Transaction is considered to have been ensured, including through the implementation of the measures to ensure the fairness of the Tender Offer described in "(3) Measures to Ensure the Fairness of the Tender Offer" below.

(f) With respect to the process of discussions and negotiations on the terms of the Transaction, it is recognized that the Special Committee was substantively involved after the Company had implemented the above measures to ensure the fairness of the Tender Offer, and that the Tender Offeror and the Company engaged in repeated, sincere negotiations.

(g) As set forth in Annex 1, the Report submitted by the Special Committee states that the fairness and appropriateness of the terms and conditions of the Transaction have been ensured.

Based on the above, at the meeting of its Board of Directors held today, the Company resolved to express its opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer. For the method of resolution at that Board meeting, please refer to "(VI) Approval of All Disinterested Directors of the Company (Including Audit and Supervisory Committee Members)" under "(3) Measures to Ensure the Fairness of the Tender Offer" below.

(3) Measures to Ensure the Fairness of the Tender Offer

In light of the fact that the Transaction, including the Tender Offer, is being conducted as part of a so-called management buyout (MBO), and that there is an issue of structural conflicts of interest and other matters, the Tender Offeror and the Company have implemented the following measures to ensure the fairness of the Transaction, including the Tender Offer, from the perspectives of ensuring the fairness of the Tender Offer Price, eliminating arbitrariness in the decision-making process leading to the decision to conduct the Tender Offer, and avoiding conflicts of interest.

The Tender Offeror has not set a so-called "majority of minority" minimum number of shares to be purchased in the Tender Offer, in light of the possibility that setting a "majority of minority" minimum would raise the minimum number of shares to be purchased in the Tender Offer, make the successful completion of the Tender Offer uncertain, and not serve the interests of minority

shareholders who wish to tender. However, because the Tender Offeror and the Target have taken the following measures as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest, the Tender Offeror believes that sufficient consideration has been given to the interests of the Target's minority shareholders.

Furthermore, the descriptions below regarding measures implemented by the Tender Offeror are based on explanations provided by the Tender Offeror.

(I) Receipt by the Company of a Share Valuation Report from an Independent Third-Party Valuator

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

In expressing its opinion on the Tender Offer, in order to ensure the fairness of its decision-making regarding the Tender Offer Price proposed by the Tender Offeror, the Company requested Plutus Consulting, a financial advisor and third-party valuator independent of the Tender Offer Related Parties and the Company, to calculate the share value of the Company Shares, and obtained the Share Valuation Report (Plutus Consulting) dated November 12, 2026.

Plutus Consulting is not a related party of the Tender Offer Related Parties or of the Company and has no material interest required to be disclosed in connection with the Transaction, including the Tender Offer. In addition, the compensation payable to Plutus Consulting in connection with the Transaction consists solely of a fixed fee payable regardless of the success or failure of the Transaction, and does not include any success fee payable conditional upon the announcement or completion of the Transaction or similar events.

(ii) Overview of Valuation

After considering which valuation methods to adopt from among several methods, and based on the view that it is appropriate to evaluate the value of the Company Shares from multiple perspectives on the premise that the Company is a going concern, Plutus Consulting calculated the per-share value of the Company Shares using the market price method, because the Company Shares are listed on the Prime Market of the Tokyo Stock Exchange; the comparable company method, because there are multiple listed companies comparable to the Company and the share value can be inferred by comparison with them; and the discounted cash flow method (the "DCF method"), to reflect the status of future business activities in the valuation. The Company obtained the Share Valuation Report (Plutus Consulting) from Plutus Consulting dated November 12, 2026.

The ranges of the per-share value of the Company Shares calculated under each of the above methods are as follows.

Market price method: JPY 854 to JPY 915
Comparable company method: JPY 922 to JPY 1,029
DCF method: JPY 987 to JPY 1,573

Under the market price method, using November 12, 2026, the business day before the date of the Company's Board resolution on the expression of its opinion on the Tender Offer, as the reference date, the per-share value of the Company Shares was calculated to range from JPY 854 to JPY 915, based on the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on the reference date (JPY 858) and the simple average closing prices for the most recent one-month (JPY 854), three-month (JPY 899) and six-month (JPY 915) periods.

Under the comparable company method, Eternal Hospitality Group Co., Ltd., Yossix Holdings Co., Ltd., Silver Life Co., Ltd. and Oisix Co., Ltd. were selected as listed companies engaged in businesses with a certain similarity to the Company, enterprise value was calculated using EV/EBITA and EV/EBITDA multiples, and, after adjustment for non-operating assets, interest-bearing debt and other items, the per-share value of the Company Shares was calculated to range from JPY 922 to JPY 1,029.

Under the DCF method, based on factors including the revenue forecasts and investment plans in the Company's business plan for the fiscal years ending March 31, 2027 through March 31, 2031,

prepared by the Company for the period reasonably foreseeable at the time of preparation (the "Business Plan"), the Company's financial information for the second quarter of the fiscal year ending March 31, 2027, and publicly available information, the enterprise value and share value of the Company were calculated by discounting the free cash flow expected to be generated by the Company to present value at a certain discount rate, and the per-share value of the Company Shares was calculated to range from JPY 987 to JPY 1,573. A discount rate of 7.0% to 8.6% was adopted as the weighted average cost of capital, and no size risk premium has been taken into account. The perpetual growth rate method and the multiple method were adopted to calculate terminal value. Under the perpetual growth rate method, the perpetual growth rate was set at 0% to 1% and the terminal value was calculated as JPY 46,102 million to JPY 64,153 million. The minimum perpetual growth rate is based on the theoretically assumed long-term economic environment, and the maximum on inflation, demographics and other macro factors. Under the multiple method, EV/EBITA and EV/EBITDA multiples were adopted and, taking into account the levels of industry peers and other factors, the EV/EBITA multiple was set at 6.5x to 7.5x and the terminal value was calculated as JPY 37,343 million to JPY 42,933 million, and the EV/EBITDA multiple was set at 4.4x to 5.2x and the terminal value was calculated as JPY 41,955 million to JPY 49,409 million. In calculating terminal value, an adjustment was made to take into account the full-year contribution of net sales of new stores opened in the final fiscal year of the business plan. Surplus cash and deposits (after deducting operating cash and deposits estimated by comprehensively considering the Company's historical cash management and other factors), securities and investment securities were added as non-operating assets in calculating the share value.

The financial forecasts based on the Business Plan that Plutus Consulting used as the basis for its DCF calculation are as follows. The Business Plan does not include any fiscal year in which a significant increase or decrease in profit or a significant fluctuation in free cash flow is expected.

In addition, the Business Plan on which Plutus Consulting based its valuation of the Company Shares was prepared, for the purpose of considering the Transaction, by employees who have no interest in the Tender Offerors, and was subsequently reviewed and approved by the Special Committee.

The Business Plan was prepared taking into account the business environment, including the current earnings of the domestic foodservice business, the home meal delivery business and the overseas business, persistently high raw material and personnel costs, and exchange rate trends, and incorporates key measures such as the active opening of SUBWAY stores in the domestic foodservice business, the full-scale development of the overseas business centered on the U.S. (including Onigilly, Inc.), and the increase in meal volume, including Frozen Home Meal Delivery, in the home meal delivery business. The Special Committee conducted question-and-answer sessions with the Company regarding its contents and preparation process, and approved it after confirming that there is nothing unreasonable in light of the interests of the Company's general shareholders.

In addition, synergies expected to be realized through the execution of the Transaction have not been reflected, because it is difficult at this time to specifically estimate their impact on earnings.

(Unit: JPY million)

	Fiscal Year Ending March 2027 (6 months)	Fiscal Year Ending March 2028	Fiscal Year Ending March 2029	Fiscal Year Ending March 2030	Fiscal Year Ending March 2031
Revenue	53,245	108,313	117,632	127,813	137,740
Operating Income	2,785	4,841	4,978	5,266	5,012
EBITDA	4,226	8,020	8,326	8,665	8,920
Free Cash Flow	1,895	3,034	3,088	3,521	2,884

(Note) In calculating the share value of the Company Shares, Plutus Consulting has, in principle, used the information provided by the Company, publicly available information and other information as is, on the assumption that all such materials and information are accurate and complete, and has not independently verified their accuracy or completeness. In addition, Plutus Consulting has not independently evaluated or appraised the Company's assets or liabilities (including off-balance-sheet assets and liabilities and other contingent liabilities) and has not requested any third-party institution to appraise or assess them. Furthermore, Plutus Consulting has assumed that the information relating to the Company's financial forecasts was reasonably prepared on the basis of the best forecasts and judgments currently available to the Company's officers and employees (limited, however, to those independent of the Tender Offeror). However, Plutus Consulting conducted multiple interviews regarding the Business Plan used as the basis for its calculation and analyzed and examined its contents. In addition, as described in "(III) Establishment of an Independent Special Committee at the Company and Receipt of a Written Report from the Special Committee" below, the Special Committee has confirmed the reasonableness of the contents, material assumptions and preparation process of the Business Plan.

(II) Receipt by the Company of Advice from an Independent Legal Advisor

To ensure the fairness and propriety of the Company's Board of Directors' decision-making regarding the Transaction, including the Tender Offer, the Company appointed Nakamura, Tsunoda & Matsumoto as a legal advisor independent of the Tender Offer Related Parties and the Company, and has received legal advice regarding the process and method of the Company's Board of Directors' decision-making concerning the Transaction, including the Tender Offer, as well as other points to be considered when making such decisions.

Nakamura, Tsunoda & Matsumoto is not a related party of the Tender Offer Related Parties or of the Company and has no material interest in the Transaction, including the Tender Offer. The fees of Nakamura, Tsunoda & Matsumoto are calculated by multiplying the hours worked by hourly rates regardless of the success or failure of the Transaction, and do not include any success fee conditional upon the announcement or completion of the Transaction or similar events. In addition, the Special Committee approved the appointment of Nakamura, Tsunoda & Matsumoto as the Company's legal advisor after confirming that there are no issues with its independence and expertise.

(III) Establishment of an Independent Special Committee at the Company and Receipt of a Written Report from the Special Committee

(i) Background of the Establishment, etc.

As described in "(IV) Decision-Making Process and Reasons Leading to the Company's Support of the Tender Offer" under "(2) Basis and Reasons for the Opinion" above, in light of the fact that the Transaction is being conducted as part of a so-called management buyout (MBO) and structural conflicts of interest and information asymmetry typically exist, pursuant to a resolution of its Board of Directors held on August 25, 2026, for the purpose of eliminating arbitrariness in the Company's decision-making on the Transaction, including the Tender Offer, and ensuring the fairness, transparency and objectivity of the decision-making process, the Company established the Special Committee, independent of the Tender Offer Related Parties, the Company and the success or failure of the Transaction, including the Tender Offer, consisting of three members: Mr. Toshiya Ito (independent outside director of the Company (Audit and Supervisory Committee member); Professor Emeritus and Specially Appointed Professor, Strategy Headquarters, Institute of Science Tokyo; Councilor, Ikubunkan Yume Gakuen Educational Corporation), Ms. Minako Ohishi (independent outside director of the Company (Audit and Supervisory Committee member); Director, NPO Sustainability Forum Japan; Member, Procurement Price Calculation Committee, Ministry of Economy, Trade and Industry; Member, Tokyo Metropolitan Waste Management Council; Councilor, Sustainable Green Ecosystem Council (SGEC/PEFC Japan); Auditor, Japan Reduce, Reuse and Recycle Promotion Council; Member, Transport Council, Ministry of Land, Infrastructure, Transport

and Tourism; Councilor, Japan Bicycle Promotion Institute), and Mr. Takashi Goto (attorney-at-law, Shiomizaka Sogo Law Office). The Company decided not to appoint Mr. Toshinari Hitsuka, an outside director (full-time Audit and Supervisory Committee member), as a member of the Special Committee, because he concurrently serves as a corporate auditor of two subsidiaries of Bank of Yokohama, which will provide the Loan, and his interests may therefore not be aligned with those of the Company's general shareholders. In light of these circumstances, the Company selected Mr. Takashi Goto, who was introduced by the Company's legal advisor Nakamura, Tsunoda & Matsumoto, as a member of the Special Committee, considering him suitable to serve as a member of the Special Committee as an outside expert, considering that, although not an officer of the Company, he has extensive experience as a member of special committees in transactions similar to the Transaction and extensive professional experience and knowledge cultivated through his career. The Company selected the above three persons as members of the Special Committee from the outset and has not changed its members. The members' remuneration consists solely of fees paid as consideration for their duties regardless of the content of the Report, and does not include any success fee contingent on announcement or completion of the Transaction. Mr. Toshiya Ito was elected chair of the Special Committee by mutual vote of its members.

Then, based on the above Board resolution, the Company consulted the Special Committee on (i) whether the purpose of the Transaction is recognized as reasonable (including whether the Transaction will contribute to the enhancement of the Company's corporate value), (ii) whether the fairness and appropriateness of the terms of the Transaction have been ensured (including whether the level of the acquisition consideration, the method of acquisition, the type of acquisition consideration and other terms of the transaction are fair), (iii) whether sufficient procedures have been taken to ensure the fairness of the terms of the transaction, (iv) whether, in light of (i) through (iii) above, the Transaction is considered fair to the Company's general shareholders, and (v) whether it is appropriate for the Company's Board of Directors to express an opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer ((i) through (v), collectively, the "Matters for Consultation").

In consulting the Special Committee, the Company's Board of Directors resolved that its decision-making on the Transaction would be made respecting the Special Committee's judgment to the maximum extent, and in particular that, if the Special Committee determines that the terms of the Transaction are not appropriate, the Board of Directors will not support the Transaction on those terms. In addition, based on that Board resolution, the Company granted the Special Committee (a) the authority to nominate or approve (including ex post approval) experts such as the Company's financial advisor and legal advisor, (b) the authority, where the Special Committee considers it necessary in considering the Matters for Consultation, to appoint its own advisors (with the reasonable costs of such advisors' professional advice to be borne by the Company), (c) the authority to receive information necessary for considering and deciding on the Transaction from the Company's officers and employees and other persons the Special Committee considers necessary, and (d) the authority to be substantively involved in the negotiation process regarding the terms of the Transaction by confirming the policy in advance, receiving timely reports on the status, expressing opinions at important junctures, and giving instructions and making requests.

(ii) Course of review

The Special Committee met a total of 15 times, for approximately 20 hours in total, from August 27, 2026 to November 12, 2026, and also reported, shared information, deliberated and made decisions by email and other means outside of meetings, and carefully considered and discussed the Matters for Consultation. Specifically, the Special Committee first, based on its authority described above, confirmed that there were no issues with the independence and expertise of Nakamura, Tsunoda & Matsumoto, the legal advisor appointed by the Company, and Plutus Consulting, the financial advisor and third-party valuator appointed by the Company, and approved each of them as the Company's advisors. In addition, to ensure the appropriateness of the terms of the Transaction, including the Tender Offer Price, the Special Committee, based on its authority described above and after considering their independence and expertise, decided to appoint Trustees as its own financial

advisor and third-party valuator. The Special Committee also confirmed that it would not appoint its own legal advisor, given that Mr. Takashi Goto, an attorney with extensive experience as a member of special committees in transactions similar to the Transaction, has been appointed as a member of the Special Committee, and that it can obtain professional advice from Nakamura, Tsunoda & Matsumoto, the Company's legal advisor, as needed.

In addition, as described in "(V) Establishment of an Independent Review Framework at the Company" below, the Special Committee confirmed that there are no issues from the perspective of independence and fairness with the review framework for the Transaction established within the Company (including the scope of the Company's officers and employees involved in the consideration, negotiation and decision-making regarding the Transaction and their duties), and approved it.

On that basis, the Special Committee has considered the measures to be taken to ensure procedural fairness in the Transaction, taking into account advice from Nakamura, Tsunoda & Matsumoto, the Company's legal advisor, on the decision-making process and method for the Transaction and other points to note in decision-making regarding the Transaction.

Specifically, the Special Committee first conducted questions and answers with the Tender Offerors through written questions and interviews regarding the background to the consideration of the Transaction, the business environment and issues surrounding the Company, the assessment of the Company's recent results and market share price, the details of the measures contemplated to be implemented after the execution of the Transaction to resolve the Company's management issues, the existence of alternative means, the reasons why the Transaction will contribute to enhancing the Company's corporate value and strengthening its management base, concerns anticipated to arise from the delisting resulting from the Transaction, the management policy after the execution of the Transaction (management structure, business operation policy, policy on holding Company Shares, etc.), the structure of the Transaction, the terms of the Transaction and other matters, and considered and discussed these matters.

Next, the Special Committee conducted questions and answers with the Company through written questions and interviews regarding the background to the consideration of the Transaction, the business environment and issues surrounding the Company, the assessment of the Company's recent results and market share price, the assessment of the measures contemplated by the Tender Offeror after the execution of the Transaction, the existence of alternative means, the reasons why the Transaction will contribute to enhancing the Company's corporate value and strengthening its management base, concerns anticipated to arise from the delisting resulting from the Transaction, the expected management structure and business operation policy after the execution of the Transaction, and the preparation process and material assumptions of the Business Plan (the Company's stand-alone business plan absent the Transaction, which does not reflect synergies expected to be realized through the Transaction), and considered and discussed these matters.

In addition, with respect to the Business Plan presented by the Company to the Tender Offerors and used by Plutus Consulting and Trustees as the basis for their valuations of the Company Shares, the Special Committee received an explanation from the Company of the process for preparing the Business Plan, and approved it after confirming, through multiple question-and-answer sessions, the reasonableness of its contents, material assumptions and preparation process.

On that basis, as described in "(I) Receipt by the Company of a Share Valuation Report from an Independent Third-Party Valuator" above and "(IV) Receipt by the Special Committee of a Share Valuation Report and Fairness Opinion from an Independent Third-Party Valuator" below, Plutus Consulting and Trustees calculated the share value of the Company Shares based on the Business Plan, and the Special Committee received explanations from Plutus Consulting and Trustees of the valuation methods for the Company Shares, the reasons for adopting those methods, the details of the calculation under each method and the material assumptions, conducted questions and answers on these matters, and confirmed their reasonableness. In addition, the Special Committee received an explanation from Trustees of the review procedures leading to the issuance of the fairness opinion, the contents of the opinion and its assumptions, and confirmed that there was nothing unreasonable in them.

Following the above considerations, the Special Committee, having been informed by the Company in a timely manner of the course and details of the discussions and negotiations with the Tender Offeror regarding the Transaction, has been substantively involved in the negotiations with the Tender Offeror, including by considering, with the advice of Trustees, each proposal made by the Tender Offerors in the course of the negotiations on the Tender Offer Price described in "(IV) Decision-Making Process and Reasons Leading to the Company's Support of the Tender Offer" under "(2) Basis and Reasons for the Opinion" above, and by deliberating on and considering the negotiation policy toward the Tender Offerors after hearing the Company's views and receiving advice from Plutus Consulting and Nakamura, Tsunoda & Matsumoto at the Special Committee.

The Special Committee also received an explanation from Nakamura, Tsunoda & Matsumoto, the Company's legal advisor, of the drafts of the press releases to be published or filed by the Company, and confirmed that comprehensive disclosures would be made.

(iii) Details of decision

Following the above course of review, as a result of carefully discussing and considering the Matters for Consultation, the Special Committee unanimously submitted the Report to the Company's Board of Directors on November 12, 2026. For details of the Report, please refer to Annex 1.

(IV) Receipt by the Special Committee of a Share Valuation Report and Fairness Opinion from an Independent Third-Party Valuator

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

In considering the Matters for Consultation, in order to ensure the appropriateness of the terms of the transaction, including the Tender Offer Price, the Special Committee requested Trustees, a financial advisor and third-party valuator independent of the Tender Offer Related Parties and the Company, to calculate the share value of the Company Shares, and obtained the Share Valuation Report (Trustees) and the Fairness Opinion (Trustees) dated November 12, 2026.

Trustees is not a related party of the Tender Offer Related Parties or of the Company and has no material interest in the Transaction, including the Tender Offer. In addition, Trustees' compensation in connection with the Transaction consists solely of a fixed fee payable regardless of the success or failure of the Transaction, and does not include any success fee payable conditional upon the completion of the Transaction, including the Tender Offer, or similar events.

(ii) Overview of Valuation

After considering which valuation methods to adopt from among several methods, and based on the view that it is appropriate to evaluate the value of the Company Shares from multiple perspectives on the premise that the Company is a going concern, Trustees calculated the per-share value of the Company Shares using the market price method, because the Company Shares are listed on the Prime Market of the Tokyo Stock Exchange; the comparable public company method, because there are multiple listed companies comparable to the Company and the share value can be inferred by comparison with them; and the DCF method, to reflect the status of future business activities in the valuation. The Special Committee obtained the Share Valuation Report (Trustees) from Trustees dated November 12, 2026.

The ranges of the per-share value of the Company Shares calculated under each of the above methods are as follows.

Market price method: JPY 854 to JPY 915
Comparable public company method: JPY 1,099 to JPY 1,292
DCF method: JPY 1,082 to JPY 1,452

Under the market price method, using November 12, 2026, the business day before the date of the Company's Board resolution on the expression of its opinion on the Tender Offer, as the reference date, the per-share value of the Company Shares was calculated to range from JPY 854 to JPY 915,

based on the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on the reference date (JPY 858) and the simple average closing prices for the most recent one-month (JPY 854), three-month (JPY 899) and six-month (JPY 915) periods.

Under the comparable public company method, Eternal Hospitality Group Co., Ltd., Chimney Co., Ltd., Yossix Holdings Co., Ltd. and Silver Life Co., Ltd. were selected as listed companies engaged in businesses with a certain similarity to the Company, enterprise value was calculated using the multiple of EBITDA to enterprise value, and, after adjustment for non-operating assets, interest-bearing debt and other items, the per-share value of the Company Shares was calculated to range from JPY 1,099 to JPY 1,292.

Under the DCF method, based on factors including the revenue forecasts and investment plans in the Business Plan prepared by the Company, the Company's financial information for the second quarter of the fiscal year ending March 31, 2027, and publicly available information, the enterprise value and share value of the Company were calculated by discounting the free cash flow expected to be generated by the Company to present value at a certain discount rate, and the per-share value of the Company Shares was calculated to range from JPY 1,082 to JPY 1,452. Because the Company Group's domestic business and overseas business are considered to differ in characteristics such as business risk, in order to appropriately reflect the characteristics of each business in the share valuation, a weighted average cost of capital of 7.19% to 9.19% for the domestic business and 10.23% to 12.23% for the overseas business was adopted as the discount rate. The perpetual growth rate method was adopted to calculate terminal value. Under the perpetual growth rate method, after comprehensively considering the external environment and other factors, the perpetual growth rate was set at 0.50% to 1.50% and the terminal value was calculated as JPY 29,195 million to JPY 44,345 million. In calculating terminal value, an adjustment was made to take into account the full-year contribution of net sales of new stores opened in the final fiscal year of the business plan. In addition, surplus cash and deposits (after deducting operating cash and deposits estimated by comprehensively considering the Company's historical cash management and other factors), securities and investment securities were added in calculating the share value.

The financial forecasts based on the Business Plan that Trustees used as the basis for its DCF calculation are as follows. The Business Plan does not include any fiscal year in which a significant increase or decrease in profit or a significant increase or decrease in free cash flow compared with the previous fiscal year is expected.

The Business Plan on which Trustees based its valuation of the Company Shares was prepared, for the purpose of considering the Transaction, by employees who have no interest in the Tender Offeror, and was subsequently reviewed and approved by the Special Committee.

In addition, synergies expected to be realized through the execution of the Transaction have not been reflected, because it is difficult at this time to specifically estimate their impact on earnings.

(Unit: JPY million)

	Fiscal Year Ending March 2027 (6 months)	Fiscal Year Ending March 2028	Fiscal Year Ending March 2029	Fiscal Year Ending March 2030	Fiscal Year Ending March 2031
Revenue	53,245	108,313	117,632	127,813	137,740
Operating Income	2,785	4,841	4,978	5,266	5,012
EBITDA	4,226	8,020	8,326	8,665	8,920
Free Cash Flow	2,462	2,924	2,820	3,222	2,527

(Note) In calculating the share value of the Company, Trustees has used the information provided by the Company, publicly available information and other information as is, and has relied on them on the assumption that all such materials and information are accurate and

complete and that there are no facts undisclosed to Trustees that could have a material effect on the analysis and calculation of the share value of the Company Shares, and has not independently verified their accuracy. In addition, Trustees has not independently evaluated or appraised the Company's assets or liabilities (including off-balance-sheet assets and liabilities and other contingent liabilities) and has not requested any third-party institution to appraise or assess them. Trustees' calculation reflects the above information up to November 12, 2026. Furthermore, it has been assumed that the information relating to the Company's financial forecasts was reasonably prepared on the basis of the best forecasts and judgments available as of the valuation reference date to the Company's officers and employees (limited, however, to those independent of the Tender Offeror). However, Trustees conducted multiple interviews regarding the Business Plan used as the basis for its calculation and analyzed and examined its contents. In addition, as described in "(III) Establishment of an Independent Special Committee at the Company and Receipt of a Written Report from the Special Committee" above, the Special Committee has confirmed the reasonableness of the contents, material assumptions and preparation process of the Business Plan.

(iii) Overview of the Fairness Opinion (Trustees)

The Special Committee obtained from Trustees, as of November 12, 2026, the Fairness Opinion (Trustees) to the effect that Trustees has determined that the Tender Offer Price of JPY 1,284 per share is fair to the Company's general shareholders from a financial point of view (Note). The Fairness Opinion (Trustees) expresses the opinion that, in light of the results of the share valuation based on the Business Plan and other factors, the Tender Offer Price of JPY 1,284 per share is determined to be fair to the Company's general shareholders from a financial point of view. The Fairness Opinion (Trustees) was submitted after Trustees received disclosure from the Company of the current status and outlook of the Company Group's business and explanations thereof, and following the results of the share valuation conducted on that basis, questions and answers with the Company and the Special Committee regarding the outline, background and purpose of the Tender Offer, consideration of the Company's business environment, the economy, markets and financial conditions to the extent Trustees deemed necessary, and review procedures by a review committee within Trustees that is independent of the engagement team.

(Note) In preparing the Fairness Opinion (Trustees), Trustees has assumed that the materials and information provided by the Company and publicly available information are accurate and complete, and that there are no facts undisclosed to Trustees that could have a material effect on the analysis of the Tender Offer Price, and has not independently verified, and assumes no obligation to verify, the accuracy or completeness of such materials and information. Trustees has assumed that the Business Plan was reasonably prepared on the basis of the best forecasts and judgments of the Company available as of the valuation reference date, and has not independently verified, and assumes no obligation or responsibility for, its accuracy, appropriateness or feasibility.

Trustees has not conducted any independent valuation, appraisal or assessment of the Company's assets and liabilities (including off-balance-sheet assets and liabilities and other contingent liabilities), has not requested any third-party institution to conduct any appraisal or assessment, and assumes no obligation to do so. Trustees has not evaluated the solvency, financial soundness or creditworthiness of the Company or the Tender Offeror.

Trustees has relied on the judgment of the Company and its advisors with respect to legal, tax, accounting and regulatory matters, has not conducted any independent investigation of such matters, and does not provide advice on such matters.

The Fairness Opinion (Trustees) was prepared for the sole purpose of being used as reference information by the Special Committee in considering the matters consulted by the Board of Directors and preparing its report. Accordingly, the Fairness Opinion (Trustees) does not express any opinion on the relative merits of the Transaction compared with alternative transactions or on whether the Transaction should be executed.

In submitting the Fairness Opinion (Trustees), Trustees does not express any opinion that the

Tender Offer Price is the highest or best price that could be realized in the Transaction. The Fairness Opinion (Trustees) does not express any opinion on the trading price of the Company Shares in any transaction other than the Tender Offer, or on the price at which the Company Shares may trade at any time after the announcement of the Tender Offer or in the future.

The Fairness Opinion (Trustees) is not intended to be relied upon by any person other than the Special Committee, and Trustees assumes no responsibility for any damage arising from reliance on the Fairness Opinion (Trustees) by the Company's shareholders or any other third party. The Fairness Opinion (Trustees) does not express any opinion or recommendation to the Special Committee or the Company's Board of Directors as to whether the Tender Offer should be executed or as to tendering in, or any other action relating to, the Tender Offer, and does not express any opinion to the Company's shareholders, creditors or other stakeholders. The Fairness Opinion (Trustees) states an opinion as of its date of preparation, based on the economic conditions, capital markets and other conditions as of that date and on the information obtained by Trustees up to that date. Trustees has no obligation to revise, change or supplement its contents even if changes in circumstances after that date affect the opinion.

(V) Establishment of an Independent Review Framework at the Company

The Company has established within the Company a structure for considering and negotiating the Transaction from a position independent of the Tender Offer Related Parties. Specifically, because Mr. Watanabe, the Representative Director, Chairman, President, and CEO of the Company, is the proposer of the Transaction and a shareholder holding 99.53% of the shares of Keniten, which owns all of the voting rights of the Tender Offeror; Mr. Shoya Watanabe, Director and Managing Executive Officer, concurrently serves as Representative Director of Keniten; and Mr. Toshinari Hitsuka, Director and full-time Audit and Supervisory Committee member, concurrently serves as a corporate auditor of two subsidiaries of Bank of Yokohama, which will provide the Loan, none of them has participated in any deliberation or resolution of the Company's Board of Directors regarding the Transaction, in the process of preparing the Business Plan on which the valuation of the Company Shares is based, or in any discussion or negotiation with the Tender Offeror on behalf of the Company. The Company's structure for considering, negotiating and deciding on the Transaction consists entirely of officers and employees recognized as independent of the Tender Offer Related Parties, and this treatment has been maintained to date.

In addition, the review framework for the Transaction established within the Company, including this treatment, specifically the scope of the officers and employees involved in the consideration, negotiation and decision-making regarding the Transaction and their duties (including duties requiring a high degree of independence, such as the preparation of the business plan on which the valuation of the Company Shares is based), is based on the advice of Nakamura, Tsunoda & Matsumoto, and the Special Committee has approved that there are no issues with it from the perspective of independence.

(VI) Approval of All Disinterested Directors of the Company (Including Audit and Supervisory Committee Members)

Taking into account the Share Valuation Report (Plutus Consulting) obtained from Plutus Consulting, the legal advice from Nakamura, Tsunoda & Matsumoto, and the Share Valuation Report (Trustees) and the Fairness Opinion (Trustees) submitted through the Special Committee, and respecting to the maximum extent the contents of the Report submitted by the Special Committee, the Company carefully discussed and considered the terms of the Transaction, including the Tender Offer. As a result, as described in "(IV) Decision-Making Process and Reasons Leading to the Company's Support of the Tender Offer" under "(2) Basis and Reasons for the Opinion" above, the Company determined that the Transaction, including the Tender Offer, is expected to enhance the Company's corporate value, that the Tender Offer Price and other terms of the Tender Offer are fair to the Company's shareholders, and that the Tender Offer provides the Company's shareholders with a reasonable opportunity to sell their shares, and at the meeting of its Board of Directors held today,

the Company resolved, by the unanimous vote of the three directors of the Company who participated in the deliberation and resolution (excluding Mr. Watanabe, Mr. Shoya Watanabe and Mr. Toshinari Hitsuka), to express its opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer.

At the above Board meeting, because Mr. Watanabe, the Representative Director, Chairman, President, and CEO of the Company, is the proposer of the Transaction and a shareholder holding 99.53% of the shares of Keniten, which holds all of the voting rights of the Tender Offeror, Mr. Shoya Watanabe, Director and Managing Executive Officer, concurrently serves as Representative Director of Keniten, and Mr. Toshinari Hitsuka, Director and full-time Audit and Supervisory Committee member, concurrently serves as a corporate auditor of two subsidiaries of Bank of Yokohama, which will provide the Loan, in light of the possibility that their interests may not be aligned with those of the Company's other general shareholders, and from the perspective of avoiding any suspicion of a conflict of interest, none of them participated in the deliberation or resolution of the proposal relating to the expression of the Company's opinion on the Tender Offer, nor have they participated in any discussion or negotiation with the Tender Offeror on behalf of the Company regarding the Transaction.

(VII) Measures to Ensure an Opportunity for the Company's Shareholders to Make an Appropriate Decision on Whether to Tender in the Tender Offer

The Tender Offeror has not entered into any agreement with the Company that would restrict a person other than the Tender Offeror (a "Competing Acquirer") from contacting the Company, such as an agreement containing a deal protection provision prohibiting the Company from contacting a Competing Acquirer. In addition, while the minimum tender offer period prescribed by laws and regulations is 20 business days, the Tender Offeror has set the tender offer period for the Tender Offer (the "Tender Offer Period") at 30 business days. By setting the Tender Offer Period longer than the statutory minimum, the Tender Offeror intends to ensure the fairness of the Tender Offer by providing the Company's shareholders with an opportunity to carefully consider the merits of the Transaction and the appropriateness of the Tender Offer Price and to make an appropriate decision on whether to tender in the Tender Offer, while also ensuring an opportunity for a Competing Acquirer to make a competing purchase.

In addition, as described in "(4) Policy on Organizational Restructuring After the Tender Offer" below, (i) the Tender Offeror intends to request the Company, after the successful completion of the Tender Offer, to hold the Extraordinary Shareholders Meeting with agenda items including the Share Consolidation and a partial amendment to the Articles of Incorporation to abolish the share unit provision subject to the Share Consolidation taking effect, and will not adopt any method that does not secure appraisal rights or price determination rights for the Company's shareholders, and (ii) the Tender Offeror has made clear that, in the Share Consolidation, the amount of cash to be delivered to the Company's shareholders who did not tender in the Tender Offer (excluding the Tender Offeror, the Non-Tender Agreement Shareholders and the Company) will be calculated to equal the Tender Offer Price multiplied by the number of Company Shares owned by each such shareholder; the Tender Offeror has thereby given consideration to ensuring that the Company's shareholders have an opportunity to make an appropriate decision on whether to tender in the Tender Offer, so that no coercion arises.

(4) Policy on Organizational Restructuring After the Tender Offer

As described in "(I) Overview of the Tender Offer" under "(2) Basis and Reasons for the Opinion" above, if the Tender Offeror is unable to acquire all of the Company Shares (including the Restricted Shares, but excluding the Non-Tender Agreement Shares and the treasury shares held by the Company) through the Tender Offer, it intends to implement the Share Consolidation after the successful completion of the Tender Offer for the purpose of making the Tender Offeror and the Non-Tender Agreement Shareholders the only shareholders of the Company.

Specifically, the Tender Offeror intends to request the Company, promptly after completion of

settlement of the Tender Offer, to hold an extraordinary shareholders meeting (the "Extraordinary Shareholders Meeting") with agenda items including the Share Consolidation pursuant to Article 180 of the Companies Act and a partial amendment to the Articles of Incorporation to abolish the share unit provision subject to the Share Consolidation taking effect. In addition, because the Tender Offeror considers it desirable from the perspective of enhancing the Company's corporate value to hold the Extraordinary Shareholders Meeting as early as possible, it intends to request the Company to give public notice of a record date during the Tender Offer Period so that a date close to the commencement date of settlement of the Tender Offer will be the record date for the Extraordinary Shareholders Meeting, and the Company intends to comply with such request if made by the Tender Offeror. The Tender Offeror intends to vote in favor of each of the above proposals at the Extraordinary Shareholders Meeting.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders Meeting, on the date on which the Share Consolidation takes effect, the Company's shareholders will own the number of Company Shares corresponding to the ratio of the Share Consolidation approved at the Extraordinary Shareholders Meeting. If the Share Consolidation results in fractions of less than one share, the Company's shareholders holding such fractions will receive cash obtained by selling to the Company or the Tender Offeror the number of Company Shares equal to the total of such fractions (with any fraction of less than one share in that total being rounded down), in accordance with the procedures prescribed in Article 235 of the Companies Act and other relevant laws and regulations. With respect to the sale price of the Company Shares equal to the total of such fractions, it is intended that, after the price is set so that the amount of cash to be delivered as a result of the sale to the Company's shareholders who did not tender in the Tender Offer (excluding the Tender Offeror, the Non-Tender Agreement Shareholders and the Company) will be equal to the Tender Offer Price multiplied by the number of Company Shares owned by each such shareholder, the Company will be requested to file a petition with the court for permission for a voluntary sale. In addition, although the ratio of the Share Consolidation has not been determined as of today, it is expected to be determined so that the number of Company Shares owned by the Company's shareholders who did not tender in the Tender Offer (excluding the Tender Offeror, the Non-Tender Agreement Shareholders and the Company) will be a fraction of less than one share, so that the Tender Offeror and the Non-Tender Agreement Shareholders will own all of the Company Shares.

As provisions of the Companies Act intended to protect the rights of minority shareholders in connection with a share consolidation, if a share consolidation results in fractions of less than one share, Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations provide that the Company's shareholders who did not tender in the Tender Offer (excluding the Tender Offeror, the Non-Tender Agreement Shareholders and the Company) may demand that the Company purchase at a fair price all of their shares that will become fractions of less than one share, and may file a petition with the court for a determination of the price of the Company Shares. If such a petition is filed, the purchase price of the Company Shares will ultimately be determined by the court.

The Tender Offer is not in any way intended to solicit the support of the Company's shareholders at the Extraordinary Shareholders Meeting. In addition, the Company's shareholders are requested to confirm with a certified tax accountant or other expert, at their own responsibility, the tax treatment of tendering in the Tender Offer or of each of the above procedures.

Depending on amendments to and the enforcement of relevant laws and regulations and the interpretation of the authorities, the above procedures may take time to implement or the method of implementation may change. However, even in such case, if the Tender Offer is successfully completed, it is intended that a method be adopted that ultimately delivers cash to the Company's shareholders who did not tender in the Tender Offer (excluding the Tender Offeror, the Non-Tender Agreement Shareholders and the Company), and in that case the amount of cash to be delivered to each such shareholder is expected to be calculated to equal the Tender Offer Price multiplied by the number of Company Shares owned by that shareholder.

The specific procedures in each of the above cases and their timing will be determined upon consultation with the Company and are expected to be promptly announced by the Company once determined.

In addition, as described in "(I) Overview of the Tender Offer" under "(2) Basis and Reasons for the Opinion" above, on or after the effective date of the Share Consolidation, after obtaining approval of the Company's application for exemption from the obligation to file annual securities reports, the Tender Offeror intends to implement the Share Transfer and, after its completion, to implement the Share Exchange. The Share Transfer is expected to be effected by way of the Absorption-Type Company Split, although the specific method will be determined by the time the Share Transfer is implemented. So as not to conflict with the purpose of the uniform tender offer price requirement (Article 27-2, Paragraph 3 of the Act), the Company Shares subject to the Share Transfer are expected to be valued at the same amount as the Tender Offer Price (subject to a formal adjustment based on the consolidation ratio of the Company Shares in the Share Consolidation), and the common shares of the Tender Offeror to be delivered to Keniten are also expected to be appropriately valued, so that the terms of the Share Transfer will be set so as not to be substantively more favorable to Keniten than the Tender Offer Price. The timing and terms such as the exchange ratio of the Share Exchange, except as described in "(II) Non-Tender Agreement (Suntory)" under "(6) Material Agreements Relating to the Tender Offer" below, have not been determined as of today, and will be determined upon consultation between the Tender Offeror and the Company after completion of the Share Consolidation. In determining the share exchange ratio for the Share Exchange, so as not to conflict with the purpose of the uniform tender offer price requirement (Article 27-2, Paragraph 3 of the Act), the Company Shares will be valued at the same amount as the Tender Offer Price (subject to a formal adjustment based on the consolidation ratio of the Company Shares in the Share Consolidation).

With respect to the Restricted Shares, the allotment agreements provide that if, during the transfer restriction period, a share consolidation under which the Restricted Shares held by a holder will become only fractions of less than one share is approved at a shareholders meeting of the Company, and the effective date of the share consolidation falls before the expiration of the transfer restriction period, the transfer restrictions on the number of Restricted Shares calculated in accordance with prescribed conditions will be lifted, by resolution of the Company's Board of Directors, as of immediately before the business day preceding the effective date of the share consolidation, and the Company will acquire for no consideration all of the Restricted Shares for which the transfer restrictions have not been lifted as of that preceding business day. Accordingly, in the Share Consolidation, in accordance with the provisions of the allotment agreements, the Restricted Shares for which the transfer restrictions are lifted will be subject to the Share Consolidation, and the Restricted Shares for which the transfer restrictions are not lifted are expected to be acquired by the Company for no consideration.

(5) Prospects of Delisting and Reasons Therefor

As of today, the Company Shares are listed on the Prime Market of the Tokyo Stock Exchange. However, because the Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer, depending on the results of the Tender Offer, the Company Shares may be delisted through the prescribed procedures in accordance with the delisting criteria of the Tokyo Stock Exchange. In addition, even if those criteria are not met at the time the Tender Offer is successfully completed, if the Share Consolidation described in "(4) Policy on Organizational Restructuring After the Tender Offer" above is implemented after the successful completion of the Tender Offer, the Company Shares will meet the delisting criteria of the Tokyo Stock Exchange and will be delisted through the prescribed procedures. After delisting, the Company Shares cannot be traded on the Prime Market of the Tokyo Stock Exchange.

(6) Material Agreements Relating to the Tender Offer

(I) Tender and Non-Tender Agreement (Keniten)

The Tender Offeror entered into the Tender and Non-Tender Agreement (Keniten) with Keniten today, and agreed mainly on the following matters.

(i) Keniten will not tender in the Tender Offer any of the Keniten Directly Owned Shares (9,760,425 shares).

(ii) Subject to obtaining the consent of Sumitomo Mitsui Trust Bank, Keniten will instruct Sumitomo Mitsui Trust Bank to tender the Trust Shares (1,700,000 shares) in the Tender Offer. If Keniten determines that such consent will not be obtained, it will promptly notify the Tender Offeror to that effect and will not give such tender instruction. In that case, the Tender Offeror may lower the minimum number of shares to be purchased in the Tender Offer, taking into account the number of voting rights pertaining to the Trust Shares.
(iii) After the commencement date of settlement of the Tender Offer, Keniten will cooperate with the Squeeze-Out Procedures for making the Tender Offeror, Keniten and Suntory the only shareholders of the Company, and will exercise the voting rights pertaining to all of the Company Shares it owns at the Extraordinary Shareholders Meeting in favor of the proposals relating to the Share Consolidation. If the Trust Shares are not tendered in the Tender Offer, Keniten will also instruct Sumitomo Mitsui Trust Bank to vote such shares in favor. In addition, if there exists, or is expected to arise, any shareholder other than the Tender Offeror, Keniten, Suntory and the Company that owns a number of Company Shares equal to or greater than the number owned by any of the Tender Offeror, Keniten or Suntory, the Tender Offeror will consult with the Company regarding the consolidation ratio and other necessary procedures, and Keniten will cooperate with such procedures. Furthermore, after the successful completion of the Tender Offer, if the Tender Offeror causes the Company to reduce the amount of its stated capital or capital reserve, Keniten will vote in favor of the proposal for its approval and provide other necessary cooperation.
(iv) If the Tender Offer is successfully completed, Keniten will, after the Company is exempted from its obligation to file annual securities reports, implement the Share Transfer with respect to all of the Company Shares it owns. The Share Transfer is to be effected by way of the Absorption-Type Company Split, with Keniten as the splitting company and the Tender Offeror as the successor company and common shares of the Tender Offeror delivered to Keniten as consideration, or by other methods.
(v) If the Tender Offer is successfully completed, Keniten will, at any shareholders meeting of the Company held during the period from the commencement date of settlement of the Tender Offer until immediately before the date of execution of the Share Transfer, exercise the voting rights and other rights pertaining to the Company Shares it owns in accordance with the instructions of the Tender Offeror.
In addition, the Tender and Non-Tender Agreement (Keniten) provides that it will terminate if the Tender Offeror and Keniten so agree in writing.

(II) Non-Tender Agreement (Suntory)

The Tender Offeror entered into the Non-Tender Agreement (Suntory) with Suntory today, and agreed mainly on the following matters.

(i) Suntory will not tender in the Tender Offer any of the Company Shares it owns (5,421,600 shares; Ownership Ratio: 13.52%).

(ii) Except as otherwise expressly provided in the Non-Tender Agreement (Suntory), Suntory will not transfer, create a security interest over or otherwise dispose of (including tendering in any tender offer other than the Tender Offer) all or any part of the Company Shares it owns, and will not acquire any shares of the Company or rights pertaining to such shares.

(iii) Suntory will not, by itself or through any other person, engage with any person other than the Tender Offeror in any act (including any agreement, discussion, negotiation, solicitation or provision of information) that competes with, contradicts or conflicts with, or is likely to compete with, contradict or conflict with, the Tender Offer, and if it receives a proposal or the like regarding any such act from a third party, it will immediately notify the Tender Offeror of that fact and its details and consult in good faith with the Tender Offeror regarding the response to such third party.

(iv) After the commencement date of settlement of the Tender Offer, Suntory will cooperate with the Squeeze-Out Procedures for making the Tender Offeror, Keniten and Suntory the only shareholders of the Company, and will exercise the voting rights pertaining to all of the Company Shares it owns at the Extraordinary Shareholders Meeting in favor of the proposals relating to the

Share Consolidation. In addition, if there exists, or is expected to arise, any shareholder other than the Tender Offeror, Keniten, Suntory and the Company that owns a number of Company Shares equal to or greater than the number owned by any of the Tender Offeror, Keniten or Suntory, the Tender Offeror will consult with the Company regarding the consolidation ratio and other necessary procedures, and Suntory will cooperate with such procedures.

(v) After the successful completion of the Tender Offer, if the Tender Offeror causes the Company to reduce the amount of its stated capital or capital reserve, Suntory will vote in favor of the proposal for its approval and provide other necessary cooperation.

(vi) If the Tender Offer is successfully completed, Suntory will, at any shareholders meeting of the Company held during the period from the commencement date of settlement of the Tender Offer until immediately before the date of execution of the reinvestment through the Share Exchange, exercise the voting rights and all other rights pertaining to the Company Shares it owns in accordance with the instructions of the Tender Offeror.

In addition, the Non-Tender Agreement (Suntory) provides for Suntory's obligation to reinvest through the Share Exchange, each party's representations and warranties, indemnification obligations for breaches of obligations or representations and warranties, confidentiality obligations and other matters. With respect to the indemnification obligations, it provides that each party will indemnify the other party for damages, losses or expenses (including reasonable attorneys' fees) incurred by the other party arising from or in connection with a breach of its own obligations or representations and warranties under the Non-Tender Agreement (Suntory), and does not provide for any cap or floor on the amount of indemnification. There is also no provision for a penalty or liquidated damages requiring payment of a fixed amount regardless of the amount of damages. With respect to termination, the Non-Tender Agreement (Suntory) provides that each party may terminate the Non-Tender Agreement (Suntory) by written notice to the other party if the other party commits a material breach of its obligations or representations and warranties, if the Tender Offer is lawfully withdrawn, or if the total number of Tendered Share Certificates is less than the minimum number of shares to be purchased. It also provides that the Non-Tender Agreement (Suntory) will terminate if the Tender Offeror and Suntory so agree in writing or if the Tender Offer is not commenced within one year from the date of execution of the Non-Tender Agreement (Suntory).

(III) Oral Agreement with Mr. Watanabe and Mr. Shoya Watanabe

Mr. Watanabe and Mr. Shoya Watanabe have orally agreed with the Tender Offeror to vote all of the voting rights pertaining to the Restricted Shares held by each of them in favor of each proposal relating to the Squeeze-Out Procedures at the Extraordinary Shareholders Meeting.

(IV) Letter of Undertaking and Letter of Approval

Today, the Company submitted the Letter of Undertaking to the DBJ Fund. In the Letter of Undertaking, the Company represented that, subject to the successful completion of the Tender Offer, it intends to acquire for cash all of the Preferred Shares owned by the DBJ Fund, in accordance with Article 13-13 of the Company's Articles of Incorporation and the Share Investment Agreement dated May 24, 2021 entered into between the Company and the DBJ Fund, with January 6, 2027, the commencement date of settlement of the Tender Offer, as the redemption date. In addition, if the Tender Offer Period is extended, the Company will change the redemption date to the commencement date of settlement after such extension, promptly notify the DBJ Fund of such amended redemption date, and carry out the resolution of its Board of Directors and other procedures necessary to effect the acquisition on such date.

In addition, today, the Company received from the DBJ Fund the Letter of Approval, under which the DBJ Fund approved, pursuant to the above Share Investment Agreement, mainly the following matters.

(i) The change in the Company's shareholder composition resulting from the settlement of the Tender Offer.

(ii) If the Tender Offer is successfully completed, the implementation of the Squeeze-Out Procedures,

the Share Consolidation taking effect, the Share Transfer by way of the Absorption-Type Company Split after the Company is exempted from its obligation to file annual securities reports, the Share Exchange after the Share Transfer, the reduction of the amount of the Company's stated capital and/or capital reserve at the request of the Tender Offeror, amendments to the Company's Articles of Incorporation related thereto, and other necessary procedures.
(iii) Subject to the successful completion of the Tender Offer, the acquisition by the Company of all of the Preferred Shares for cash pursuant to Article 13-13 of the Company's Articles of Incorporation, with January 6, 2027 as the redemption date; if the Tender Offer Period is extended, the change of the redemption date to the commencement date of settlement after such extension and the performance of the procedures required by laws and regulations for such change; and, to the extent necessary in connection with such change and on the premise that the notice period required by laws and regulations is secured, the shortening of the deadline for the advance notice of mandatory redemption set forth in Article 7, Paragraph 6 of the above Share Investment Agreement.

(7) Other Important Matters Concerning the Tender Offer

(I) Share Transfer

As described in "(I) Overview of the Tender Offer" under "(2) Basis and Reasons for the Opinion" above, in connection with the Tender Offer, the Tender Offeror entered into the Tender and Non-Tender Agreement (Keniten) with Keniten today, and intends to implement the Share Transfer on or after the effective date of the Share Consolidation, after the Company has been exempted from its obligation to file annual securities reports.

(II) Share Exchange

As described in "(I) Overview of the Tender Offer" under "(2) Basis and Reasons for the Opinion" above, the Tender Offeror intends to implement the Share Exchange after completion of the Share Transfer.

(III) Redemption of the Preferred Shares by the Company

As described in "(I) Overview of the Tender Offer" under "(2) Basis and Reasons for the Opinion" above, the Company intends, subject to the successful completion of the Tender Offer, to acquire all of the Preferred Shares owned by the DBJ Fund with January 6, 2027 (or, if the Tender Offer Period is extended, the commencement date of settlement after the extension) as the redemption date. The Company also intends, subject to such acquisition, to cancel all of the acquired Preferred Shares on the same date.

4. Details of Benefits Provided by the Tender Offeror or Its Specially Related Parties

Not applicable.

5. Response Policy Based on the Basic Policy Regarding Control of the Company

Not applicable.

6. Questions to the Tender Offeror

Not applicable.

7. Request to Extend the Tender Offer Period

Not applicable.

8. Future Outlook

Please refer to "(II) Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer" and "(III) Management Policy After the Tender Offer" under "(2) Basis and Reasons for the Opinion," "(4) Policy on Organizational Restructuring After the Tender Offer," and "(5) Prospects of Delisting and Reasons Therefor" in "3. Details of, and Basis and Reasons for, the Opinion on the Tender Offer" above.

9. Matters Concerning MBOs, etc.

(1) Matters Concerning Measures to Ensure Fairness and to Avoid Conflicts of Interest

Because the Transaction, including the Tender Offer, constitutes a management buyout (MBO), the "Matters to Be Observed Regarding MBOs, etc." prescribed in Article 441 of the Securities Listing Regulations apply to the Tender Offer.

With respect to the Transaction, including the Tender Offer, the Company has taken measures to ensure fairness and measures to avoid conflicts of interest as described in "(3) Measures to Ensure the Fairness of the Tender Offer" in "3. Details of, and Basis and Reasons for, the Opinion on the Tender Offer" above.

(2) Opinion of the Special Committee Regarding Fairness to General Shareholders

In addition, as described in "(III) Establishment of an Independent Special Committee at the Company and Receipt of a Written Report from the Special Committee" under "(3) Measures to Ensure the Fairness of the Tender Offer" in "3. Details of, and Basis and Reasons for, the Opinion on the Tender Offer" above, the Company has received the Report from the Special Committee regarding the fairness of the Transaction, including the Tender Offer, to the Company's general shareholders. For details of the Report, please refer to Annex 1.

10. Other Matters

(1) Publication of the "Summary of Consolidated Financial Results for the Second Quarter (Interim Period) of the Fiscal Year Ending March 31, 2027 (Under Japanese GAAP)"

The Company published the "Summary of Consolidated Financial Results for the Second Quarter (Interim Period) of the Fiscal Year Ending March 31, 2027 (Under Japanese GAAP)" today. For details, please refer to that announcement.

(2) Publication of the "Notice Regarding Revision of Dividend Forecast (No Dividend) and Abolition of Shareholder Benefit Program"

At the meeting of its Board of Directors held today, the Company resolved, subject to the successful completion of the Tender Offer, to revise its dividend forecast for the fiscal year ending March 31, 2027 so as not to pay a year-end dividend for that fiscal year, and to abolish the shareholder benefit program from the fiscal year ending March 31, 2027. For details, please refer to that announcement.

(3) Publication of the "Notice Regarding Acquisition and Cancellation of All Class A Preferred Stock"

As described in "(I) Overview of the Tender Offer" under "(2) Basis and Reasons for the Opinion" in "3. Details of, and Basis and Reasons for, the Opinion on the Tender Offer" above, at the meeting of its Board of Directors held today, the Company resolved, subject to the successful completion of the Tender Offer, to acquire all of the Preferred Shares with January 6, 2027 as the redemption date, pursuant to Article 13-13 of the Company's Articles of Incorporation, for JPY 103,232,937.12 per Preferred Share (JPY 12,387,952,454 in total), being the amount calculated by the method prescribed in such Article, and, subject to such acquisition, to cancel all of the acquired Preferred Shares on the same date. For details, please refer to that announcement.

(4) Publication of the "Notice Regarding Consideration of Establishment of the 'Watami Friends Club (Tentative Name)'"

As described in "(III) Management Policy After the Tender Offer" under "(2) Basis and Reasons for the Opinion" in "3. Details of, and Basis and Reasons for, the Opinion on the Tender Offer" above,

Keniten, recognizing that the customers who have used the Company Group's stores and services for many years and the shareholders who support the Company are the Company's irreplaceable assets, wishes to continue and deepen its relationships with them even after completion of the Tender Offer and the Squeeze-Out Procedures, and has proposed to the Company the establishment within the Company of the "Watami Friends Club (tentative name)" as an initiative to maintain and strengthen relationships with customers and others after going private. For the status of the Company's consideration of the "Watami Friends Club (tentative name)" in response, please refer to that announcement.

End

(Reference)
Report (Annex 1)

(Reference translation of the Japanese original)

November 12, 2026

To: The Board of Directors of Watami Co., Ltd.

Written Report

Special Committee of Watami Co., Ltd.

Chair: Toshiya Ito

Member: Minako Oishi

Member: Takashi Goto

The Special Committee of Watami Co., Ltd. (the "**Committee**"), at the request of the Board of Directors of Watami Co., Ltd. (the "**Company**"), hereby reports as follows (this document, the "**Report**") with respect to the tender offer for the common shares of the Company (the "**Company Shares**") to be conducted by Wisdom Co., Ltd. (the "**Tender Offeror**") to acquire all of the Company Shares (including the restricted shares of the Company granted as restricted stock compensation to the Company's directors (excluding directors who are Audit and Supervisory Committee members), executive officers who do not concurrently serve as directors, and employees (the "**Restricted Shares**"), but excluding the Non-Tender Agreement Shares[1] and the treasury shares held by the Company) for the purpose of taking the Company Shares private (the "**Tender Offer**"), and the series of subsequent transactions (the "**Transaction**").

[1] The **"Non-Tender Agreement Share**s" means the 9,760,425 Company Shares owned by Keniten Co., Ltd. (or 11,460,425 shares if the consent of Sumitomo Mitsui Trust Bank, Limited (**"Sumitomo Mitsui Trust Ban**k") to tender in the Tender Offer is not obtained with respect to the 1,700,000 Company Shares held in the name of Sumitomo Mitsui Trust Bank and entrusted to it under the Collateral Share Management and Disposal Trust Agreement dated June 28, 2024 entered into by and between Keniten Co., Ltd. as settlor and Sumitomo Mitsui Trust Bank as trustee (the **"Trust Share**s")) and the 5,421,600 Company Shares owned by Suntory Spirits Limited.

CONTENTS

Page

Part 1 Overview of the Committee 4
1. Matters for Consultation 4
2. Procedures for Forming the Committee 4
3. Composition of the Committee 5
4. Meetings of the Committee 5
5. Activities of the Committee 6
(1) Review of Disclosed Materials Received from the Company, and Interviews 6
(2) Interviews with the Tender Offeror 6
(3) Review of, and Interviews Regarding, the Valuation Results of the Company's Share Valuator 6
(4) Interviews with the Company's Financial Advisor 7
(5) Interviews with the Company's Legal Advisor 7
(6) Review of, and Interviews Regarding, the Valuation Results of the Committee's Share Valuator 7
(7) Interviews with the Committee's Financial Advisor 8
6. Assumptions Underlying the Investigation and the Contents of the Report 8
Part 2 Contents of the Report 8
Part 3 Reasons for the Report 9
1. Review Policy, Etc. 9
2. Matters Relating to the Reasonableness of the Purpose of the Transaction (Matter for Consultation (1)) 10
(1) Business Description and Recent Results 10
(2) Business Environment and Management Issues 12
(3) Verification of the Purpose and Advantages of the Transaction 15
(4) Verification of Disadvantages 20
(5) Existence of Alternative Means 22
(6) Summary 23
3. Matters Relating to the Fairness and Appropriateness of the Terms of the Transaction (Matter for Consultation (2)) 23
(1) Consideration for the Transaction 24
(2) Process of Discussions and Negotiations with the Tender Offeror Regarding the Terms of the Transaction 24
(3) Relationship with the Valuation Results of the Share Valuation Report (Trustees), Etc. 25
(4) Relationship with the Valuation Results of the Share Valuation Report (Plutus Consulting), Etc. 25
(5) Consideration of the Fairness Opinion (Trustees) 26
(6) Relationship with the Level of Premiums Generally Paid in Similar Cases 26
(7) Relationship with Minority Shareholders' Acquisition Cost 27
(8) Relationship with Net Asset Value 27

(9) Appropriateness of the Scheme and Other Terms of the Transaction 28
(10) Summary 32
4. Matters Relating to the Procedures for Ensuring the Fairness of the Terms of the Transaction (Matter for Consultation (3)) 32
(1) Establishment of the Committee 32
(2) Obtaining Professional Advice, Etc. from Independent Outside Experts 34
(i) Receipt by the Company of a share valuation report from a third-party valuator and advice from a financial advisor 34
(ii) Receipt by the Company of advice from a legal advisor 34
(iii) Receipt by the Committee of a share valuation report and fairness opinion from an independent third-party valuator 34
(3) Ensuring Opportunities for Acquisition Proposals by Other Acquirors (Market Check) 35
(4) Majority of Minority Condition 35
(5) Decision-Making Process Within the Company 36
(6) Approval of All Disinterested Directors of the Company (Including Audit and Supervisory Committee Members) 36
(7) Enhancement of Information Provided to General Shareholders and Improvement of Process Transparency 37
(8) Elimination of Coercion 38
(9) Summary 38
5. Whether the Transaction Is Considered Fair to the Company's General Shareholders (Matter for Consultation (4)) 38
6. Whether It Is Appropriate for the Company's Board of Directors to Express an Opinion in Support of the Tender Offer and to Recommend That the Company's Shareholders Tender Their Shares in the Tender Offer (Matter for Consultation (5)) 38
7. Conclusion 39
Part 4 Reservations and Restrictions on Use 39
Annex 1 39
Annex 2 41

Part 1 Overview of the Committee

1. Matters for Consultation

The matters on which the Company's Board of Directors consulted the Committee (the "**Matters for Consultation**") are as follows.

(1) Whether the purpose of the Transaction is recognized as reasonable (including whether the Transaction will contribute to the enhancement of the Company's corporate value).

(2) Whether the fairness and appropriateness of the terms of the Transaction have been ensured (including whether the level of the acquisition consideration, the method of acquisition, the type of acquisition consideration and other terms of the transaction are fair).

(3) Whether sufficient procedures have been taken to ensure the fairness of the terms of the transaction.

(4) Whether, in light of (1) through (3) above, the Transaction is considered fair to the Company's general shareholders.

(5) Whether it is appropriate for the Company's Board of Directors to express an opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer.

2. Procedures for Forming the Committee

In light of the fact that the Transaction is being conducted as part of a so-called management buyout (MBO), and that structural conflicts of interest and information asymmetry typically exist, the Company established the Committee by resolution of its Board of Directors at a meeting held on August 25, 2026, for the purpose of eliminating arbitrariness in the Company's decision-making on the Transaction, including the Tender Offer, and ensuring the fairness, transparency and objectivity of the decision-making process. In such resolution establishing the Committee, the Committee was granted authority with respect to the matters set out below. In addition, the decision-making of the Company's Board of Directors on the Transaction is to be made respecting the Committee's judgment to the maximum extent, and in particular, if the Committee determines that the terms of the Transaction are not appropriate, the Company's Board of Directors will not support the Transaction on those terms.

(1) The authority to nominate or approve (including ex post approval) experts such as the Company's financial advisor and legal advisor (collectively, "**Advisors**").

(2) The authority, where the Committee considers it necessary in considering the Matters for Consultation, to appoint its own Advisors (with the reasonable costs of the professional advice of the Committee's Advisors to be borne by the Company).

(3) The authority to receive information necessary for considering and deciding on the Transaction from the Company's officers and employees and other persons the Committee considers necessary.

(4) The authority to be substantively involved in the negotiation process regarding the terms of the Transaction by confirming the policy in advance for negotiations regarding the terms of the Transaction, receiving timely reports on the status, expressing opinions at important junctures, and giving instructions and making requests.

3. Composition of the Committee

The Committee consists of three members: Toshiya Ito (independent outside director of the Company (Audit and Supervisory Committee member; Professor Emeritus and Specially Appointed Professor, Strategy Headquarters, Institute of Science Tokyo; Councilor, Ikubunkan Yume Gakuen Educational Corporation)), Minako Ohishi (independent outside director of the Company (Audit and Supervisory Committee member; Director, NPO Sustainability Forum Japan; Member, Procurement Price Calculation Committee, Ministry of Economy, Trade and Industry; Member, Tokyo Metropolitan Waste Management Council; Councilor, Sustainable Green Ecosystem Council (SGEC/PEFC Japan); Auditor, Japan Reduce, Reuse and Recycle Promotion Council; Member, Transport Council, Ministry of Land, Infrastructure, Transport and Tourism; Councilor, Japan Bicycle Promotion Institute)), and Takashi Goto, an outside expert (attorney-at-law, Shiomizaka Sogo Law Office).

All of the members are independent of the Tender Offeror, Keniten Co., Ltd.[2] ("**Keniten**"), Suntory Spirits Limited ("**Suntory**"; together with Keniten, the "**Non-Tender Agreement Shareholders**"), Mr. Miki Watanabe, the Representative Director, Chairman, President, and CEO of the Company ("**Mr. Watanabe**"), Mr. Shoya Watanabe, Director and Managing Executive Officer of the Company, who concurrently serves as Representative Director of Keniten, and The Bank of Yokohama, Ltd. ("**Bank of Yokohama**") and Sumitomo Mitsui Banking Corporation, from which the Tender Offeror will borrow the funds required for the Transaction, including the Tender Offer (collectively, the "**Tender Offer Related Parties**"), the Company and the success or failure of the Transaction, and there has been no change in the members since their appointment.

In addition, the office of the Committee is also composed of officers and employees of the Company who are independent of the Tender Offer Related Parties, the Company and the success or failure of the Transaction (the "**Company Personnel**"), and the Company's Advisors.

4. Meetings of the Committee

The Committee met a total of 15 times, as follows.

1st meeting	August 27, 2026, 17:30–18:34
2nd meeting	September 10, 2026, 13:00–14:45
3rd meeting	September 14, 2026, 13:00–14:08
4th meeting	September 17, 2026, 13:30–14:37
5th meeting	September 28, 2026, 16:00–17:19
6th meeting	September 29, 2026, 13:30–14:32
7th meeting	September 30, 2026, 9:00–10:00
8th meeting	October 14, 2026, 13:30–15:35
9th meeting	October 23, 2026, 10:00–11:25

[2] An asset management company whose shareholders are Mr. Miki Watanabe and Mr. Shoya Watanabe, and which is the largest shareholder and a major shareholder, as well as an other affiliated company, of the Company, owning 11,460,425 Company Shares.

10th meeting	October 28, 2026, 12:59–14:52
11th meeting	November 4, 2026, 13:00–14:40
12th meeting	November 9, 2026, 14:00–15:14
13th meeting	November 10, 2026, 18:00–19:09
14th meeting	November 11, 2026, 17:00–18:19
15th meeting	November 12, 2026, 17:00–18:10

5. Activities of the Committee

An outline of the Committee's activities is set out below. For the agenda items at each meeting of the Committee, please refer to Annex 1.

(1) Review of Disclosed Materials Received from the Company, and Interviews

The Committee requested the Company to provide materials and examined them, and also submitted written questions to, and held question-and-answer sessions with, the Company Personnel regarding the background of the consideration of the Transaction, the business environment and issues surrounding the Company, the assessment of the Company's recent business performance and market share price, the assessment of the measures the Tender Offeror contemplates implementing after the execution of the Transaction, the existence or absence of alternative means, the reasons why the Transaction will contribute to enhancing the Company's corporate value and strengthening its management base, the concerns expected to arise from the delisting associated with the Transaction, the expectations regarding the management structure and business operation policy after the execution of the Transaction, and the background to the preparation and the material assumptions of the Company's stand-alone business plan (the Company's business plan assuming the Transaction did not take place, which does not reflect the synergies expected to be realized through the Transaction), among other matters.

(2) Interviews with the Tender Offeror

The Committee submitted written questions to, and held question-and-answer sessions with, the Tender Offeror regarding the background of the consideration of the Transaction, the business environment and issues surrounding the Company, the assessment of the Company's recent business performance and market share price, the details of the various measures the Tender Offeror contemplates implementing after the execution of the Transaction in order to resolve the Company's management issues and other matters, the existence or absence of alternative means, the reasons why the Transaction will contribute to enhancing the Company's corporate value and strengthening its management base, the concerns expected to arise from the delisting associated with the Transaction, the management policy after the execution of the Transaction (management structure, business operation policy, policy on holding the Company Shares, etc.), the structure of the Transaction and the terms of the Transaction, among other matters.

(3) Review of, and Interviews Regarding, the Valuation Results of the Company's Share Valuator

The Committee requested disclosure of, and examined, the valuation materials prepared by Plutus Consulting Co., Ltd. ("**Plutus Consulting**"), the Company's share valuator, as a third-party valuator, and also held question-and-answer sessions with the persons in charge of the

valuation at Plutus Consulting regarding its independence from the Tender Offer Related Parties, the Company and the success or failure of the Transaction, its review of the Business Plan (as defined in Annex 2; the same applies hereinafter), the status of its preliminary calculations, an outline of the valuation procedures, the valuation approaches, an outline of the business plan used as the basis for the calculations, the calculation results under the market price method, the DCF method (perpetual growth rate method and multiple method) and the comparable company method and their main assumptions (financial forecasts including free cash flow and required working capital, the estimate of terminal value, discount rates, surplus cash and deposits, non-operating assets, etc.), premium levels in recent similar transactions, and analyses of the trends in the Company's share price and trading volume, among other matters.

In addition, as the final valuation results, the Committee received a share valuation report dated November 12, 2026 prepared by Plutus Consulting (the "**Share Valuation Report (Plutus Consulting)**").

(4) Interviews with the Company's Financial Advisor

The Committee held question-and-answer sessions with the persons in charge at Plutus Consulting, the Company's financial advisor, regarding its independence from the Tender Offer Related Parties, the Company and the success or failure of the Transaction, the process, scheme and schedule of the Transaction, and the details of the discussions and negotiations with the Tender Offeror, among other matters.

(5) Interviews with the Company's Legal Advisor

The Committee held question-and-answer sessions with Nakamura, Tsunoda & Matsumoto, the Company's legal advisor, regarding its independence from the Tender Offer Related Parties, the Company and the success or failure of the Transaction, the process, scheme and schedule of the Transaction, the details of its legal advice regarding the decision-making process and decision-making method for the Transaction and other points to note in decision-making regarding the Transaction, and the measures taken to ensure fairness in the process of considering the Transaction, among other matters.

(6) Review of, and Interviews Regarding, the Valuation Results of the Committee's Share Valuator

The Committee requested disclosure of, and examined, the valuation materials prepared by Trustees Advisory Co., Ltd. ("**Trustees**"), the Committee's share valuator, as a third-party valuator, and also held question-and-answer sessions with the persons in charge of the valuation at Trustees regarding its independence from the Tender Offer Related Parties, the Company and the success or failure of the Transaction, its review of the Business Plan, the status of its preliminary calculations, an outline of the valuation procedures, the valuation approaches, an outline of the business plan used as the basis for the calculations, the calculation results under the market price method, the DCF method (perpetual growth rate method, on a sum-of-the-parts basis) and the comparable public company method and their main assumptions (financial forecasts including free cash flow and required working capital, the estimate of terminal value, discount rates, surplus cash and deposits, non-operating assets, etc.), premium levels in recent similar transactions, and analyses of the trends in the Company's share price and trading volume, among other matters.

In addition, as the final valuation results, the Committee received a share valuation report dated November 12, 2026 prepared by Trustees (the "**Share Valuation Report (Trustees)**") and a fairness opinion to the effect that JPY 1,284 per share, the purchase price per Company Share

in the Tender Offer (the "**Tender Offer Price**"), is fair to the Company's general shareholders from a financial point of view (the "**Fairness Opinion (Trustees)**").

(7) Interviews with the Committee's Financial Advisor

The Committee held question-and-answer sessions with the persons in charge at Trustees, the Committee's financial advisor, regarding its independence from the Tender Offer Related Parties, the Company and the success or failure of the Transaction, its review of the Business Plan, and the details of the discussions and negotiations with the Tender Offeror, among other matters.

6. Assumptions Underlying the Investigation and the Contents of the Report

The Committee conducted its review, and reached the conclusions set out in Part 2 below, on the basis of the assumptions set out below.

(1) The Transaction will be executed with the Company and the Tender Offer Related Parties complying with the Companies Act, the Financial Instruments and Exchange Act, the Securities Listing Regulations and other applicable laws and regulations in Japan and elsewhere (collectively, "**Applicable Laws and Regulations**"), and with appropriate disclosure being made.

(2) All information disclosed or explained to the Committee by the Company, Plutus Consulting, Trustees, Nakamura, Tsunoda & Matsumoto and the Tender Offeror (collectively, the "**Disclosed Information**") is true and accurate and remains valid as of the date of preparation of the Report.

(3) The Company has made all disclosures required under Applicable Laws and Regulations in a timely and appropriate manner, there is no undisclosed information that could have a material effect on the Company's market share price, and all disclosed information has been reflected in the market share price.

(4) The Company's financial statements and other documents included in the Disclosed Information have been prepared lawfully and appropriately in accordance with accounting standards generally accepted as fair and appropriate in Japan as required by Applicable Laws and Regulations, and do not require any correction.

Part 2 Contents of the Report

(1) The Transaction will contribute to the enhancement of the corporate value of the Company, and the purpose of the Transaction is reasonable.

(2) The fairness and appropriateness of the terms of the Transaction have been ensured.

(3) Sufficient procedures have been taken to ensure the fairness of the terms of the transaction.

(4) The Transaction is fair to the Company's general shareholders.

(5) It is appropriate for the Company's Board of Directors to express an opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer.

Part 3 Reasons for the Report

1. Review Policy, Etc.

The Transaction is a transaction in which the Tender Offeror will acquire all of the Company Shares for cash consideration through the Tender Offer and the Squeeze-Out Procedures[3]. The Tender Offeror is a stock company all of whose issued shares are owned by Keniten (whose shareholders are Mr. Watanabe, the Representative Director, Chairman, President and CEO of the Company, and Mr. Shoya Watanabe, Director and Managing Executive Officer of the Company), and of which Mr. Watanabe serves as Representative Director. In addition, the Non-Tender Agreement Shareholders own Company Shares representing an aggregate Ownership Ratio of 37.26%, and have agreed in writing with the Tender Offeror not to tender in the Tender Offer and, if the Tender Offer is successfully completed, to vote in favor of each proposal relating to the Squeeze-Out Procedures.

In general, where directors of a target company act as the acquiror, there is a structural concern that the directors of the target company may prioritize their personal interests at the expense of the interests of general shareholders[4] (typically, a concern that they will support an acquisition at a low price). Such a transaction is regarded as a so-called structural conflict-of-interest transaction, and from the perspective of protecting general shareholders, it is considered desirable to respect the principles set out in the "Fair M&A Guidelines" prepared by the Ministry of Economy, Trade and Industry and dated June 28, 2019 (the "**M&A Guidelines**").

Because the Transaction is an acquisition of the Company Shares by a director of the Company, it falls under the structural conflict-of-interest transaction described above. Accordingly, from the perspective of protecting the interests of the Company's minority shareholders, the Committee decided to refer to the M&A Guidelines in considering the Matters for Consultation. However, as the M&A Guidelines also expressly point out, fairness measures are a means of procedurally ensuring the fairness of transaction terms for which it is difficult to establish a single objective standard, and they are expected to be combined and implemented in accordance with the specific circumstances of each individual case. Accordingly, in this case as well, the Committee endeavored to conduct its review in light of the specific circumstances of the Transaction.

[3] Means the procedures intended to make the Tender Offeror and the Non-Tender Agreement Shareholders the only shareholders of the Company if, subject to the successful completion of the Tender Offer, the Tender Offeror is unable to acquire all of the Company Shares (including the Restricted Shares, but excluding the Non-Tender Agreement Shares and the treasury shares held by the Company) through the Tender Offer. A share consolidation is contemplated in the Transaction.

[4] "General shareholders" refers to "shareholders of the target company other than the acquiror and shareholders who share material interests with the acquiror in connection with the relevant M&A" (page 5 of the "Fair M&A Guidelines" prepared by the Ministry of Economy, Trade and Industry and dated June 28, 2019). In this Report, the terms "general shareholders" and "minority shareholders" are both used depending on the context, and "minority shareholders" in the Matters for Consultation in this case has the same meaning as "general shareholders."

2. Matters Relating to the Reasonableness of the Purpose of the Transaction (Matter for Consultation (1))

Principle 1 of the M&A Guidelines states that "whether an M&A transaction is desirable should be determined based on whether it enhances corporate value," and Matter for Consultation (1) can be organized as relating to Principle 1.

Determining whether an M&A transaction enhances corporate value requires verifying whether synergies would arise if the M&A transaction were realized. However, as the M&A Guidelines also point out, such a determination is not easy in practice, and even the share valuation is not required to quantitatively estimate specific synergies. Accordingly, in assessing whether Principle 1 is satisfied, it is appropriate, as with management decisions involving general forecasts of the future, to use as the standard whether the collection, analysis and examination of the information on which the determination that the Transaction will contribute to the enhancement of the Company's corporate value in the future is based, and the reasoning process and content of the determination based thereon, are reasonable.

(1) Business Description and Recent Results

The Company was established in May 1986 for the purpose of developing restaurant chains and new businesses.

As of today, the Company's group consists of the Company, 32 consolidated subsidiaries and three equity-method affiliates (collectively, the "**Company Group**"). The Company Group operates under the slogan "Becoming the group that collects the most 'thank yous' on Earth" and the mission "To create a better environment and provide better opportunities for the improvement of the humanity of the people of Earth." The Company Group also contributes to solving social issues through its business activities and strives to maximize its impact relative to its existence[5].

The Company Group has built a circular sixth-sector industry business model (the "**Watami Model**") as a unique business model that consistently spans from organic farming and dairy (primary industry), to processing at "Watami Tezukuri Chubo"[6] (secondary industry), to the foodservice and home meal delivery businesses (tertiary industry), supports these with renewable energy, and integrates public-interest activities such as forest conservation and support for developing countries. An overview of the Company Group's main businesses is as follows.

(i) Domestic Foodservice Business

In the domestic foodservice business, the Company Group operates foodservice brands in Japan, including izakaya formats ("Miraizaka," "Torimero," etc.) and yakiniku formats ("Yakiniku no Watami," "Kamimura Bokujo," etc.). In October 2024, the Company Group made a full-scale entry into the QSR (quick service restaurant) sector by entering into a master franchise agreement and acquiring the equity interests of Subway Japan G.K. (making it a subsidiary). Leveraging its strong product appeal and productivity, the Company Group is working to diversify its revenue sources in order to

[5] "Maximizing its impact relative to its existence" means not merely returning profits to society, but contributing to the resolution of social issues through business activities themselves and maximizing the social value of the company.

[6] "Watami Tezukuri Chubo" means the central kitchens that centrally manufacture products for the Company's foodservice and home meal delivery businesses.

expand the foodservice business, and is striving to improve customer satisfaction by providing high added value.

(ii) Home Meal Delivery Business

In the home meal delivery business, centered on "Watami no Takushoku", the Company Group manufactures, sells and delivers prepared meals and meal-kit ingredient sets. This business consists of a conventional home delivery service handling refrigerated products and a home delivery service handling frozen products ("**Frozen Home Meal Delivery**"). In addition to strengthening product appeal, reviewing its area strategy and strengthening corporate sales, the Company Group is seeking to develop the market and expand its market share by acquiring new customers through the further expansion of the frozen home delivery business, leveraging the frozen food factory constructed in Amagasaki City, and by providing high-quality, low-priced products suited to an inflationary environment. At the same time, it is working to further improve productivity, including by advancing labor-saving investments at its manufacturing plants.

(iii) Overseas Business

In the overseas business, the Company Group operates restaurants in 10 regions—Hong Kong, Taipei, Macau, Shenzhen, Shanghai, Singapore, the Philippines, South Korea, Los Angeles and Las Vegas (a sushi processing and wholesale company)—and also conducts a food processing and wholesale business. In May 2026, for the purpose of strengthening the supply chain, improving procurement, product development and manufacturing and processing capabilities, and expanding the supply network and sales channels in its U.S. business, the Company acquired 51.0% of the issued shares of Onigilly, Inc. ("**Onigilly**"), which operates onigiri specialty stores in the United States. While strengthening coordination with the domestic foodservice business in Japan, including the product development system, the Company Group is developing and opening new formats and continuously building a highly productive organization together with strategic scrap-and-build. In addition, by utilizing its local subsidiary in Singapore engaged in procurement, processing and wholesale, the Company Group is strengthening its overseas supply chain, procurement and sales capabilities, and is also working to improve its sales capabilities in the United States.

(iv) Environmental Business

In the environmental business, the Company Group develops, constructs and manages the operation of renewable energy power generation facilities, including wind and solar power generation, and operates an electricity retail business selling electricity, including electricity generated by those facilities, both within and outside the Company Group. It is also engaged in supporting the development of community-based renewable energy power generation in cooperation with local businesses and others. Through these initiatives, the Company Group seeks to reduce its environmental impact and realize a sustainable, circular society, and positions this business as one of the businesses supporting the "Watami Model."

(v) Agriculture

In the agriculture business, the Company Group produces agricultural products, centered on organic farming, at its directly operated farms, and also processes and sells them. The agricultural products produced are supplied to the Company Group's domestic foodservice business and home meal delivery business and are also sold outside the

Company Group. The Company Group positions agriculture as one of the businesses supporting the “Watami Model.”

Looking at the results for the most recent fiscal year (the fiscal year ended March 31, 2026), the Company achieved increases in both revenue and profit on a company-wide basis, while steadily maintaining and improving the earnings capacity of its existing businesses and, at the same time, investing in the accelerated opening of SUBWAY stores, the launch of Frozen Home Meal Delivery, the full-scale entry into the U.S. market and new growth drivers. An overview is as follows.

Net sales of the Company Group as a whole increased, led by the domestic foodservice business and the home meal delivery business, and operating income increased by JPY 0.26 billion as the increase in revenue in the domestic foodservice business absorbed upfront investment in advertising expenses in the home meal delivery business. Owing to foreign exchange gains, ordinary income increased by JPY 1.18 billion and net income increased by JPY 0.58 billion.

By business, the domestic foodservice business was led by the strong performance of the izakaya, yakiniku and Olive Chicken formats, and operating income increased by JPY 0.65 billion year on year to a profit of JPY 2.26 billion. The SUBWAY business, acquired through M&A in the fiscal year ended March 31, 2025, is also showing a trend of improving earnings.

The home meal delivery business recorded increased revenue as the meal volume of “Yoi Hi no Gozen” increased significantly in the second half. On the other hand, as a result of actively making upfront advertising investments for the launch of new products, operating income decreased by JPY 0.41 billion, but the business is building a foundation for the next fiscal year. As a result of the above, the business closed with an operating profit of JPY 4.31 billion.

The overseas business was led by Hong Kong in the Asia region, but operating income decreased by JPY 0.08 billion, affected by weak performance in Taiwan and at LEADER FOOD, where deterioration in cost of sales and personnel costs has become an issue. The results for the most recent fiscal year (the fiscal year ended March 31, 2026) do not reflect the earnings of Onigilly, whose shares were acquired in May 2026.

Meanwhile, to strengthen human capital, in the most recent fiscal year the Company implemented wage increases averaging 7%, combining base pay increases and regular pay raises.

(2) Business Environment and Management Issues

The business opportunities and strengths of the Company Group are considered to be broadly as follows.

(i) Expansion of the takeout and delivery market

With changes in lifestyles, demand for ready-made meals and delivery continues to take root and expand.

(ii) Expansion of the home meal delivery market due to growing health consciousness and population aging

The number of consumers who place importance on nutritional balance and maintaining their health is increasing, and with the progression of the declining birthrate and aging population, demand for home meal delivery services targeting seniors (such as meal delivery for elderly people living at home and the need of

elderly care facilities and hospitals to outsource prepared ingredients) is expected to remain firm going forward.

(iii) Expansion of the washoku (Japanese food) market overseas

Against the backdrop of growing health consciousness and the diversification of food cultures, Japanese food is increasingly being accepted worldwide not as a passing trend but as an established food culture, and the Japanese food boom has taken root and is expanding, mainly in the European and U.S. markets (in particular, in the United States, demand for highly convenient Japanese food such as onigiri, in addition to traditional Japanese food such as sushi, is steadily expanding in the everyday dining of local consumers), so that the room for global expansion has broadened significantly.

(iv) Circular sixth-sector industry business model (Watami Model)

The Company Group has a unique model in which it handles everything from primary industry (agriculture and production) to secondary industry (processing and manufacturing) and tertiary industry (sales and services) within its own group, and its structure, which ensures safety and enables it to procure part of its raw materials and energy itself, gives it a strength in cost control during periods of price fluctuation.

(v) Diversification of the format portfolio across the izakaya, yakiniku and QSR (SUBWAY) formats, etc.

The Company Group is resilient to changes in the market environment for any particular format and already has a business structure capable of meeting each of the diversifying needs of consumers.

(vi) Human resource base

The Company has a human resource base built over more than 40 years across all of its businesses.

(vii) Domestic foodservice business

The Company Group maintains thorough QSC (quality, service and cleanliness) and delivers value with excellent time performance and cost performance.

(viii) Home meal delivery business

The Company Group has a nationwide network of sales offices and a delivery system. It has built deep relationships of trust with customers through chilled (refrigerated) delivery and bento boxes that combine taste and safety. It has begun developing and launching lower-priced bento boxes, enhancing its price competitiveness to attract a broad customer base.

(ix) Overseas business

The Company Group has a platform capable of deploying in overseas markets the Japanese food cooking and operational know-how cultivated over many years in its domestic business.

At the same time, however, the business environment surrounding the Company Group has been changing rapidly in recent years, and the Company Group faces the following structural management issues.

(i) Changes in the market and lifestyles in the domestic foodservice business

Partly due to changes in lifestyles after the COVID-19 pandemic, the izakaya business market continues to shrink and customers' eating and drinking styles have changed significantly, making it important to respond to diverse usage needs, not only dine-in but also takeout and delivery. Accordingly, for the Company Group to achieve sustainable growth, it is essential to offer formats capable of meeting each of these diversifying demands and to broaden its business portfolio.

(ii) Increasing meal volume and expanding channels in the home meal delivery business

While the market is expanding with the progression of the aging society, the competitive environment is intensifying due to an increase in new entrants and other factors. In addition, expansion into further channels, such as entry into the B2B market, is required, and achieving this requires developing production and logistics systems, developing new channels and products, and providing high-quality, low-priced products, so that the issue is to develop the market and expand market share by acquiring new customers.

(iii) Responding to changes in the business environment in the overseas business

In existing regions, the competitive environment is also intensifying due to the diversification of needs. Accordingly, opening new local stores and strengthening product planning and menu development tailored to local needs are issues. Meanwhile, because it is essential to establish a business base in the U.S. market, where demand for Japanese food is expanding, it is essential to improve the profitability of overseas markets and optimize the business portfolio by expanding the store network, developing a product supply system, and recruiting and training local personnel. In addition, responding to country risks, including local laws and regulations, is also important.

(iv) Response to rising raw material prices

There is a risk that significant fluctuations in the harvest volumes and purchase prices of agricultural and marine products due to unseasonable weather, the global situation, the weak yen and other factors, as well as supply delays and price increases for containers and materials, may affect production costs and manufacturing plans. Accordingly, the Company Group needs to strengthen its own base in the agriculture and renewable energy businesses and, through the "Watami Model," under which the Company Group itself consistently handles everything from production to processing and sales, enhance the Company Group's corporate value through the stabilization of procurement costs and the improvement of brand value backed by the quality of its ingredients.

(v) Strengthening the human resource base

In each of the domestic foodservice business, home meal delivery business and overseas business operated by the Company Group, "people" are the greatest source of differentiation and the greatest strength. In a difficult environment of continuing price increases, in order to respond to the efforts and growth of each employee and further increase their motivation, it is essential to continuously provide returns to employees together with improving business performance, and this is also necessary

to address stagnating recruitment due to the current contraction of the labor market, as well as working environment issues and labor shortages.

(vi) Response to the depreciation of the yen

The Company's earnings base and business portfolio are heavily skewed toward the domestic market, and the Company has a structure that is susceptible to the disadvantages of a weak yen, including increases in import costs for raw materials and supplies. In order to hedge over the medium to long term against the negative impact of such exchange rate fluctuations on its results, it is necessary to build an earnings structure in the overseas business capable of earning foreign currency and to optimize its business portfolio.

(3) Verification of the Purpose and Advantages of the Transaction

Based on the above recognition of the business environment and management issues, the Company has determined that each of the measures described below, which the Tender Offeror states it will implement after the Transaction, directly addresses the above management issues faced by the Company and should be actively promoted for the enhancement of the Company's medium- to long-term corporate value.

(i) Strengthening the earnings base by accelerating the opening of SUBWAY stores in the domestic foodservice business

Specifically, this measure aims, in the SUBWAY business, for which the Company entered into a master franchise agreement and acquired the equity interests of Subway Japan G.K. (making it a subsidiary) in October 2024, to accelerate the opening of both directly operated and franchised stores and to advance product development utilizing the Company Group's ingredients, including organic vegetables produced by Watami Farm, so as to extend the "Watami Model" across the entire domestic foodservice business and differentiate it from other QSR formats.

Indeed, at present, when the izakaya market continues to shrink in the domestic foodservice business, broadening the business portfolio to respond to changes in customers' eating and drinking styles (diverse usage needs, including takeout and delivery in addition to dine-in) while at the same time responding to rising raw material prices is an important management issue for the Company. In addition, this measure is consistent in that it utilizes and strengthens the Company's business opportunities and strengths, namely (a) the expansion of the takeout and delivery market, (b) the diversification of the format portfolio across the izakaya, yakiniku and QSR (SUBWAY) formats, etc., and (c) cost control through the circular sixth-sector industry business model (Watami Model).

The reasonableness of this measure is also reinforced by the following point.

- In addition to contributing to the diversification of the format portfolio, synergistic effects among formats are also expected. Specifically, further development can be expected through the use not only of the Company Group's ingredients, including organic vegetables produced by Watami Farm, but also of the menus and know-how of the yakiniku and other formats.

Accordingly, this measure can be accepted as a necessary and reasonable measure for overcoming the Company's management issues and enhancing corporate value over the medium to long term.

(ii) Full-scale business development in the U.S.

Specifically, this measure aims to expand the store network, develop a product supply system, and recruit and train local personnel, based on the manufacturing and processing functions and sales channels in the United States of Onigilly in the U.S., which the Company made a subsidiary in May 2026.

Indeed, at present most of the Company Group's profits depend on its domestic businesses (the domestic foodservice business and the home meal delivery business), and in light of the possibility that the depreciation of the yen will continue over the medium to long term, establishing a business base and earning foreign currency in growth markets overseas, particularly the U.S. market, where demand for Japanese food is expanding, and thereby improving the profitability of overseas markets and optimizing the business portfolio, is an important management issue for the Company. In addition, this measure is consistent in that it utilizes and strengthens the Company's business opportunities and strengths, namely (a) the expansion of the washoku (Japanese food) market overseas, (b) the diversification of the format portfolio across the izakaya, yakiniku and QSR (SUBWAY) formats, etc., and (c) the platform capable of deploying in overseas markets the Japanese food cooking and operational know-how cultivated over many years in its domestic business.

The reasonableness of this measure is also reinforced by the following point.

- Even as the washoku (Japanese food) market as a whole is expanding overseas, the "onigiri format" has not become a red ocean, and its future expansion is expected.

Accordingly, this measure can be accepted as a necessary and reasonable measure for overcoming the Company's management issues and enhancing corporate value over the medium to long term.

(iii) Increasing meal volume in the home meal delivery business and full-scale rollout of Frozen Home Meal Delivery

Specifically, in order to further enhance customer convenience and satisfaction and further increase meal volume, this measure aims at (i) strengthening corporate sales (developing corporate channels, such as demand for healthy meals in offices and for various facilities, to capture bulk meal demand and improve sales efficiency), and (ii) diversifying delivery methods and products (including the introduction of Frozen Home Meal Delivery) (expanding the product lineup and channels such as mail order, and investing in the production and logistics systems supporting them, so that high-quality meals can be delivered to customers who wish for nationwide delivery, subscriptions, or contactless receipt).

Indeed, increasing meal volume and expanding channels in the home meal delivery business, which forms part of the domestic businesses that currently earn most of the Company Group's profits, is an important management issue for the Company. In addition, this measure is consistent in that it utilizes and strengthens the Company's business opportunities and strengths, namely (a) the expansion of the home meal delivery market due to growing health consciousness and population aging, and (b) the nationwide network of sales offices and delivery system, the deep relationships of trust with customers through chilled (refrigerated) delivery and bento boxes that combine taste and safety, and the price competitiveness to attract a broad customer base.

The reasonableness of this measure is also reinforced by the following point.

- Strengthening corporate sales is expected to improve "container collection and recycling," one of the SDGs targets set by the Company.

Accordingly, this measure can be accepted as a necessary and reasonable measure for overcoming the Company's management issues and enhancing corporate value over the medium to long term.

(iv) Strengthening the human resource base by enhancing distribution to employees

Specifically, for the purpose of securing and retaining talented personnel, improving service quality and improving employee labor productivity, this measure aims to build an evaluation and return system that properly rewards employees' challenges and achievements, including wage increases such as the wage increases averaging 7%, combining base pay increases and regular pay raises, implemented in the most recent fiscal year, and further returns.

Indeed, in a difficult environment of continuing price increases, in order to respond to the efforts and growth of each employee and further increase their motivation, addressing stagnating recruitment due to the current contraction of the labor market, as well as working environment issues and labor shortages, by continuously providing returns together with improving business performance, is an important management issue for the Company. In addition, this measure is consistent in that it utilizes and strengthens the human resource base built over more than 40 years across all of the Company's businesses.

The reasonableness of this measure is also reinforced by the following point.

- Collaboration with the overseas human resources services of Watami Agent included in this measure is beneficial for resolving the Company's medium- to long-term issues.

Accordingly, this measure can be accepted as a necessary and reasonable measure for overcoming the Company's management issues and enhancing corporate value over the medium to long term.

(v) Investment to deepen the "Watami Model"

Specifically, this measure aims for the Company Group to advance investments aimed at expanding its production system centered on organic farming and expanding its procurement of renewable energy.

Indeed, the stabilization of procurement costs and the improvement of brand value backed by the quality of its ingredients through the "Watami Model" are important management issues for the Company. In addition, this measure is consistent in that it utilizes and strengthens the circular sixth-sector industry business model (Watami Model), which is the source of the Company's competitiveness.

The reasonableness of this measure is also reinforced by the following point.

- Deepening the "Watami Model" will lead to SDGs activities such as the reuse of industrial materials, food recycling and forest regeneration, and will contribute to the realization of a circular society.

Accordingly, this measure can be accepted as a necessary and reasonable measure for overcoming the Company's management issues and enhancing corporate value over the medium to long term.

Viewed in terms of their effects, the above measures can be broadly organized as follows.

(i) Contribution to the realization of management strategy

Without being bound by short-term fluctuations in results, and from a medium- to long-term perspective, the Company will be able to flexibly and swiftly implement structural reforms and upfront investments (such as accelerating the opening of SUBWAY stores, full-scale development of the U.S. business and full-scale rollout of Frozen Home Meal Delivery) that require upfront investment in the short term and a considerable period before results materialize.

Building a structure capable of implementing the measures for expanding the "Watami Model" swiftly and on a large scale under a consistent policy is the greatest significance of the Transaction.

(ii) Improvement of business performance

By consolidating and unifying the decision-making line, the speed of management decision-making will be significantly improved, and by promoting the optimization of the cost structure, the Company will be able to achieve both expansion of net sales and improvement of profit margins. Over the medium to long term, economies of scale accompanying the expansion of the store network in the SUBWAY format, a reduction in the cost of sales ratio through increased meal volume and improved factory utilization in the home meal delivery business, and geographic diversification of revenue sources accompanying the full-scale development of the U.S. business will be realized. In addition, the ability to implement fundamental structural reforms without excessive concern about short-term losses or impairments will also contribute to improved profitability.

(iii) Effects on employee motivation and securing personnel

Engagement will increase because employees will be able to contribute to the realization of long-term management objectives rather than the pursuit of short-term profits, and the MBO will clarify the management policy and establish a structure in which management and employees aim for growth as one. It will become possible to build an evaluation and incentive system that properly rewards employees' challenges and achievements without being excessively bound by the balance with profit distributions to shareholders in each single fiscal year, and improvements in service quality and labor productivity will be realized through securing and retaining talented personnel.

(iv) Strengthening business partners and the supply chain

It will become possible to maintain and improve earnings and quality through flexible selection of business partners not bound by investment ratios and the like. By raising the in-house production ratio of raw materials through expanding the production system centered on organic farming and expanding the procurement of renewable energy, a supply chain less susceptible to external price fluctuations will be built. The increase in transaction volumes accompanying accelerated store openings and increased meal volume will also contribute to building stable, long-term relationships with business partners.

(v) Enhancement of brand value and social reputation

The Company will be able to invest listing maintenance costs in branding, and by setting out a clear growth strategy and rebuilding its governance system, its credibility in the

market and within the industry will improve. Increased sustainability as a company will contribute to establishing brand value over the medium to long term. In addition, by not making easy price revisions for the purpose of securing short-term earnings and adhering to a policy that emphasizes ease of continued use by customers, the nationwide recognition and trust earned in both foodservice and home meal delivery through more than 40 years of business activities will be maintained. Furthermore, initiatives such as reducing food loss, expanding organic farms, achieving RE100 by 2040 and switching to alternative materials for containers and packaging will be continuously promoted from a long-term perspective, enabling the Company to differentiate itself as an environmental brand. The Company will also be able to enhance its social value through social contributions such as providing ingredients to children's cafeterias (kodomo shokudo).

As described above, each of the measures proposed by the Tender Offeror accurately captures the Company's management issues described above and is consistent with the Company's recognition and medium- to long-term management policy. In addition, in light of the fact that Mr. Watanabe, who as the founder and current Representative Director, Chairman and President of the Company has the deepest understanding of the Company Group's business and management issues, will himself continue to manage the Company, and that ownership and management will be aligned under Mr. Watanabe's commitment to enable flexible and agile management decisions, there are no circumstances sufficient to deny the feasibility of the measures, and the ability to execute the above measures will be enhanced.

Accordingly, the Company's determination that the above measures will improve profitability over the medium to long term and should be actively promoted for the enhancement of the Company's medium- to long-term corporate value can be accepted as reasonable.

At the same time, the Company believes that implementing the measures while maintaining its listing involves the following concerns.

- It is not easy to promote the above measures with speed and execution capability within the current framework of a listed company, from the perspectives of human resources, expertise, capital and speed of decision-making.
- The above measures involve the strategic restructuring of the store portfolio (including a review of existing stores), large-scale investments including the construction of a new home meal delivery factory, and continued investment in accelerated store openings in the U.S., and it is expected that a considerable period and upfront costs will be required before their effects are reflected in the Company Group's results. In other words, if the Company were to implement these measures while remaining listed, it cannot be ruled out that the Company Group's results may temporarily deteriorate in the short term due to impairment losses associated with store restructuring, increased depreciation for home meal delivery factory investments, upfront personnel costs, and the burden of continued overseas investment, and, as a result, the Company's shareholders may suffer significant adverse effects in the form of a decline in the share price, a reduction in dividends, or no dividends.

Indeed, the above concerns can be accepted in light of the following point.

- While the initiatives under the above measures contribute to long-term returns to society and brand enhancement, continuing such activities over the long term while maintaining the listing would be a factor squeezing earnings and would not lead to short-term earnings.

In light of the above points, the Company's determination can be accepted as reasonable that, in order to enhance its corporate value from a medium- to long-term perspective while avoiding the above adverse effects that may arise for its shareholders, the optimal option for enhancing its corporate value is to take the Company Shares private through a so-called management buyout (MBO), align ownership and management, and thereby (a) build a management environment in which management decisions can be made from a medium- to long-term perspective, at a distance from short-term evaluation by the stock market, (b) establish a structure in which Mr. Watanabe and the current management team can, as one, promote the above management measures flexibly and fundamentally, and (c) while maintaining an appropriate corporate governance system, redirect the management resources previously devoted to the various costs of maintaining the listing (approximately JPY 0.25 billion incurred annually for corporate governance compliance, disclosure and audit under the Financial Instruments and Exchange Act, IR, shareholder relations, etc.) to resolving the Company's management issues and growing its business.

(4) Verification of Disadvantages

On the other hand, if the implementation of the Transaction would cause disadvantages to the Company that clearly outweigh the advantages described above, it would be difficult to say that the Transaction leads to the enhancement of the Company's corporate value.

As described below, the disadvantages to the Company's business accompanying the delisting are all limited.

(i) Impact on consumers and other customers, and suppliers and other business partners

The Company Group's businesses, in both foodservice and home meal delivery, are not of a nature in which whether the Company is listed is a factor in customers' choice of stores or products. As for relationships with business partners, Suntory, an important business partner of the Company, is expected to reinvest after the Transaction, and the cooperative relationship through a capital relationship is expected to be maintained after the Transaction. Furthermore, the Transaction is premised on business continuity, and the ability to build procurement relationships from a long-term perspective will rather contribute to stabilizing relationships with business partners. Because there will be no change in the system for providing products and services on a daily basis or in contractual relationships, no adverse effect will arise.

(ii) Impact on the quality and safety of products and services

Ensuring food safety and quality forms the foundation of the Company Group's business operations regardless of whether the Company is listed, and because the current quality control and hygiene management systems will be maintained and strengthened after the Transaction, no adverse effect will arise. Rather, the ability to continue investing in quality control systems and manufacturing facilities without excessive concern for short-term profitability will contribute to improving quality.

(iii) Impact on brand power

The "Watami" brand has earned nationwide recognition and trust in both foodservice and home meal delivery through more than 40 years of business activities. Because this brand value has been built through the daily provision of products and services and is not supported by the form of being listed, no adverse effect will arise.

(iv) Impact on existing employees

There are no plans to change the treatment of employees, carry out restructuring or implement large-scale personnel transfers after the Transaction. Rather, the policy is to further strengthen returns to employees through continuous increases in wage levels, and because no disadvantage to existing employees is anticipated, no adverse effect will arise.

(v) Impact on recruitment

Recognition of the Company Group derives from its brand, which is widely established in society through its foodservice and home meal delivery businesses, rather than from its being a listed company. In addition, because the policy after the Transaction is to further strengthen returns to employees and its appeal in terms of treatment will rather increase, no adverse effect will arise.

(vi) Impact on fundraising

Since its listing, except for fundraising affected by the COVID-19 pandemic, the Company has not adopted a capital policy dependent on fundraising through equity financing. In light of the stable cash flow generated from the Company's existing businesses, it will be possible to secure the necessary funds after the Transaction by maintaining and strengthening good relationships with financial institutions, and therefore no adverse effect will arise.

(vii) Impairment of financial soundness and stability arising from the LBO loan (principal repayment period, interest burden, financial and business covenants, restrictions on investment funds (capital expenditure, development investment, M&A investment, etc.), creation of security over key assets, etc.), and impact on the implementation of the various measures contemplated by the Company after the execution of the Transaction

According to the Tender Offeror, the structure is premised on a level of financing that enables reasonable repayment while securing the working capital and capital expenditure funds required throughout the plan period, and therefore no adverse effect will arise.

(viii) Impact on the governance and compliance system

Because governance and compliance systems and internal controls equivalent to those of a listed company will be continued and maintained and the management oversight function will be strengthened, no adverse effect will arise.

(ix) Impact on sustainability management

With respect to sustainability management, initiatives to deepen the "Watami Model," such as expanding organic farms, achieving RE100 by 2040 and switching to alternative materials for containers and packaging, all require a considerable period before their effects materialize, and going private will enable them to be continuously promoted from a long-term perspective, so that the initiatives will rather accelerate. Therefore, no adverse effect will arise.

(x) Re-obtaining permits and licenses

Because a plan will be made to identify without omission the necessary procedures, such as prior notifications and ex post reports, and to complete the procedures without delay in line with the schedule for executing the transaction, no adverse effect will arise.

(xi) Impact of the abolition of the shareholder benefit program (impact on consumer behavior, impact on sales, etc.)

Because the Company is considering establishing within the Company, after the Transaction, the "Watami Friends Club (tentative name)" as an initiative to maintain and strengthen relationships with customers and others after going private, not as a replacement for the shareholder benefit program but as a program in which those who patronize the Company's products and services can widely participate, no adverse effect will arise.

In addition, according to the Tender Offeror's responses to the written questions and the question-and-answer sessions conducted by the Committee, there is no discrepancy between the Company and the Tender Offeror in their recognition of the above matters.

As described above, the disadvantages of the Transaction have been specifically considered, and nothing particularly unreasonable is found in the content of that consideration. According to the results of that consideration, it is not found that the Transaction will give rise to disadvantages that at least clearly outweigh the advantages described above.

(5) Existence of Alternative Means

As stated above, the Company's determination that the Transaction will contribute to the enhancement of the Company's corporate value can be accepted as reasonable.

Theoretically, it would also be conceivable to implement the measures described in (3) above (i) while maintaining the listing or (ii) through an integration or the like with a third party other than the Tender Offeror.

However, neither can be recognized as an effective alternative means superior to the Transaction.

With respect to (i), as stated above, because the interests of the Company's existing shareholders may be impaired in the short term through a decline in the share price, a reduction in dividends or the like, implementing the measures for enhancing corporate value while maintaining the listing involves risk, and there is a concern that the enhancement of medium- to long-term corporate value cannot be sufficiently pursued. Accordingly, realizing the advantages described in (3) above on the premise of maintaining the listing has little feasibility as an alternative means, or at least it can be said that the execution of the Transaction enhances the feasibility of the measures.

With respect to (ii) as well, according to the Company and the Tender Offeror, there is currently no specific and feasible competing proposal from a third party for the Company Shares (limited to those considered to be still valid). In addition, from the Company's perspective, it is important to reliably carry on its existing businesses (the coordination of foodservice, home meal delivery, agriculture, etc.) as a whole and to develop them in an integrated manner from a medium- to long-term perspective, and in light of the concern that an alliance in which philosophies and visions are not unified would not only create organizational friction but also leave the expected synergies extremely limited, and of the scarcity of partners for large-scale integration or alliance in organic farming, which the Company promotes as the core of its sixth-sector industry model, integration with a third party other than the Tender Offeror is not a realistic option.

In light of the above, from the perspective of enhancing the Company's corporate value, no circumstances are found sufficient to recognize that an effective alternative means superior to the Transaction exists.

(6) Summary

In light of the above, the Company's determination can be accepted as reasonable that the measures contemplated by Mr. Watanabe are reasonable, and that the implementation of the Transaction, including taking the Company Shares private through a so-called management buyout (MBO), will contribute to the enhancement of the Company's medium- to long-term corporate value and is also in the interests of the Company's shareholders.

For the foregoing reasons, the Committee believes that the Transaction will contribute to the enhancement of the Company's corporate value and that the purpose of the Transaction is reasonable.

3. Matters Relating to the Fairness and Appropriateness of the Terms of the Transaction (Matter for Consultation (2))

Principle 2 of the M&A Guidelines states that "the interests that general shareholders should enjoy should be secured through an M&A transaction being conducted through fair procedures." In this regard, Matter for Consultation (2) can be organized as asking whether the part of Principle 2 that "the interests that general shareholders should enjoy are secured" is satisfied.

The core of the interests that general shareholders enjoy through an M&A transaction is the terms of the M&A transaction, more specifically, the consideration that shareholders receive upon the realization of the M&A transaction. However, it is difficult to definitively determine a single appropriate method of calculating the acquisition consideration or to establish a single objective standard through comparison with the market share price. Accordingly, the M&A Guidelines require a special committee, in verifying the appropriateness of the terms, to consider the following three points.

(i) Ensuring a situation in which, in the process of discussions and negotiations with the acquiror regarding the terms of the transaction, reasonable efforts are made with the aim of conducting the M&A transaction on terms as favorable as possible to general shareholders while enhancing corporate value.

(ii) Confirming the content of the share valuation, which is an important basis for determining the appropriateness of the terms of the transaction, and the reasonableness of the financial forecasts, assumptions and the like on which it is based.

- In addition to the results of the share valuation, it is desirable to consider the positioning and feasibility of the business plan on which the valuation is based, the characteristics of the valuation methods used, the level of premiums generally paid in similar M&A transactions, the value that could be realized without conducting the M&A transaction, and the anticipated effect of increasing corporate value through the M&A transaction.

(iii) Considering not only the level of the acquisition consideration but also the appropriateness of the method of acquisition, the type of acquisition consideration and the like.

- It is desirable to consider the existence and content of alternative transactions.

Accordingly, the Committee examines the following in line with the above matters for consideration.

(1) Consideration for the Transaction

The Tender Offer Price is JPY 1,284.

(2) Process of Discussions and Negotiations with the Tender Offeror Regarding the Terms of the Transaction

This item asks whether, in the process of discussions and negotiations between the parties to the transaction regarding the terms of the transaction, there was a situation that can be regarded as substantively equivalent to a transaction conducted between independent parties.

"Ensuring a situation in which reasonable efforts are made with the aim of conducting the M&A transaction on terms as favorable as possible to general shareholders while enhancing corporate value," as required by the M&A Guidelines, is nothing other than whether the fairness measures described in detail in 4 below have been implemented. In this regard, as described in detail later, the content and combination of the fairness measures taken in the Transaction are appropriate, and, as a result of their effective operation, the interests of minority shareholders have been secured through substantively fair procedures.

In particular, the Committee assessed that the following circumstances in the process of negotiating the Tender Offer Price, among the fairness measures implemented in the Transaction, are factors supporting that the interests of minority shareholders were taken into consideration to the greatest extent possible, and give rise to a considerable inference of the appropriateness of the terms of the Transaction (in particular, the consideration to be delivered to minority shareholders).

First, in the Transaction, negotiations regarding the Tender Offer Price were conducted multiple times between the Company and the Tender Offeror.

In addition, as described below, the Committee received timely reports from the Company and Plutus Consulting on the course of negotiations with the Tender Offeror, expressed its opinions at important junctures and made requests. For the specific course of negotiations, please refer to the relevant part of the Company's disclosure document regarding the Transaction scheduled to be published on November 13, 2026 (the "**Press Release**").

- At a meeting of the Committee held before negotiations with the Tender Offeror regarding the Tender Offer Price began, the Committee heard the preliminary valuation results and the negotiation policy from the Company and Plutus Consulting.
- During the negotiation process as well, the Committee received reports and advice from the Company, Plutus Consulting and Trustees, the Committee's financial advisor, on the content of and rationale for the Tender Offeror's proposals and the Company's assessment of and response policy toward such proposals, and expressed its opinions as a committee at each meeting.
- For the purpose of maximizing the interests of the Company's minority shareholders, and taking into account the content of the valuation and the results of the Committee's verification, the Committee expressed the opinion that the Company should negotiate sincerely with the Tender Offeror while bearing in mind the following point.

  (i) While the Company's recent share price has been on a downward trend, this may not reflect a decline in the Company's intrinsic value, and the average share prices for the most recent three months and six months should be assessed as reflecting the Company's intrinsic value. Therefore, importance should be placed

on comparing the premium rates based on past medium- to long-term average share prices with the level of premium rates in similar cases.

As a result of the above, the Tender Offer Price was actually raised from JPY 1,079, the Tender Offeror's initial proposal, to JPY 1,284.

As described above, in the process of forming the terms of the Transaction, a situation that can be regarded as equivalent to a transaction between independent parties was ensured through the implementation of fairness measures, including the establishment and involvement of the Committee, and the terms were in fact agreed upon after sincere negotiations between the parties.

(3) Relationship with the Valuation Results of the Share Valuation Report (Trustees), Etc.

(i) Valuation results

The results of the Share Valuation Report (Trustees) are as follows:

Valuation Method	Valuation Result (unit: JPY)
(a) market price method	854 to 915
(b) DCF method	1,082 to 1,452
(c) comparable public company method	1,099 to 1,292

The Tender Offer Price exceeds the upper limit of the range under the market price method and exceeds the median of each of the ranges under the DCF method and the comparable public company method.

(ii) Attributes of the valuator

Trustees is a major firm with an extensive track record in the field of share valuation in Japan and, as described above, its independence from the Tender Offer Related Parties, the Company and the success or failure of the Transaction is recognized.

(iii) Valuation methods and specific application

The content of the share valuation and the financial forecasts, assumptions and the like on which it is based are recognized as reasonable.

For the specific details of the consideration, please refer to Annex 2.

(4) Relationship with the Valuation Results of the Share Valuation Report (Plutus Consulting), Etc.

(i) Valuation results

The results of the Share Valuation Report (Plutus Consulting) are as follows (unit: JPY):

Valuation Method	Valuation Result (Unit: Yen)
(a) market price method	854 to 915
(b) DCF method	987 to 1,573
(c) comparable company method	922 to 1,029

The Tender Offer Price exceeds the upper limit of the range under the market price method and exceeds the median of the range under the DCF method and the upper limit of the range under the comparable company method.

(ii) Attributes of the valuator

Plutus Consulting is a major firm with an extensive track record in the field of share valuation in Japan and, as described above, its independence from the Tender Offer Related Parties, the Company and the success or failure of the Transaction is recognized.

(iii) Valuation methods and specific application

The content of the share valuation and the financial forecasts, assumptions and the like on which it is based are recognized as reasonable.

For the specific details of the consideration, please refer to Annex 2.

(5) Consideration of the Fairness Opinion (Trustees)

The Committee has obtained the Fairness Opinion (Trustees) from Trustees, and Trustees has expressed the opinion that the Tender Offer Price is fair to the Company's general shareholders from a financial point of view.

The Fairness Opinion was issued by Trustees, which has the attributes described above, following, in addition to the valuation results of the Share Valuation Report (Trustees) prepared after Trustees received disclosure from the Company of the current status of its business, the Business Plan and the like and explanations thereof, questions and answers with the Company regarding the outline, background and purpose of the Tender Offer, consideration of the Company Group's business environment, the economy, markets and financial conditions to the extent Trustees deemed necessary, and review procedures by a review committee within Trustees that is independent of the engagement team, and nothing unreasonable is found.

In addition, as described above, nothing particularly unreasonable is found in the content of the Share Valuation Report (Trustees), which was referred to in submitting the Fairness Opinion.

Accordingly, nothing unreasonable is found in the issuance procedures or the content of the Fairness Opinion (Trustees).

(6) Relationship with the Level of Premiums Generally Paid in Similar Cases

Looking at the premium rates in the 110 management buyout (MBO) cases (excluding cases in which the tender offer was not commenced, cases in which the tender offer was unsuccessful, issuer tender offers, discount tender offers, tender offers aimed at maintaining a listing, two-step tender offers, and leaked tender offers) among the successfully completed tender offer cases premised on going private that were announced from June 28, 2019, the date on which the Ministry of Economy, Trade and Industry published the "Fair M&A Guidelines," through September 30, 2026 (the "**Similar Cases**"), the median premiums on the closing price on the business day before the announcement date and on the simple average closing prices for the most recent one-month, three-month and six-month periods are 42.33%, 45.18%, 47.08% and 49.27%, respectively.

In this regard, the Tender Offer Price carries the following premiums over the Company's average closing share prices for past periods using the day before the announcement date of the Transaction as the reference date, and in relation to the median premiums in the Similar Cases, it is above for the day before the announcement date and the most recent one month, and slightly below for the most recent three months and six months.

As stated above, in the price negotiations, the Committee took the position that, while the Company's recent share price has been on a downward trend, this may not reflect a decline in the Company's intrinsic value, and the average share prices for the most recent three months and six months should be assessed as reflecting the Company's intrinsic value. In this regard, when the distribution of premium rates in the Similar Cases is viewed in 10% increments, the mode for the premium rates over the simple average closing share prices for both the past three months and the past six months up to the reference date is the range of 40% or more but less than 50% (32 cases for the past three months and 28 cases for the past six months up to the reference date). The premiums of the Tender Offer Price for the most recent three months and six months are recognized as being at a level equal to or higher than the mode of the premiums over the simple average closing share prices for the past three months and six months up to the reference date in the Similar Cases. Accordingly, even in light of the Committee's position described above, the Committee assessed that the premium of the Tender Offer has a reasonable degree of rationality for the past three months and six months up to the reference date as well.

Reference period	**Premium in the Transaction**	**Similar Cases**
Day before announcement date:	49.65%	42.33%
Past one month:	50.35%	45.18%
Past three months:	42.83%	47.08%
Past six months:	40.33%	49.27%

In light of the above, the Committee believes that the Tender Offer Price carries a premium that compares favorably with the Similar Cases.

(7) Relationship with Minority Shareholders' Acquisition Cost

The Tender Offer Price is an amount that exceeds the closing price of the Company Shares throughout the entire period on and after the day following the date (February 14, 2020) on which the Company announced extraordinary losses due to the impact of the novel coronavirus.

In addition, according to an analysis of trading volume and share prices in the periods in which the cumulative ratio of the daily trading volume of the Company Shares to the substantive free-floating shares (the total number of issued shares less treasury shares and shares held by major shareholders) reaches 100% and 200%[7], the Tender Offer Price exceeds both JPY 1,042, the maximum value for one turnover (cumulative 100%), and JPY 1,212, the maximum value for two turnovers (cumulative 200%).

In light of the above, the Tender Offer Price can be said to be an amount that will not cause losses to the Company's minority shareholders who purchased Company Shares at least in approximately the past six years.

(8) Relationship with Net Asset Value

Although the net asset value method has not been adopted in this case, the PBR of the Company Shares exceeds 1x in the first place, and the PBR multiple at the Tender Offer Price is also well above 1x. Accordingly, the Committee assessed that the relationship with net asset value does not pose any particular problem.

[7] This is a reference value based on trading prices and trading volume over a certain period, and disregards long-term shareholders and the like.

(9) Appropriateness of the Scheme and Other Terms of the Transaction

(i) Squeeze-Out Procedures

Where a listed company is taken private and made a wholly-owned subsidiary of the acquiror, the method of the Transaction, combining a tender offer with squeeze-out procedures such as a share consolidation, is a common method.

As for the type of consideration, cash is highly liquid and an appropriate means of recovering investment in the first place, so there is no reason why using cash as consideration would in itself be disadvantageous to minority shareholders. In addition, because the Tender Offeror is an unlisted company, it goes without saying that using unlisted shares, which cannot be converted into cash, as consideration would not be in the interests of minority shareholders.

In the Transaction, it is contemplated that the purchase price in the Tender Offer and the amount of consideration in the Squeeze-Out Procedures will be the same. In this regard, the Supreme Court[8] has held that, where a tender offer price has been determined through fair procedures, it is appropriate, absent special circumstances, for the consideration in squeeze-out procedures subsequently implemented to be the same price[9]. Applying this to the present case, the Tender Offer is being conducted through procedures generally recognized as fair, and at present no special circumstances that would overturn the circumstances underlying the Transaction are expected to arise before the Squeeze-Out Procedures to be subsequently implemented. In light of this, unless special circumstances unforeseen at the time of preparing this Report arise in the future, it is appropriate to make the amount to be delivered in the Squeeze-Out Procedures the same as the Tender Offer Price.

In light of the above, the method of acquisition and consideration in the Transaction, under which cash will be delivered to the Company's minority shareholders through the Tender Offer and the Squeeze-Out Procedures, are not disadvantageous to the Company's minority shareholders and are therefore recognized as appropriate.

(ii) Treatment of Keniten

In connection with the Tender Offer, the Tender Offeror is expected to enter into a tender and non-tender agreement with Keniten as of November 13, 2026, and to agree that Keniten will (i) not tender in the Tender Offer any of the Company Shares it owns (the "**Non-Tender Agreement Shares (Keniten)**"), (ii) subject to obtaining the consent of Sumitomo Mitsui Trust Bank, instruct Sumitomo Mitsui Trust Bank to tender the Trust Shares in the Tender Offer, (iii) after successful completion of the Tender Offer, vote in favor of the proposals relating to the consolidation of the Company Shares to be

[8] Supreme Court decision in the Jupiter Telecommunications case, July 1, 2016, Minshu Vol. 70, No. 6, p. 1445.

[9] "Where a tender offer has been conducted through procedures generally recognized as fair, the purchase price in the tender offer should be regarded as reflecting the result of an appropriate adjustment of the interests of the majority shareholders, etc. and the minority shareholders," and therefore, "where the stock company subsequently acquires the class shares subject to wholly call at the same price as the above purchase price, unless there are special circumstances sufficient to find that an unexpected change has occurred in the circumstances underlying the transaction, it is appropriate for the court to set the acquisition price of such shares at the same price as the purchase price in the above tender offer."

implemented by the Company pursuant to Article 180 of the Companies Act (the "**Share Consolidation**") at an extraordinary shareholders meeting with agenda items including the Share Consolidation (as defined below) and a partial amendment to the Articles of Incorporation to abolish the share unit provision subject to the Share Consolidation taking effect (the "**Extraordinary Shareholders Meeting**"), and (iv) on or after the effective date of the Share Consolidation, after the Company has been exempted from its obligation to file annual securities reports, implement the Share Transfer (as defined below) with respect to the Company Shares then owned by Keniten among the Non-Tender Agreement Shares (Keniten) that have not become fractional shares as a result of the Share Consolidation.

After the Company obtains approval of its application for exemption from the obligation to file annual securities reports, Keniten intends to transfer to the Tender Offeror all of the Company Shares then owned by Keniten among the Non-Tender Agreement Shares (Keniten) (the "**Share Transfer**"). As of today, the Share Transfer is expected to be effected by an absorption-type company split with Keniten as the splitting company and the Tender Offeror as the successor company, with common shares of the Tender Offeror delivered to Keniten as consideration, although the specific method will be determined by the time the Share Transfer is implemented.

In this regard, depending on the consideration for the Share Transfer, there is a concern that it may conflict with the purpose of the uniform tender offer price requirement (Article 27-2, Paragraph 3 of the Financial Instruments and Exchange Act (the "**Act**")) and may benefit Keniten compared with the Company's minority shareholders.

However, the Share Transfer will be implemented after approval of the Company's application for exemption from the obligation to file annual securities reports is obtained, and it is understood that, in valuing the Company Shares subject to the Share Transfer, they will be valued at the same amount as the Tender Offer Price (subject to a formal adjustment based on the consolidation ratio of the Company Shares in the Share Consolidation), and, by also appropriately valuing the common shares of the Tender Offeror to be delivered to Keniten, the terms of the Share Transfer will be set so as not to be substantively more favorable to Keniten than the Tender Offer Price.

On the above premise, the above concern does not apply.

(iii) Treatment of Suntory

The Tender Offeror is expected to enter into a non-tender agreement with Suntory as of November 13, 2026, and to agree that Suntory will (i) not tender in the Tender Offer any of the Company Shares it owns (the "**Non-Tender Agreement Shares (Suntory)**"), (ii) after successful completion of the Tender Offer, vote in favor of the proposals relating to the Share Consolidation at the Extraordinary Shareholders Meeting, and (iii) after completion of the Share Transfer, reinvest in the Tender Offeror (as of today, the Tender Offeror intends to acquire the Non-Tender Agreement Shares (Suntory) from Suntory in consideration for class shares to be issued by the Tender Offeror (the "**Tender Offeror Class Shares**") through a share exchange with the Tender Offeror as the wholly-owning parent company in the share exchange and the Company as the wholly-owned subsidiary in the share exchange (the "**Share Exchange**")).

The Tender Offeror Class Shares are expected to provide that (i) with respect to dividends of surplus, holders will be entitled to receive dividends (cumulative, non-participating) in priority to holders of, or registered pledgees over, common shares of the Tender

Offeror, (ii) holders will be entitled to receive distributions of residual assets (non-participating) in priority to holders of, or registered pledgees over, common shares of the Tender Offeror, (iii) with respect to voting rights at shareholders meetings, holders will have no voting rights except as otherwise required by laws and regulations, and (iv) holders of the Tender Offeror Class Shares may require the Tender Offeror to acquire all or part of the Tender Offeror Class Shares for cash, and the Tender Offeror may acquire all or part of the Tender Offeror Class Shares for cash (provided that, as a term of the shares or a contractual restriction, the put right is expected to become exercisable after the lapse of seven years and six months from the issuance of the Tender Offeror Class Shares, and each of the acquisition pursuant to the put right and the acquisition pursuant to the call provision are expected to be conditional upon the full repayment of specified LBO loan-related obligations or the consent of the necessary financial institutions).

In this regard, depending on the exchange ratio of the Share Exchange, there is a concern that it may conflict with the purpose of the uniform tender offer price requirement and may benefit Suntory compared with the Company's minority shareholders.

However, it is understood that, in determining the exchange ratio, the Company Shares owned by Suntory will be valued at the same amount as the Tender Offer Price (subject to a formal adjustment based on the consolidation ratio of the Company Shares in the Share Consolidation), and the value of the Tender Offeror Class Shares will be appropriately assessed taking into account their dividends, distributions of residual assets, put right, call provision and other terms, so that the share exchange ratio will be set such that the value of the Tender Offeror Class Shares to be delivered to Suntory is substantively equivalent to the value of the Company Shares for which they are the consideration and the terms are not more favorable to Suntory than the Tender Offer Price.

In addition, it is understood that Suntory is expected to own the Tender Offeror Class Shares acquired through the Share Exchange because, in light of the fact that Suntory has built a continuing business relationship with the Company in respect of alcoholic beverages and is one of the Company's stable and material suppliers of alcoholic beverages, it has been concluded that continuing a certain capital relationship between Suntory and the Company through the Tender Offeror after the Transaction will contribute to maintaining a stable business relationship between the two companies and, in turn, to the stable business operation of the Company and the maintenance and enhancement of its corporate value, and Suntory's continued investment through the Share Exchange was considered in view of the importance of continuing a certain capital relationship between Suntory and the Company for the above business purposes, independently of whether Suntory could tender in the Tender Offer, and does not provide additional consideration for not tendering in the Tender Offer.

On the above premise, the above concern does not apply.

(iv) Treatment of the Preferred Shares

On November 5, 2026, the Tender Offeror requested the Company to submit to DBJ Food and Lodging Support Fund Investment Limited Partnership (the "**DBJ Fund**") a letter of undertaking (the "**Letter of Undertaking**") stating that, if the Tender Offer is successfully completed, the Company will acquire for cash all of the Class A Preferred Stock of the Company (the "**Preferred Shares**") owned by the DBJ Fund with January 6, 2027 (or, if the Tender Offer Period is extended, the commencement date of settlement after such extension) as the redemption date, and to seek the DBJ Fund's consent to the

implementation of the Transaction. In response, the Company intends to resolve, at the meeting of its Board of Directors scheduled to be held on November 13, 2026, that, if the Tender Offer is successfully completed, it will acquire all of the Preferred Shares, pursuant to Article 13-13 of the Company's Articles of Incorporation, for JPY 103,232,937.12 per Preferred Share (JPY 12,387,952,454.00 in total)[10], being the amount calculated by the method prescribed in such Article, with January 6, 2027 as the redemption date, and, subject to such acquisition, will cancel all of the acquired Preferred Shares on the same date.

In addition, the Company intends, as of November 13, 2026, to submit the Letter of Undertaking to the DBJ Fund and to receive from the DBJ Fund a letter of approval approving the implementation of the Transaction.

The Preferred Shares are not subject to the Tender Offer. However, because the Preferred Shares are shares without voting rights and the Articles of Incorporation do not provide that shares with voting rights will be delivered in exchange for the acquisition of such shares, they fall under Article 2, Item 1 of the Cabinet Office Ordinance on Disclosure Required for Tender Offers for Share Certificates, Etc. by Persons Other Than Issuers, which specifies securities not included in the "share certificates, etc." defined in Article 27-2, Paragraph 1 of the Act and Article 6, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act (the "**Order**"), and are not subject to the obligation to solicit all holders under Article 27-2, Paragraph 5 of the Act and Article 8, Paragraph 5, Item 3 of the Order. Accordingly, there is no legal problem in excluding them.

In addition, the Preferred Shares will be redeemed for cash funded by borrowings from the Tender Offeror, and because the Preferred Shares have no voting rights and no call provisions or put rights for share consideration and have been intended from the outset to be redeemed for cash, they are substantively debt-like shares close to borrowings. Accordingly, the early cash redemption of the Preferred Shares at the redemption amount prescribed in advance does not benefit the DBJ Fund, the holder of the Preferred Shares, and, from the Company's perspective, is merely a refinancing and therefore causes no disadvantage.

(v) Treatment of the private transaction by the Tender Offeror

It is understood that, for the purpose of making a request to the Company to inspect and copy its shareholder register, with November 13, 2026 as the acquisition date, the Tender Offeror acquired 100 Company Shares from an employee of the Company through a private transaction at JPY 858 per share, being the closing price of the Company Shares on the Prime Market of Tokyo Stock Exchange, Inc. (the "**Tokyo Stock Exchange**") on the business day immediately before the acquisition date (the "**Private Transaction**").

In this regard, if a certain premium were added to the acquisition price in the Private Transaction, there is a concern that only the selling Company shareholder would be treated favorably, which could also affect the assessment of the appropriateness of the Tender Offer Price.

[10] This is the amount calculated by the method prescribed in Article 13-13 of the Company's Articles of Incorporation assuming a redemption date of January 6, 2027. If the redemption date changes, the redemption amount per Preferred Share will also change in accordance with the calculation prescribed in such Article.

However, because the acquisition price is the closing price of the Company Shares on the acquisition date, the selling Company shareholder does not benefit from the sale compared with other minority shareholders, nor does the sale reduce the benefits that the Company's general shareholders will enjoy through the Tender Offer.

On the above premise, the above concern does not apply.

(10) Summary

Comprehensively considering the above factors, the amount of consideration in the Transaction is a fair price, and, with respect to the scheme and other terms of the transaction as well, the method and consideration of the Transaction are not disadvantageous to the Company's minority shareholders.

Accordingly, the Committee believes that the fairness and appropriateness of the terms of the Transaction, including the level of the acquisition consideration, the method of acquisition, the type of acquisition consideration and other terms of the transaction, have been ensured.

4. Matters Relating to the Procedures for Ensuring the Fairness of the Terms of the Transaction (Matter for Consultation (3))

Principle 2 of the M&A Guidelines states that "the interests that general shareholders should enjoy should be secured through an M&A transaction being conducted through fair procedures." In this regard, Matter for Consultation (3) can be organized as asking whether the part of Principle 2 that the M&A transaction is "conducted through fair procedures" is satisfied. The fairness measures presented in the M&A Guidelines are organized from two perspectives, namely (i) ensuring a situation that can be regarded as equivalent to a transaction between independent parties in the process of forming the terms of the transaction and (ii) ensuring opportunities for general shareholders to make appropriate decisions based on sufficient information, and what matters is the substance of the function performed as a whole by the measures effectively taken. Accordingly, the Committee examines below, from each of the above perspectives, the content and actual operation of the fairness measures taken in the Transaction.

(1) Establishment of the Committee

Under the M&A Guidelines, a special committee, if appropriately operated, contributes to addressing the issues of structural conflicts of interest and information asymmetry, is a highly effective fairness measure for ensuring the fairness of M&A transactions, and is positioned as the starting point for ensuring procedural fairness.

In this regard, as described in this Report, the Committee has fulfilled the role required of a committee by the M&A Guidelines[11].

In addition, in the Transaction, the following practical arrangements were also made to enhance the effectiveness of the Committee, which further reinforce that the Committee functioned effectively.

[11](i) To consider and make a determination on whether the M&A transaction should be conducted from the perspective of whether it contributes to the enhancement of the corporate value of the target company, and (ii) to consider (a) the appropriateness of the terms of the transaction and (b) the fairness of the procedures from the perspective of protecting the interests of general shareholders.

(i) With respect to the timing of the Committee's establishment, the Company was informed by Mr. Watanabe in early August 2026 that he was conducting a preliminary review of the Transaction, and, upon receipt of the letter proposing the commencement of discussions regarding the Transaction dated August 24, 2026, established the Committee by resolution of the Board of Directors meeting held immediately thereafter on August 25, 2026. There are no circumstances, such as the terms of the transaction having been effectively determined at the time of establishment, by which the timing of establishment would deprive the Committee of its significance.

(ii) With respect to the independence of the members, all three members of the Committee are recognized as independent of the Tender Offer Related Parties, the Company and the success or failure of the Transaction. The members' remuneration consists solely of fees paid as consideration for their duties regardless of the content of the Report, and does not include any success fee contingent on announcement or completion of the Transaction.

(iii) With respect to the composition of the members, the Committee includes outside directors familiar with the Company's business and an attorney who is an outside expert, and, with respect to financial matters, has appointed Trustees as its own financial advisor. Accordingly, the Committee has sufficient capability to consider the Matters for Consultation, and the appropriateness of its composition is recognized.

(iv) With respect to the Committee's own advisors, the Committee was granted by the Company's Board of Directors the authority to appoint, as necessary and at the Company's expense, its own financial, legal or other advisors. Because the members of the Committee do not include officers or experts in financial matters, the Committee appointed Trustees as its own financial advisor.

(v) With respect to obtaining information, as described in detail in Section 1.5 "Activities of the Committee" above, the Committee conducted its consideration and made its determinations after obtaining in a timely manner, as necessary, important information, including non-public information, from the Company and the Company's advisors.

(vi) With respect to involvement in the process of negotiating the terms of the transaction, the resolution establishing the Committee provides that, in discussing and negotiating the terms of the Transaction with the Tender Offeror, the Company will report its policy to the Committee in advance, report the status to the Committee in a timely manner, and receive the Committee's opinions, instructions and requests at important junctures, and grants the Committee the authority to have the Company convey the Committee's proposals and other opinions or questions to the Tender Offeror and to request that opportunities be arranged for the Committee itself to hold discussions with the Tender Offeror. In actual operation as well, the Committee received timely reports from the Company's personnel in charge and Plutus Consulting on the course of negotiations with the Tender Offeror, expressed its opinions at important junctures, and gave instructions and made requests.

(vii) In addition to the practical arrangements described above to enhance effectiveness, with respect to the Committee's determinations, the resolution establishing the Committee provides that the decision-making of the Company's Board of Directors regarding the Transaction will be made respecting the Committee's determinations to the maximum extent, and in particular that, if the Committee determines that the terms of the Transaction are not appropriate, the Company's Board of Directors will not support the Transaction on those terms.

(2) Obtaining Professional Advice, Etc. from Independent Outside Experts

(i) Receipt by the Company of a share valuation report from a third-party valuator and advice from a financial advisor

On August 21, 2026, the Company appointed Plutus Consulting, which has expertise and a track record in the M&A field, as its financial advisor and third-party valuator. Since its appointment, the Company has obtained advice and assistance from Plutus Consulting regarding the scheme of the Transaction, price negotiations and other matters, and has obtained the Share Valuation Report (Plutus Consulting).

Plutus Consulting is recognized as independent of the Tender Offer Related Parties, the Company and the success or failure of the Transaction, in light of, among other things, the facts that it is not a related party of the Tender Offer Related Parties or of the Company and has no material interest required to be disclosed in connection with the Transaction, including the Tender Offer, and that the compensation payable to Plutus Consulting in connection with the Transaction consists solely of a fixed fee payable regardless of the success or failure of the Transaction and does not include any success fee payable conditional upon the announcement or completion of the Transaction or similar events.

As described above, the Company is recognized as having obtained, from the initial stage of the Transaction, the involvement of an independent financial advisor and its independent professional advice.

The assessment of the Share Valuation Report (Plutus Consulting) by Plutus Consulting, the third-party valuator, is as described above.

(ii) Receipt by the Company of advice from a legal advisor

On August 21, 2026, the Company appointed Nakamura, Tsunoda & Matsumoto, which has expertise and a track record in the M&A field, as its legal advisor. Since its appointment, the Company has received necessary legal advice from the firm regarding the method and process of decision-making by the Company's Board of Directors, including the various procedures for the Transaction, and other points to note.

Nakamura, Tsunoda & Matsumoto is recognized as independent of the Tender Offer Related Parties, the Company and the success or failure of the Transaction, in light of, among other things, the facts that it is not a related party of the Tender Offer Related Parties or of the Company and has no material interest in the Transaction, including the Tender Offer, and that its fees are calculated by multiplying the hours worked by hourly rates regardless of the success or failure of the Transaction and do not include any success fee conditional upon the announcement or completion of the Transaction or similar events.

As described above, the Company is recognized as having obtained, from the initial stage of the Transaction, the involvement of an independent legal advisor and its independent professional advice.

(iii) Receipt by the Committee of a share valuation report and fairness opinion from an independent third-party valuator

On August 26, 2026, immediately after the Committee was established on August 25, 2026, the Committee appointed Trustees, which has expertise and a track record in the M&A field, as its own financial advisor and third-party valuator. Since its appointment,

the Committee has obtained advice and assistance from Trustees regarding the verification of the Business Plan, price negotiations and other matters, and has obtained the Share Valuation Report (Trustees) and the Fairness Opinion (Trustees).

Trustees is recognized as independent of the Tender Offer Related Parties, the Company and the success or failure of the Transaction, in light of, among other things, the facts that it is not a related party of the Tender Offer Related Parties or of the Company and has no material interest in the Transaction, including the Tender Offer, and that Trustees' compensation in connection with the Transaction consists solely of a fixed fee payable regardless of the success or failure of the Transaction and does not include any success fee payable conditional upon the completion of the Transaction, including the Tender Offer, or similar events.

As described above, the Committee is recognized as having obtained, from the initial stage of the Transaction, the involvement of an independent financial advisor and its independent professional advice.

(3) Ensuring Opportunities for Acquisition Proposals by Other Acquirors (Market Check)

In connection with the Transaction, a so-called active market check has not been conducted.

However, as the M&A Guidelines point out, where the management conducting the MBO is a controlling shareholder, the situations in which an active market check functions as a fairness measure are limited.

Applying this to the present case, before the execution of the Transaction, Keniten, which is controlled by Mr. Watanabe and others, holds 11,460,425 Company Shares (an Ownership Ratio of 28.57%), a quantity that makes it difficult to achieve 100% ownership of the Company Shares without Keniten's consent. Accordingly, there is room to assess the Tender Offeror, 100% of whose shares are held by Keniten, as a shareholder equivalent to a controlling shareholder of the Company. In addition, there is no specific and feasible competing proposal from a third party for the Company Shares (limited to those considered to be still valid). In addition, taking into account that an indirect market check as described below is being conducted, there are no special circumstances sufficient to find that this case is one in which an active market check could function.

The tender offer period in the Tender Offer is 30 business days, exceeding 20 business days, the minimum period prescribed by the Financial Instruments and Exchange Act. In addition, the Company has not entered into any agreement with the Tender Offeror that would restrict a person other than the Tender Offeror (a "**Competing Acquiror**") from contacting the Company, such as an agreement containing a deal protection provision prohibiting the Company from contacting a Competing Acquiror. Through these measures, a so-called indirect market check can be assessed as being conducted.

In light of the above, shareholders are considered to have been given a sufficient period for deliberation to consider whether to tender in the Tender Offer, and an opportunity for competing purchases is considered to have been objectively ensured.

(4) Majority of Minority Condition

A so-called majority of minority condition will not be set in the Tender Offer.

However, the M&A Guidelines do not make setting such a condition mandatory, and in light of the specific circumstances of the Transaction set out below, the Committee believes that it is not necessary to set a majority of minority condition in the Transaction.

(i) Because comprehensive other fairness measures have been taken in the Transaction, not setting such a condition is also permissible.

(ii) In this case, even if a majority of minority condition were set, the minimum would be 11,615,601 shares, which would yield an increase of only 1,755,466 shares (4.4%) compared with the case in which the condition is not set. Accordingly, the effect of the condition (ensuring opportunities for general shareholders to make decisions by directly confirming that a majority of general shareholders are satisfied with the terms of the transaction, and strengthening the target company's bargaining power in the process of forming the terms of the transaction) is limited.

(iii) On the other hand, if the condition were set, it would become possible to obstruct the Transaction by acquiring a relatively small number of shares, making the successful completion of the Tender Offer unstable, which could rather fail to serve the interests of the Company's minority shareholders who wish to tender in the Tender Offer.

(5) Decision-Making Process Within the Company

With the multiple fairness measures described above in place, within the Company as well, the consideration of the Transaction was conducted from the initial stage excluding directors and others who may have certain interests. Specifically, it was as follows.

Because Mr. Watanabe, the Representative Director, Chairman, President and CEO of the Company, is the proposer of the Transaction and a shareholder holding 99.53% of the shares of Keniten, which owns all of the voting rights of the Tender Offeror; Mr. Shoya Watanabe, Director and Managing Executive Officer, concurrently serves as Representative Director of Keniten; and Mr. Toshinari Hitsuka, Director and full-time Audit and Supervisory Committee member, concurrently serves as a corporate auditor of two subsidiaries of Bank of Yokohama, which will provide the Loan, none of them has participated in any deliberation or resolution of the Company's Board of Directors regarding the Transaction, in the process of preparing the Business Plan on which the valuation of the Company Shares is based, or in any discussion or negotiation with the Tender Offeror on behalf of the Company. The Company's structure for considering, negotiating and deciding on the Transaction consists entirely of officers and employees recognized as independent of the Tender Offer Related Parties.

The review framework for the Transaction established within the Company, including the above treatment, specifically the scope of the officers and employees involved in the consideration, negotiation and decision-making regarding the Transaction and their duties (including duties requiring a high degree of independence, such as the preparation of the business plan on which the valuation of the Company Shares is based), is based on the advice of Nakamura, Tsunoda & Matsumoto, and the Committee has approved that there are no issues with it from the perspective of independence.

(6) Approval of All Disinterested Directors of the Company (Including Audit and Supervisory Committee Members)

At the meeting of the Board of Directors at the time of the announcement of the Transaction, all directors other than Mr. Watanabe, Mr. Shoya Watanabe and Mr. Toshinari Hitsuka are expected to participate in the deliberation and resolution, and the resolution is expected to be adopted by the unanimous vote of all directors participating in the resolution.

(7) Enhancement of Information Provided to General Shareholders and Improvement of Process Transparency

The M&A Guidelines state that providing general shareholders with important material for judging the appropriateness of the terms of the transaction enables informed judgment, and that the ex post disclosure of important information can be expected to result in more careful consideration, negotiation, valuation and the like conducted with an awareness of the scrutiny of general shareholders and others.

Applying this to the present case, as described below, the Committee believes that the draft of the Press Release discloses, in an easily understandable manner, comprehensive information that will contribute to appropriate decisions by minority shareholders.

With respect to the Committee, the following information is stated:

(i) information on the qualifications of the members, such as their independence and expertise;

(ii) information on the authority granted to the special committee;

(iii) information on the course of consideration by the special committee and the status of its involvement in the process of negotiating the terms of the transaction with the acquiror;

(iv) information on the basis and reasons for the special committee's determinations regarding whether the M&A transaction should be conducted, the appropriateness of the terms of the transaction and the fairness of the procedures (including the status of implementation of fairness measures), and on the content of the report; and

(v) information on the remuneration structure of the members.

With respect to the Share Valuation Report (Plutus Consulting), the Share Valuation Report (Trustees) and the Fairness Opinion (Trustees), the following information is stated:

(i) information on the calculation process of the share valuation under each valuation method;

(ii) information on the fairness opinion; and

(iii) information on material interests of the third-party valuators.

With respect to the process leading to the implementation of the Transaction and the course of negotiations, the following information is stated:

(i) information on the process leading to the implementation of the M&A transaction;

(ii) information on the background and purpose of choosing to conduct the M&A transaction at this time;

(iii) information on the specific details of the interests that the directors and others of the target company have in the M&A transaction, and on whether and how such directors and others were involved in the process of forming the terms of the transaction; and

(iv) information on the specific course of the discussions and negotiations on the terms of the transaction and other matters conducted between the target company and the acquiror.

In light of the above, it is recognized that, in this case, the Company is endeavoring to improve the transparency of the process by enhancing the information provided to minority shareholders.

(8) Elimination of Coercion

The Transaction is an acquisition of all of the Company Shares for cash consideration, and is not a so-called partial acquisition.

In addition, the Squeeze-Out Procedures will be implemented through a share consolidation. In the course of implementing this scheme, shareholders are granted the right to file a petition for a determination of the price under Articles 182-4 and 182-5 of the Companies Act, and this is expressly disclosed in the Press Release. Furthermore, the relevant part of the Press Release also discloses that the Squeeze-Out Procedures will be conducted after the completion of the Tender Offer, and that the cash to be delivered to minority shareholders in the Squeeze-Out Procedures is expected to be at the same price as the Tender Offer Price.

In light of the above, it is recognized that measures to eliminate coercion have been taken in the Transaction.

(9) Summary

As described above, the Committee believes that sufficient procedures have been taken in the Transaction to ensure the fairness of the terms of the transaction.

5. Whether the Transaction Is Considered Fair to the Company's General Shareholders (Matter for Consultation (4))

Matter for Consultation (4) asks whether the Transaction is fair to the Company's minority shareholders.

However, the Committee considers that the process and content of the consideration of Matters for Consultation (1) through (3) already described are factors to be taken into account in considering Matter for Consultation (4).

As described in detail in this Report, as a result of the Committee's deliberations and otherwise, none of the above Matters for Consultation is considered to involve any problem.

For the foregoing reasons, the Committee believes that the Transaction is fair to the Company's general shareholders.

6. Whether It Is Appropriate for the Company's Board of Directors to Express an Opinion in Support of the Tender Offer and to Recommend That the Company's Shareholders Tender Their Shares in the Tender Offer (Matter for Consultation (5))

Matter for Consultation (5) asks whether it is appropriate for the Company's Board of Directors to express an opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer.

With respect to Matter for Consultation (5) as well, the Committee considers that the process and content of the consideration of Matters for Consultation (1) through (4) are factors to be taken into account in considering Matter for Consultation (5).

As described in detail in this Report, as a result of the Committee's deliberations and otherwise, none of the above Matters for Consultation is considered to involve any problem.

For the foregoing reasons, the Committee believes that, because the Transaction will contribute to the enhancement of the Company's corporate value and the purpose of the Transaction is

reasonable, it is appropriate for the Company's Board of Directors to express an opinion in support of the Tender Offer, and that, because the terms of the Transaction, including the Tender Offer Price, are appropriate terms formed through fair procedures and the Tender Offer provides the Company's shareholders with a reasonable opportunity to sell their Company Shares, it is appropriate for the Board of Directors to resolve to recommend that the Company's shareholders tender their shares in the Tender Offer.

7. Conclusion

Following the above consideration, the Committee has reached the conclusions set out at the beginning of this Report.

Part 4 Reservations and Restrictions on Use

The Report has been prepared solely for the purpose of being used as material for consideration by the Company's Board of Directors in making decisions regarding the Transaction. Accordingly, without the prior written consent of the Committee, the Company may not use the Report for any purpose other than the foregoing, or disclose it to or permit its use by any third party, except where disclosure is made to the extent necessary as required or requested by laws and regulations in Japan or elsewhere or by the rules of a financial instruments exchange or the like (including where it is used as evidence or prima facie evidence in proceedings relating to litigation or the like brought in connection with the Transaction).

End

Annex 1

Date (meeting)	**Agenda**
Thursday, August 27 (1st)	1. Confirmation of the content of the proposal from the Tender Offeror 2. Explanation of the authority, duties and Matters for Consultation of the Committee 3. Confirmation of the independence of the members 4. Confirmation and approval of the independence and expertise of each of the Company's advisors 5. Confirmation of the review framework within the Company (exclusion of interested parties from the Board of Directors, etc.) 6. Consideration of the appointment of the Committee's own advisors 7. Confirmation of future meeting schedule, etc.
Thursday, September 10 (2nd)	1. Sharing of project progress 2. Consideration and approval of the Company's business plan (1) 3. Consideration and confirmation of questions to the Tender Offeror (1) 4. Consideration and confirmation of questions to the Company's management (1) 5. Confirmation of future meeting schedule, etc.

Date (meeting)	Agenda
Monday, September 14 (3rd)	1. Sharing of project progress 2. Consideration and confirmation of questions to the Tender Offeror (2) 3. Consideration and confirmation of questions to the Company's management (2) 4. Consideration and approval of the Company's business plan (2) 5. Confirmation of future meeting schedule, etc.
Thursday, September 17 (4th)	1. Sharing of project progress 2. Consideration and approval of the Company's business plan (3) 3. Confirmation of future meeting schedule, etc.
Monday, September 28 (5th)	1. Sharing of project progress 2. Confirmation of the responses from the Tender Offeror and consideration of additional questions 3. Confirmation of the responses from the Company's management and consideration of additional questions 4. Confirmation of future meeting schedule, etc.
Tuesday, September 29 (6th)	1. Interview with the Tender Offeror 2. Consideration and confirmation of additional questions to the Company's management 3. Confirmation of future meeting schedule, etc.
Wednesday, September 30 (7th)	1. Interview with the Company's management 2. Sharing of project progress 3. Confirmation of future meeting schedule, etc.
Wednesday, October 14 (8th)	1. Sharing of project progress 2. Interim report on share valuation 3. Confirmation of the content of the Tender Offeror's proposal and consideration of negotiation policy 4. Confirmation of future meeting schedule, etc.
Friday, October 23 (9th)	1. Sharing of project progress 2. Confirmation of the content of the Tender Offeror's proposal and consideration of negotiation policy 3. Questions and answers regarding the share valuation (interim report) 4. Confirmation of future meeting schedule, etc.
Wednesday, October 28 (10th)	1. Sharing of project progress 2. Report on the update to the share valuation (interim report) 3. Report on the update to the share valuation (interim report) 4. Confirmation of the content of the Tender Offeror's proposal and consideration of negotiation policy 5. Explanation of the status of preparation and outline of the disclosure documents 6. Explanation of the outline of the fairness measures 7. Confirmation of future meeting schedule, etc.

Date (meeting)	Agenda
Wednesday, November 4 (11th)	1. Sharing of project progress 2. Confirmation of the content of the Tender Offeror's proposal and consideration of negotiation policy 3. Consideration of the content of the Report 4. Confirmation of the status of preparation of the disclosure documents and the review framework within the Company 5. Confirmation of future meeting schedule, etc.
Monday, November 9 (12th)	1. Sharing of project progress 2. Confirmation of the content of the Tender Offeror's proposal and consideration of negotiation policy 3. Consideration of the content of the Report (including whether to obtain an FO) 4. Confirmation of future meeting schedule, etc.
Tuesday, November 10 (13th)	1. Sharing of project progress 2. Report on the share valuation report (draft) 3. Confirmation of the content of the Tender Offeror's proposal and consideration of negotiation policy 4. Consideration of the content of the Report 5. Confirmation of the status of preparation of the disclosure documents 6. Confirmation of future meeting schedule, etc.
Wednesday, November 11 (14th)	1. Sharing of project progress 2. Confirmation of the content of the Tender Offeror's proposal and consideration of negotiation policy 3. Explanation regarding the fairness opinion 4. Consideration of the content of the Report 5. Confirmation of the status of preparation of the disclosure documents 6. Confirmation of future meeting schedule, etc.
Thursday, November 12 (15th)	1. Sharing of project progress 2. Final report on share valuation and submission of the share valuation report 3. Confirmation of the Tender Offeror's final proposal 4. Report on the content of the disclosure documents 5. Finalization of the Report

Annex 2

As a result of the review set out below of the Share Valuation Report (Trustees) and the Share Valuation Report (Plutus Consulting), the financial forecasts on which they are premised and the content of the share valuations are both found to be reasonable.

1. Financial Forecasts (Business Plan)

(i) Background to preparation

The business plan used in calculating the free cash flow in each valuation report (the "**Business Plan**") is a plan newly prepared by officers and employees of the Company independent of the Tender Offeror side from late August 2026, when Mr. Watanabe submitted to the Company a letter proposing the commencement of discussions regarding the Transaction. The employee of the Company who prepared the original draft had previously been involved in the Company's budget formulation and other matters, and prepared the Business Plan based on materials for the next fiscal year's budget, the formulation of which had already begun.

Prior to the preparation of the Business Plan, Plutus Consulting explained to the preparer general perspectives for considering a business plan, the need to prepare a business plan with a reasonable degree of certainty, and other matters, and then reviewed the content of the Business Plan as appropriate.

In addition, the content of the Business Plan was approved by Mr. Kuniaki Shimizu, Director and Executive Vice President of the Company, who is independent of the Tender Offeror side.

(ii) Basic assumptions

(i) Stand-alone figures

The Business Plan does not assume the execution of the Transaction and has been prepared on the premise that the Company will continue to operate its business as a listed company.

(ii) Plan period

The plan period of the Business Plan is five years. This period has been set at five years on the grounds that it can be forecast with reasonableness and can sufficiently reflect profit growth from business growth that is foreseeable at present. The final fiscal year, the fiscal year ending March 31, 2031, can be assessed as one in which profits based on the current external and internal business environment will be realized to the maximum extent, given that (a) SUBWAY store openings will be at the same level as the record number of openings, and (b) the manufacturing capacity of the home meal delivery factories will reach its limit, while, according to demographic trends, the population aged 70 and over will level off from shortly after 2030.

(iii) Relationship with the budget figures for the current fiscal year and other internal target figures

The figures for the current fiscal year in the Business Plan are based on the internal budget and reflect the current situation, and the operating income for the current fiscal year is approximately the same amount.

The long-term target figures for ten years ahead (the fiscal year ending March 31, 2035), which were shared within the Company and have not been publicly announced, were set as aggressive ten-year targets for the purpose of motivating employees. On the other hand, because the Business Plan was prepared for the purpose of ascertaining the Company's intrinsic value, it reflects past actual results, recent results and other matters, and its figures have a high degree of certainty on a bottom-up basis.

In order to verify the reasonableness of the above explanation, the Committee, while also receiving advice from Trustees, its own financial advisor, submitted written questions to, and held question-and-answer sessions with, the Company regarding the grounds for the main assumptions of the Business Plan (the number of SUBWAY store openings, the number of meals in the home meal delivery business, the number of Onigilly store openings, the number of domestic foodservice store openings excluding SUBWAY, the cost-of-sales ratio, selling, general and administrative expenses such as personnel expenses, sales commissions, utilities and rent, the need to continuously implement 7% wage increases, the capital expenditure plan such as new construction and renewal of factories, the relationship between the amount of capital expenditure and depreciation, the outlook after the final fiscal year of the plan, etc.), and confirmed, to the extent necessary, the understanding of Mr. Watanabe, who is on the Tender Offeror side.

In addition, the members of the Committee who were independent outside officers of the Company at the time the long-term target figures were reported confirmed their understanding that, in light of the recent business environment, the growth of the domestic foodservice and home meal delivery businesses is uncertain and there are challenging aspects, but that they had received an explanation that the figures represented an ambitious vision and figures to strive for ten years ahead, in fiscal 2034. Furthermore, the same was also confirmed in the interview with Mr. Watanabe.

Based on the above verification, the Committee determined that there are no circumstances suggesting that the Business Plan was arbitrarily made a pessimistic financial forecast, and no circumstances suggesting that the Business Plan is a financial forecast lacking reasonable grounds such as to cast doubt on its feasibility.

Accordingly, the content of the Business Plan is found to be reasonable.

2. Selection of Share Valuation Methods

In the Share Valuation Report (Plutus Consulting), after considering which valuation methods to adopt from among several methods in valuing the Company Shares, and based on the view that it is appropriate to evaluate the value of the Company Shares from multiple perspectives on the premise that the Company is a going concern, Plutus Consulting used the market price method because the Company Shares are listed on the Prime Market of the Tokyo Stock Exchange, the comparable company method because there are multiple listed companies comparable to the Company and the share value of the Company Shares can be inferred by comparison with such comparable listed companies, and the DCF method to reflect the status of future business activities in the valuation.

On the other hand, in the Share Valuation Report (Trustees), after considering which valuation methods to adopt from among several methods in valuing the Company Shares, and based on the view that it is appropriate to evaluate the value of the Company Shares from multiple perspectives on the premise that the Company is a going concern, Trustees used the market price method because the Company Shares are listed on the Prime Market of the Tokyo Stock Exchange, the comparable public company method because there are multiple listed companies comparable to the Company and the share value of the Company Shares can be inferred by comparison with such comparable listed companies, and the DCF method to reflect the status of future business activities in the valuation.

The valuation methods adopted by each valuator are methods generally regarded as appropriate for calculating going-concern value. In addition, because each valuation method has its own strengths as well as various weaknesses, and the methods complement one another's

weaknesses, analysis from multiple perspectives using multiple valuation methods is considered useful. Accordingly, the Committee considers that the combined use of the above methods enhances reasonableness.

As described in 4 below, in the DCF method, Trustees adopted the sum-of-the-parts approach (a method of calculating the business value of the Company as a whole by adding together the value for the forecast period and the terminal value of each of the domestic business and the overseas business, then reflecting the consolidated non-operating assets and liabilities, etc. once in the aggregate business value, and calculating the common share value and the value per share), whereas Plutus Consulting did not adopt it.

According to the results of the Committee's confirmation with Trustees of the reason for adopting this approach, Trustees determined that the approach was appropriate in order to apply different discount rates to the domestic business and the overseas business, as the two businesses are considered to differ in characteristics such as business risk.

On the other hand, Plutus Consulting did not adopt the sum-of-the-parts approach because the domestic business accounts for the majority of the profits in the Business Plan, and because it calculates the discount rate and multiples with reference to the Company and comparable listed companies, and those discount rates and multiples are considered to include the risks and growth potential of the overseas business.

As described above, whether or not the sum-of-the-parts approach is adopted stems from the method of reflecting the risks and growth potential of the overseas business, and the two are not mutually contradictory. Furthermore, these are within the discretion of the valuators, and both valuation methods are considered reasonable.

Accordingly, the selection of share valuation methods in each share valuation report is found to be reasonable.

3. Assumptions and Content of Calculation Under the Market Price Method

In both share valuation reports, under the market price method, using November 12, 2026, the business day before the date of the Company's Board resolution on the expression of its opinion on the Tender Offer, as the reference date, the per-share value of the Company Shares was calculated to range from JPY 854 to JPY 915, based on the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on the reference date (JPY 858) and the simple average closing prices for the most recent one-month (JPY 854), three-month (JPY 899) and six-month (JPY 915) periods.

It is necessary to exclude, to the extent possible, abnormal price formation that is found not to reflect the objective value of the company due to circumstances such as temporary speculative trading or temporary fluctuations due to revisions of business forecasts; looking at the trends in the market share price and trading volume analyzed in each share valuation report, no abnormal fluctuations in the share price due to liquidity or abnormal trading are observed.

In light of the above, the assumptions and content of calculation under the market price method in each share valuation report are both found to be reasonable.

4. Assumptions and Content of Calculation Under the DCF Method

(i) Trustees

Based on factors including the revenue forecasts and investment plans in the Business Plan, the Company's financial information for the second quarter of the fiscal year ending

March 31, 2027, and publicly available information, Trustees calculated the Company's enterprise value and share value by discounting the free cash flow expected to be generated by the Company to present value at a certain discount rate, and calculated the per-share value of the Company Shares to range from JPY 1,082 to JPY 1,452. As the discount rate, because the domestic business and the overseas business of the Company Group are considered to differ in characteristics such as business risk, in order to appropriately reflect the characteristics of each business in the share valuation, Trustees adopted weighted average costs of capital of 7.19% to 9.19% for the domestic business and 10.23% to 12.23% for the overseas business. The perpetual growth rate method was adopted to calculate terminal value. Under the perpetual growth rate method, after comprehensively considering the external environment and other factors, the perpetual growth rate was set at 0.50% to 1.50% and the terminal value was calculated as JPY 29,195 million to JPY 44,345 million. In calculating terminal value, an adjustment was made to take into account the full-year contribution of net sales of newly opened stores in the final fiscal year of the business plan. In addition, surplus cash and deposits (after deducting operating cash and deposits estimated by comprehensively considering the Company's historical cash management and other factors), securities and investment securities were added in calculating the share value.

The analytical method under the DCF method, the discount rate used in the analysis, the perpetual growth rate for calculating terminal value, the terminal value, the treatment of working capital on hand and other matters were set and considered by Trustees from its professional standpoint as a third-party valuator, and no particular unreasonableness is found in Trustees' explanations to the Committee of the grounds and methods for calculating these figures, including the following points.

- Reasons for adopting the sum-of-the-parts approach
- Method of calculating profit for the Onigilly business in the final fiscal year of the business plan
- Method of calculating working capital on hand
- Treatment of non-controlling interests in Onigilly and others and of the Class A Preferred Stock
- Results of the analysis of differences from the Share Valuation Report (Plutus Consulting)

(ii) Plutus Consulting

Based on factors including the revenue forecasts and investment plans in the Business Plan, the Company's financial information for the second quarter of the fiscal year ending March 31, 2027, and publicly available information, Plutus Consulting calculated the Company's enterprise value and share value by discounting the free cash flow expected to be generated by the Company to present value at a certain discount rate, and calculated the per-share value of the Company Shares to range from JPY 987 to JPY 1,573. A weighted average cost of capital of 7.0% to 8.6% was adopted as the discount rate, and no size risk premium was taken into account. The perpetual growth rate method and the multiple method were adopted to calculate terminal value. Under the perpetual growth rate method, the perpetual growth rate was set at 0% to 1% and the terminal value was calculated as JPY 46,102 million to JPY 64,153 million. The minimum perpetual growth rate is based on the theoretically assumed long-term economic environment, and the maximum on inflation, demographics and other macro factors. Under the multiple

method, EV/EBITA and EV/EBITDA multiples were adopted, and taking into account the levels of companies in the industry and other factors, the EV/EBITA multiple was set at 6.5x to 7.5x, with terminal value calculated as JPY 37,343 million to JPY 42,933 million, and the EV/EBITDA multiple was set at 4.4x to 5.2x, with terminal value calculated as JPY 41,955 million to JPY 49,409 million. In calculating terminal value, an adjustment was made to take into account the full-year contribution of net sales of newly opened stores in the final fiscal year of the business plan. As non-operating assets, surplus cash and deposits (after deducting operating cash and deposits estimated by comprehensively considering the Company's historical cash management and other factors), securities and investment securities were added in calculating the share value.

The analytical method under the DCF method, the discount rate used in the analysis, the perpetual growth rate and applied multiples for calculating terminal value, the terminal value, the treatment of working capital on hand and other matters were set and considered by Plutus Consulting from its professional standpoint as a third-party valuator, and no particular unreasonableness is found in Plutus Consulting's explanations to the Committee of the grounds and methods for calculating these figures, including the following points.

- Reasons for setting the perpetual growth rate
- Reasons for selecting the comparable listed companies under the multiple method
- Reasons for not adopting the sum-of-the-parts approach
- Incorporation of the SUBWAY business, the Onigilly business and the home meal delivery business, which are growth drivers
- Width of the range of share value under the DCF method
- Method of calculating working capital on hand
- Treatment of the cost of acquiring additional equity interests in Onigilly and others and of the Class A Preferred Stock

Comprehensively taking into account the above, the assumptions and content of calculation under the DCF method in each share valuation report are both found to be reasonable.

5. Assumptions and Content of Calculation Under the Comparable Public Company Method and the Comparable Company Method

(i) Trustees

Trustees selected Eternal Hospitality Group Co., Ltd., Chimney Co., Ltd., Yossix Holdings Co., Ltd. and Silver Life Co., Ltd. as listed companies engaged in businesses with a certain similarity to the Company, calculated enterprise value using the multiple of EBITDA to enterprise value, and, after adjustment for non-operating assets, interest-bearing debt and other items, calculated the per-share value of the Company Shares to range from JPY 1,099 to JPY 1,292.

The analytical method under the comparable public company method, the comparable companies used in the analysis, the multiples applied in calculating enterprise value, the treatment of working capital on hand and other matters were set and considered by Trustees from its professional standpoint as a third-party valuator, and no particular unreasonableness is found in Trustees' explanations to the Committee of the grounds and methods for calculating these figures, including the following points.

- Method of selecting the comparable companies
- Treatment of foreign exchange gains and losses
- Method of calculating working capital on hand
- Results of the analysis of differences from the Share Valuation Report (Plutus Consulting)

(ii) Plutus Consulting

Plutus Consulting selected Eternal Hospitality Group Co., Ltd., Yossix Holdings Co., Ltd., Silver Life Co., Ltd. and Oisix Co., Ltd. as listed companies engaged in businesses with a certain similarity to the Company, calculated enterprise value using the EV/EBITA and EV/EBITDA multiples to enterprise value, and, after adjustment for non-operating assets, interest-bearing debt and other items, calculated the per-share value of the Company Shares to range from JPY 922 to JPY 1,029.

The analytical method under the comparable company method, the comparable companies used in the analysis, the multiples applied in calculating enterprise value, the treatment of working capital on hand and other matters were set and considered by Plutus Consulting from its professional standpoint as a third-party valuator, and no particular unreasonableness is found in Plutus Consulting's explanations to the Committee of the grounds and methods for calculating these figures, including the following points.

- Method of selecting the comparable companies
- Method of calculating working capital on hand

Comprehensively taking into account the above, the assumptions and content of calculation under the comparable public company method and the comparable company method in each share valuation report are both found to be reasonable.

End