

The following information was originally prepared and published by DeNA Co., Ltd. in Japanese as it contains timely disclosure materials to be submitted to the Tokyo Stock Exchange. This English translation is for your convenience only. To the extent there is any discrepancy between this English translation and the original Japanese version, please refer to the Japanese version.



June 29, 2022

Company name: DeNA Co., Ltd.
(TSE Prime Stock Code: 2432)
Name of representative: Shingo Okamura, President & CEO
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**Notice on the Conclusion of Capital & Business Alliance Agreement with DATA HORIZON CO., LTD.
(Securities Code: 3628), Commencement of Tender Offer for the Common Shares of
DATA HORIZON CO., LTD. and Acceptance of Third-Party Allotment**

DeNA Co., Ltd. (hereinafter the “Tender Offeror” or “DeNA”) today decided to acquire the common shares (hereinafter the “Target Company Shares”) of DATA HORIZON CO., LTD. (Securities Code: 3628, Growth Market, Tokyo Stock Exchange, Inc. (hereinafter “Tokyo Stock Exchange”); hereinafter the “Target Company”), through the following tender offer (hereinafter the “Tender Offer”) as prescribed under the Financial Instruments and Exchange Act (Act No. 25 of 1948 as amended, hereinafter the “Act”), and to accept third-party allotment made by DATA HORIZON CO., LTD. DeNA shall engage in a series of transactions given below based on the intention of turning DATA HORIZON CO., LTD. into its consolidated subsidiary.

1. Purpose of Purchase, etc.

(1) Outline of the Tender Offer

As of today, the Tender Offeror holds 1,370,100 shares of the Target Company Shares listed on the Growth Market of the Tokyo Stock Exchange (ownership ratio after reflecting the potentially dilutive shares before capital increase at 12.68%, while ownership ratio after reflecting the potentially dilutive shares after capital increase at 10.69%) (Note 1) (hereinafter the Target Company Shares held by the Tender Offeror as of today referred to as the “Shares Held by the Tender Offeror Before the Transactions”).

(Note 1) In this release, “ownership ratio after reflecting the potentially dilutive shares before capital increase” refers to the ratio of the number of shares held by the Tender Offeror (rounded off to two decimal places, hereinafter the same in the calculation of the ownership ratio after reflecting the potentially dilutive shares before capital increase), against the 10,804,629 shares as calculated by subtracting 75,051 treasury shares owned by the Target Company as of March 31, 2022 as stated in its financial results for the third quarter of the fiscal year ending June 30, 2022, (JGAAP; consolidated; hereinafter the “Financial Results”) as announced by the Target Company on May 13, 2022, from the total number of outstanding shares in the Target Company at 10,695,180 as of March 31, 2022 as stated in the Financial Results, and adding the Target Company Shares of 184,500 to be delivered upon exercise of 615 stock acquisition rights issued today, which are the sum of the following (hereinafter the collectively the “Stock Acquisition Rights”): 125 stock acquisition rights (representing 37,500 shares to

be delivered upon exercise thereof, as calculated in consideration of the impact the three-for-one split of the Target Company Shares on October 1, 2021, hereinafter the same), issued by the Target Company based on the resolution of the Board of Directors meeting held on August 19, 2019; 240 stock acquisition rights (representing 72,000 shares to be delivered upon exercise thereof) issued based on the resolution of the Board of Directors meeting held on August 14, 2020; 200 stock acquisition rights (representing 60,000 shares to be delivered upon exercise thereof) issued based on the resolution of the Board of Directors meeting held on May 25, 2021; and 50 stock acquisition rights (representing 15,000 shares to be delivered upon exercise thereof) issued based on the resolution of the Board of Directors meeting held on August 24, 2021. On the other hand, the “ownership ratio after reflecting the potentially dilutive shares after capital increase” refers to the ratio of the number of shares held by the Tender Offeror (rounded off to two decimal places, hereinafter the same in the calculation of the ownership ratio after reflecting the potentially dilutive shares after capital increase), against the 12,821,229 shares as calculated by subtracting 75,051 treasury shares owned by the Target Company as of March 31, 2022 as stated in the Financial Results, from the total number of outstanding shares in the Target Company at 10,695,180 as of March 31, 2022, as stated in the Financial Results, and adding the Target Company Shares of 184,500 to be delivered upon exercise of the 615 Stock Acquisition Rights issued by the Target Company as of today, and then further adding the number of the Target Company Shares to be acquired by the Tender Offeror through the third-party allotment proposed on this occasion (as defined in “(2) The Third-Party Allotment,” hereinafter the same).

The Tender Offeror will carry out the Tender Offer as part of a series of transactions (hereinafter the “Transactions”) with the objective of turning the Target Company into the Tender Offeror’s consolidated subsidiary. The Transactions would not envisage delisting of the Target Company Shares, and the Tender Offeror as well as the Target Company is determined to maintain the listing of the Target Company Shares after the Transactions.

The Transactions shall consist of the following 1) to 3) transactions. The Tender Offeror and the Target Company reached on June 29, 2022, the capital & business alliance agreement regarding the Transactions (hereinafter the “Capital & Business Alliance Agreement”). For the outline of the Capital & Business Alliance Agreement, please refer to “(3) Significant agreements, etc. in respect of the Transactions” described hereunder.

1) The Tender Offer

The Tender Offeror intends to conduct a tender offer for the Target Company Shares with a view to acquiring the Target Company Shares from the shareholders of the Target Company including Mr. Yoshio Utsumi who is the largest shareholder and Representative Director & President (owning **2,121,900** shares with ownership ratio after reflecting the potentially dilutive shares before capital increase at **19.64%**, while ownership ratio after reflecting the potentially dilutive shares after capital increase at **16.55%**, hereinafter “Mr. Utsumi”). No offer of stock acquisition rights shall be made.

2) The Third-Party Allotment

Subject to the implementation of the Tender Offer, a third-party allotment (hereinafter the “Third-Party Allotment”) shall be carried out, in which newly issued common shares of the Target Company shall be accepted by the Tender Offeror. In the Third-Party Allotment, the Tender Offeror shall accept **2,016,600** of the Target Company Shares (ownership ratio after reflecting the potentially dilutive shares after capital increase at **15.73%**) in return for the payment of **3,399,988 thousand yen**, which shall be made on **the business day prior to the settlement commencement date** of the Tender Offer (scheduled to be **August 4, 2022**, or, in case of extension of the tender offer period, the settlement commencement date after such extension). Payment for the Third-Party Allotment is required to be

made in the period between **July 29, 2022** which is the day following the final day of the tender offer period the settlement commencement date, and **August 28, 2022**, because extension of the period of the Tender Offer automatically defers the aforementioned payment date.

The paid-in amount of the Third-Party Allotment at **1,686 yen** is set at the same amount as the closing price of the Target Company Shares on **June 28, 2022**, the business day prior to the date of resolution on the Third-Party Allotment at the Board of Directors meeting of the Target Company.

3) Assistance to enable the Target Company to turn DeSC Healthcare, Inc. into its subsidiary

DeSC Healthcare, Inc. (hereinafter “DeSC”) was established on the basis of a joint venture agreement between the Tender Offeror and Sumitomo Corporation (hereinafter “Sumitomo”) in **February 2015**. As of today, the Tender Offeror holds **95%** of DeSC’s issued shares (hereinafter “DeSC Shares”), and Sumitomo holds the remaining **5%**. The Tender Offeror is scheduled to transfer all of its DeSC Shares (95% of issued DeSC Shares) to the Target Company for **3,400,008,276 yen**, subject to the conversion of the Target Company into the Tender Offeror’s consolidated subsidiary through the Tender Offer and the Third-Party Allotment. The transfer is scheduled to occur on **October 1, 2022**. After **October 1, 2022** Sumitomo is expected to continue to hold its DeSC Shares.

DeSC and the Target Company concluded a business alliance agreement on **April 2, 2020** to support health promotion for people and initiatives to rationalize national medical costs in Japan. As DeSC and the Target Company enhanced their alliance, they claimed that it would be possible to integrate the Target Company and DeSC databases, create a database of the insured throughout Japan that covers health insurance societies through local governments, and accelerate initiatives in the data use business, which is in the public interest. For this reason, as a part of the Transactions DeSC is planned to be converted into subsidiary of the Target Company (hereinafter the “DeSC Subsidiary Conversion”). The implementation of the Third-Party Allotment in addition to the Tender Offer was decided due to the fact that the Target Company was in need of funds for the DeSC Subsidiary Conversion. It was reported that the intended use of the funds raised through the Third-Party Allotment would be as the purchase funds required to acquire all DeSC Shares held by the Tender Offeror (95% of issued DeSC Shares).

The upper limit and lower limit of the number of shares to be purchased in the Tender Offer shall be **3,148,600** shares, which has been set to ensure that **1,370,100** shares held by the Tender Offeror before the Transactions (ownership ratio after reflecting the potentially dilutive shares after capital increase at **10.69%**) added to the number of shares to be purchased through the Tender Offer of **3,148,100** (ownership ratio after reflecting the potentially dilutive shares after capital increase at **24.56%**) as well as the Target Company Shares to be acquired by the Tender Offeror through Third-Party Allotment of **2,016,600** shares (ownership ratio after reflecting the potentially dilutive shares after capital increase at **15.73%**) should amount to **6,535,300** shares (or **50.97%** in terms of ownership ratio after reflecting the potentially dilutive shares after capital increase).

Therefore, if the total number of tendered share certificates, etc. for the Tender Offer (referring to the share certificates, etc. for which shareholders accepted the Tender Offer; hereinafter the same) falls short of the lower limit of the scheduled number of shares to be purchased (**3,148,600** shares), none the tendered share certificates, etc. shall be purchased. On the other hand, if the total number of the tendered share certificates, etc. exceeds the maximum number of share certificates, etc. to be purchased (**3,148,600** shares), the excess will not be purchased in whole or in part, and delivery and other settlement procedures relating to the purchase, etc. of the share certificates, etc. will be conducted through the pro rata method prescribed in Article 27-13, paragraph 5 of the Act, as well as Article 32 of the Cabinet Office Ordinance Regarding Disclosure of Tender Offer for Share

Certificates, etc., by Entities Other Than Issuers (Ordinance of Ministry of Finance No. 38 of 1990 as amended, hereinafter the “Cabinet Office Ordinance”).

As part of the Tender Offer, and with respect to Target Company Shares owned by 1. Mr. Utsumi (Number of shares owned: **2,121,900** shares, Ownership ratio after reflecting the potentially dilutive shares before capital increase: **19.64%**, Ownership ratio after reflecting the potentially dilutive shares after capital increase: **16.55%**), 2. Mr. Mitsugu Iwasa (No. 7 shareholder of the Target Company, Number of shares owned: **376,200** shares, Ownership ratio after reflecting the potentially dilutive shares before capital increase: **3.48%**, Ownership ratio after reflecting the potentially dilutive shares after capital increase: **2.93%**), 3. Mr. Sadao Watanabe (No. 5 shareholder of the Target Company, Number of shares owned: **403,900** shares, Ownership ratio after reflecting the potentially dilutive shares before capital increase: **3.74%**, Ownership ratio after reflecting the potentially dilutive shares after capital increase: **3.15%**), 4. Mr. Taketo Watanabe (No. 11 shareholder of the Target Company, Number of shares owned: **280,500** shares, Ownership ratio after reflecting the potentially dilutive shares before capital increase: **2.60%**, Ownership ratio after reflecting the potentially dilutive shares after capital increase: **2.19%**), 5. Ms. Reiko Watanabe (No. 35 shareholder of the Target Company, Number of shares owned: **33,000** shares, Ownership ratio after reflecting the potentially dilutive shares before capital increase: **0.31%**, Ownership ratio after reflecting the potentially dilutive shares after capital increase: **0.26%**), 6. Watanabe Juken Co., Ltd. (No. 13 shareholder of the Target Company, Number of shares owned: **177,000** shares, Ownership ratio after reflecting the potentially dilutive shares before capital increase: **1.64%**, Ownership ratio after reflecting the potentially dilutive shares after capital increase: **1.38%**), 7. KITASHIRO Co., Ltd. (No. 19 shareholder of the Target Company, Number of shares owned: **74,000**, Ownership ratio after reflecting the potentially dilutive shares before capital increase: **0.68%**, Ownership ratio after reflecting the potentially dilutive shares after capital increase: **0.58%**), and 8. Bridge Capital Asset Management Co., Ltd. who submitted a change report number 3 pursuant to Article 27-26 (2) (ii) on June 22, 2022 regarding the Target Company shares (hereinafter referred to as “BCAM.” According to said report (as of June 15, 2022): Number of shares owned: **730,200** shares, Ownership ratio after reflecting the potentially dilutive shares before capital increase: **6.76%**, Ownership ratio after reflecting the potentially dilutive shares after capital increase: **5.70%**. The same shall apply hereinafter for BCAM’s number of shares owned, ownership ratio after reflecting the potentially dilutive shares before capital increase, and ownership ratio after reflecting the potentially dilutive shares after capital increase) (hereinafter Messrs. Utsumi, Mitsugu Iwasa, Sadao Watanabe, Taketo Watanabe, Reiko Watanabe, Watanabe Juken, KITASHIRO and BCAM collectively referred to as the “Accepting Shareholders”), a portion of said Target Company Shares ((1) For Mr. Utsumi 2,021,900 shares (Ownership ratio after reflecting the potentially dilutive shares before capital increase: 18.71%, Ownership ratio after reflecting the potentially dilutive shares after capital increase: 15.77%), (2) For Mr. Mitsugu Iwasa 184,000 shares (Ownership ratio after reflecting the potentially dilutive shares before capital increase: 1.70%, Ownership ratio after reflecting the potentially dilutive shares after capital increase: 1.44%), (3) for Mr. Sadao Watanabe 320,000 shares (Ownership ratio after reflecting the potentially dilutive shares before capital increase: 2.96%, Ownership ratio after reflecting the potentially dilutive shares after capital increase: 2.50%), (4) for Mr. Taketo Watanabe 100,000 shares (Ownership ratio after reflecting the potentially dilutive shares before capital increase: 0.93%, Ownership ratio after reflecting the potentially dilutive shares after capital increase: 0.78%), (5) for Ms. Reiko Watanabe 33,000 shares (Ownership ratio after reflecting the potentially dilutive shares before capital increase: 0.31%, Ownership ratio after reflecting the potentially dilutive shares after capital increase: 0.26%), (6) for Watanabe Juken 100,000 shares (Ownership ratio after reflecting the potentially dilutive shares before capital increase: 0.93%, Ownership ratio after reflecting the potentially dilutive shares after capital increase: 0.78%), (7) for KITASHIRO 36,000 shares (Ownership ratio after reflecting the potentially

dilutive shares before capital increase: 0.33%, Ownership ratio after reflecting the potentially dilutive shares after capital increase: 0.28%), (8) for BCAM, the fund operated by BCAM as an investment manager has 353,600 shares (Ownership ratio after reflecting the potentially dilutive shares before capital increase: 3.27%, Ownership ratio after reflecting the potentially dilutive shares after capital increase: 2.76%). (1) to (8) in total hold 3,148,500 shares, Ownership ratio after reflecting the potentially dilutive shares before capital increase: 29.14%, Ownership ratio after reflecting the potentially dilutive shares after capital increase: 24.56%), the Tender Offeror, on June 29, 2022, entered into agreement on the acceptance of the Tender Offer (hereinafter the collectively the “Acceptance Agreement”) individually with each of the Accepting Shareholders. If the total number of the tendered share certificates, etc. exceeds the maximum number of share certificates, etc. to be purchased (3,148,600 shares), the excess will not be purchased in whole or in part, and delivery and other settlement procedures relating to the purchase, etc. of the share certificates, etc. will be conducted through the pro rata method prescribed in Article 27-13, paragraph 5 of the Act, as well as Article 32 of the Cabinet Office Ordinance. In this case the Accepting Shareholders shall retain a portion of the Target Company Shares even after the Tender Offer. Regarding the policy for holdings of Target Company Shares by the Accepting Shareholders after the Tender Offer, any assignment, transfer, succession, lending, creation of security interest or any other disposition of the Target Company Shares in part or in whole (including application for the Tender Offer and secondary offering of shares, hereinafter referred to as "Assignment, etc.") by Mr. Utsumi, as well as any provision of information, proposal, solicitation, deliberation, or negotiation regarding the Assignment, etc. of shares, etc. of the Target Company is prohibited under the Acceptance Agreement from the date of conclusion of the Acceptance Agreement with Mr. Utsumi until the date Mr. Utsumi loses his position as representative director of the Target Company. In addition, Mr. Utsumi has agreed to not make any agreement for assignment, succession, or other acquisition or any agreement with a third party related to shares, etc. of the Target Company prescribed in Article 27-2, paragraph 7, item 2 of the Act from the date of conclusion of the Acceptance Agreement with Mr. Utsumi until the date Mr. Utsumi loses his position as representative director of the Target Company. For Accepting Shareholders other than Mr. Utsumi, there is no special arrangement between the Tender Offeror and the Accepting Shareholders, and policy on ownership for these Accepting Shareholders for the Target Company's shares has not been confirmed for the period. There is no plan to confirm any such policy. For the outline of the Acceptance Agreement, please refer to “(3) Significant agreements, etc. in respect of the Transactions” described hereunder.

The “Notice on the Statement of Opinion Regarding the Tender Offer for the Company’s Share Certificates, etc. by DeNA Co., Ltd.” released by the Target Company on June 29, 2022 (hereinafter the “Target Company Press Release”), stated that unanimous consent to the Tender Offer was reached at the Board of Directors meeting held on June 29, 2022 by eight of the 10 Directors of the Target Company (including Directors serving as the Audit and Supervisory Committee Members), other than Mr. Utsumi, Representative Director of the Target Company and who is expected to conclude the Acceptance Agreement with respect to part of the Target Company Shares he owns, and Mr. Sho Segawa (hereinafter “Mr. Segawa”) who is an employee of the Tender Offeror and concurrently serves as Representative Director of DeSC, a consolidated subsidiary of the Tender Offeror. The Target Company Press Release also stated that while purchase price per Target Company Share in the Tender Offer (hereinafter the “Tender Offer Price”) was considered reasonable, in light of the value of the Target Company Shares as calculated by a third-party appraiser Houlihan Lokey, Inc. (hereinafter the “Houlihan Lokey”), the Board of Directors decided, in view of the Tender Offer involving the number of shares to be purchased capped by an upper limit, and the policy to have the Target Company Shares remain listed after the Tender Offer, to do no more than taking the neutral standpoint, leaving the

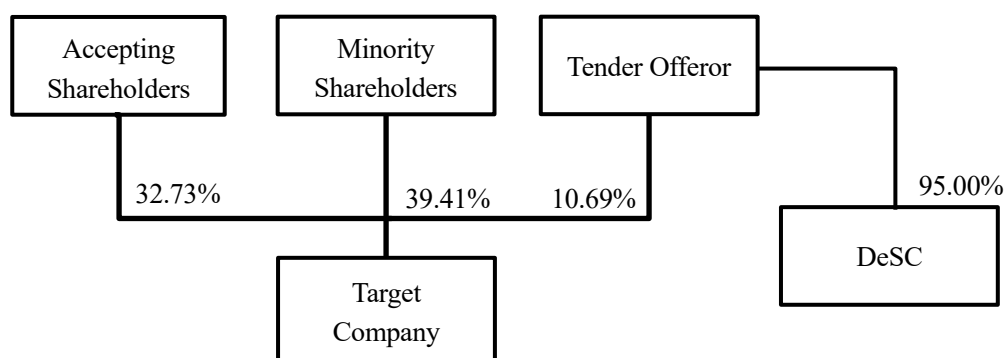
decision whether to accept the Tender Offer up to shareholders of the Target Company, and adopted a resolution to enter into the Capital & Business Alliance Agreement with the Tender Offeror. For details on the decision-making process of the Target Company’s Board of Directors, please refer to the Target Company Press Release and “(4) Approval of all Directors (including Directors serving as the Audit and Supervisory Committee Members) who have no interest in the Target Company” in “(4) Measures to ensure the fairness of the Transactions including the Tender Offer, such as measures to ensure the fairness of purchase price, etc. as well as the measures to avoid conflicts of interest, etc.” described hereunder.

Furthermore, the securities registration statement submitted by the Target Company to the Director-General of the Chugoku Finance Bureau on June 29, 2022 and the Target Company Press Release reported on the response of its Board of Directors to the Tender Offer expressed at the board meeting held on June 29, 2022, where all eight of the 10 Directors of the Target Company (including Directors serving as the Audit and Supervisory Committee Members), other than Mr. Utsumi, Representative Director of the Target Company and who is expected to conclude the Acceptance Agreement with respect to part of the Target Company Shares he owns, and Mr. Segawa who is concurrently an employee of the Tender Offeror and serves as Representative Director of DeSC, a consolidated subsidiary of the Tender Offeror, participated the deliberation regarding the Third-Party Allotment, adopting the unanimous resolution thereon determining its specifics (total number of allotted shares at 2,016,600 based on new issue of 2,016,600 shares, the paid-in amount at 1,686 yen per share which is equivalent to the closing price of the Target Company Shares on June 28, 2022, the business day prior to the date of resolution on the Third-Party Allotment at the Board of Directors meeting of the Target Company, amounting to 3,399,988 thousand yen in total). It was reported that the intended use of the funds raised through the Third-Party Allotment would be as the purchase funds required to acquire all DeSC Shares held by the Tender Offeror (95% of issued DeSC Shares).

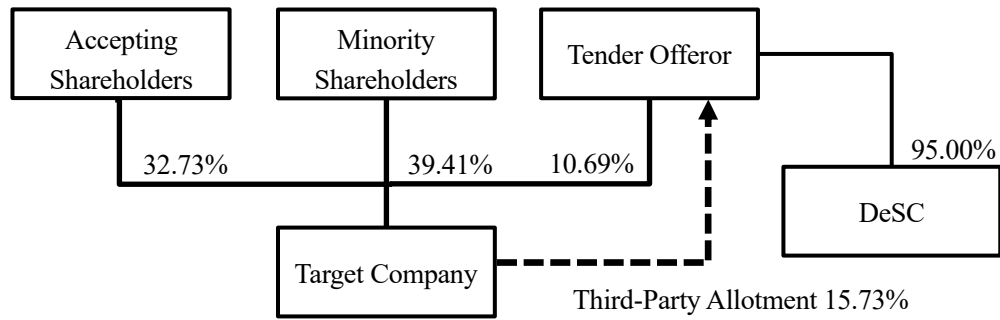
Diagrams of the Transactions Scheme

(Note) The ownership ratios for the Target Company Shares shown in diagrams I. to V. below are after reflecting the potentially dilutive shares after capital increase, and do not include 1.44% equivalent to 184,500 shares to be delivered upon exercise of 615 stock acquisition rights issued today by the Target Company.

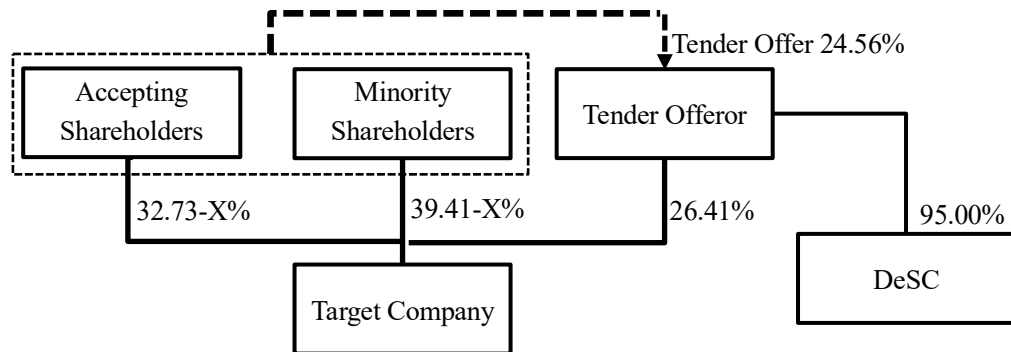
I. Present



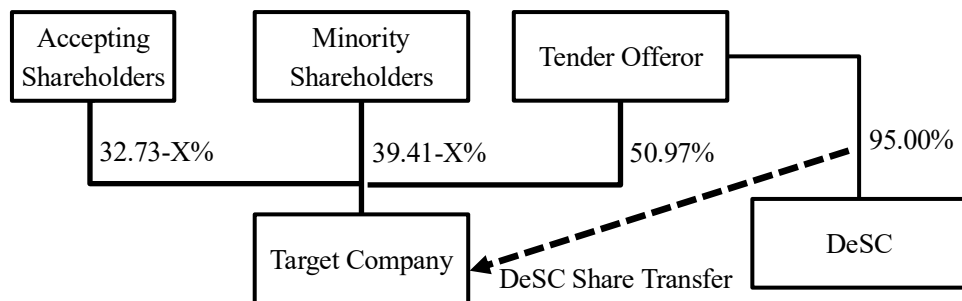
II. Third-Party Allotment (Payment date: August 3, 2022, Payment period: July 29, 2022 – August 28, 2022)



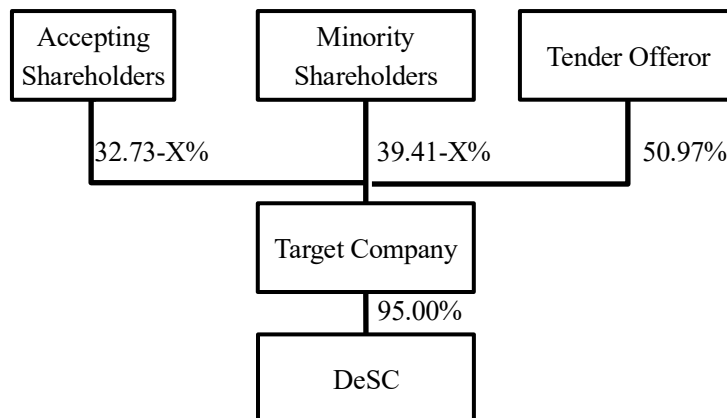
III. Tender Offer (Offer period: June 30, 2022 – July 28, 2022, Settlement commencement date: August 4, 2022)



IV. DeSC Subsidiary Conversion (Implementation date: October 1, 2022)



V. After Transactions Complete



(Note) In the Capital & Business Alliance Agreement, the Target Company and the Tender Offeror have agreed to discuss and consider in good faith the possibility of merging the Target Company and DeSC at an appropriate time after the implementation of the Transactions, including the implementation of an absorption-type merger in which the Target Company will be the surviving company and DeSC will be the absorbed company. The Tender Offeror intends to explore the appropriateness of completely merging the Target Company and DeSC into one entity, including the impact on the operations of each company, etc.

(Note) In the Capital & Business Alliance Agreement the Target Company and the Tender Offeror have agreed that at an appropriate time after the implementation of the Transactions, the Target Company will change its name to DeHORIZON Co., Ltd.

Transactions Schedule (planned)

Summary	Schedule
Board of Director's meeting resolution (Tender Offeror) Start Tender Offer, conclude Capital & Business Alliance Agreement Underwrite Third-Party Allotment, conclude DeSC Share Transfer Agreement (Target Company) Opinion on the Tender Offer and execution of the Capital & Business Alliance Agreement Implement Third-Party Allotment, conclude DeSC Share Transfer Agreement	June 29, 2022
Tender Offer period (planned)	June 30, 2022 – July 28, 2022 (20 business days)
Payment period for Third-Party Allotment (planned)	July 29, 2022 - August 28, 2022
Tender Offer settlement commencement date (planned)	August 4, 2022
DeSC share transfer date (planned)	October 1 2022

(2) Background, purpose and decision-making process that led to the decision to implement the Transactions, and the management policy after the Transactions

1) Background, reasons, and decision-making process that led the Tender Offeror to carry out the Transactions

The Tender Offeror was initially established in March 1999 as DeNA, Ltd. engaging in the business of planning and operating an auction site on the internet, which changed corporate status in August 1993 to become as DeNA Co., Ltd. The Tender Offeror was listed on the Tokyo Stock Exchange Mothers in February 2005, changing over to the First Section of the Tokyo Stock Exchange in December 2007, and furthermore changing over to the Prime Market of the Tokyo Stock Exchange on April 4, 2022, following a market segment restructuring of the Exchange.

As of today, the Tender Offeror's group includes the Tender Offeror, 33 consolidated subsidiaries, 34 equity method affiliates, and 1 equity method jointly controlled company for a total of 69 companies (hereinafter the "Tender Offeror's Group" including the Tender Offeror itself). The Tender Offeror's Group engages mainly in providing internet services for the users of mobile devices and PCs, with business segments, including game segment, sports segment, live streaming segment, healthcare segment, new business and others segment.

The Tender Offeror's Group has, with a view to bringing pleasurable surprise to each and every customer beyond their wildest dreams, and materializing the world in which everyone can shine in their own way, been upholding the corporate mission "We delight people beyond their wildest dreams" showing our straightforward commitment to the provision of "Delight," whereby various business strategies are being carried out by the Tender Offeror's Group as one. The Tender Offeror's Group is engaging in its business operation focused primarily on the entertain approach and the serve approach, endeavoring to develop a revenue base capitalizing on each approach's characteristics, while at the same time working on creating a new phase of evolution as an IT business corporation such as by developing synergy between the two approaches, in pursuit of enhanced corporate value.

On the other hand, the Target Company was established in March 1982 as YS PLANNING CO., LTD., engaging in the outsourced software development, and started developing healthcare information systems in January 1989. Then the Target Company extended its business domain primarily into the development of information systems for hospitals and health insurance pharmacies, changing its name to DATA HORIZON CO., LTD. in March 2000. In April 2003, the Target Company launched healthcare information service for health insurance providers, following its successful experience in developing healthcare business support system for health insurance providers (Note 1), leading to the listing of its shares on Tokyo Stock Exchange Mothers in September 2008. The Target Company changed over to the Growth Market of the Tokyo Stock Exchange on April 4, 2022, following a market segment restructuring of the Exchange. Afterward in October 2014, the Target Company transferred the shares of the subsidiary in charge of healthcare information systems, and expanded its business as a company specializing in healthcare information services that provides PDCA in data health for health insurance providers (Note 2). By providing these services, the Target Company's Group reportedly is contributing to reducing medical costs and enhancing national Quality of Life (QOL) in Japan, through consistently providing the health insurance providers with various services for the data health PDCA cycle, comprising PLAN (formulation of data health plan), DO (operation of health insurance business), CHECK (verification of health insurance business), and ACT (improvement into the next year's plan). In recent years, the increase in medical costs in Japan has become a social issue, but by implementing data health PDCA, for example, for the first time it will become possible to plan and implement an insurance business to clarify and solve health issues that lead to increased medical costs, evaluate the effect of the business based on data analysis, improve the plan, and then repeat that cycle. The Target Company reports that implementing effective and efficient medical cost rationalization measures will become possible. From FY2018 the National Health Insurance program financial management has changed to be on a prefecture basis. This means there is now an environment where coordination between prefectural governments and local governments and rationalization of medical costs is demanded, so implementation of data health PDCA that contributes to effective and efficient medical cost rationalization has increased in importance. Also, the "Basic Policy on Economic and Fiscal Management and Reform 2021 (Basic Policy)," as approved at the cabinet meeting in June 2021, mentions the consistent promotion of the data health reform as well as the promotion of utilization of healthcare information with forward-looking insight.

(Note 1) The health insurance providers refer to the entities operating health insurance systems, including the Japan Health Insurance Association, health insurance societies, mutual aid associations (for public servants, etc.), region-wide healthcare associations for advanced elderly, and local governments and special wards (for National Health Insurance).

(Note 2) The data health is an efficiency-focused healthcare business involving PDCA cycle based on the analysis of data obtained from medical receipts and medical examinations for specific conditions

(specific medical examinations). A medical receipt is an invoice prepared for each patient and submitted by the responsible medical institution to the examination and payment institution on a monthly basis, which is also called a medical fee statement. A medical receipt states medical expenses as calculated by scoring medication, treatment, examination and others based on the medical fee calculation table.

The Target Company's group currently comprises three entities, namely the Target Company and its two consolidated subsidiaries (hereinafter collectively the "Target Company's Group"). The Target Company's group claims to be committed, under its management philosophy "We will keep contributing to the evolution of society and creation of superior environment for the future, through generating a flow of emotion beyond expectation of the people who are our customers by chance, from the three sources of such flow that are gratitude, obligation, and inspiration," to its primary business policies—to contribute to optimization of healthcare expenditure and enhancement of national QOL in Japan, through the healthcare information services capitalizing on its core competences consisting of the healthcare-related database (Note 3), patented proprietary technique (Note 4) for analyzing medical receipts, and the knowhow for the business that prevents aggravation of sickness.

(Note 3) This comprises the database of 100,000 entries (as of June 30, 2021) of the medical practice dictionary database for injuries and illnesses accumulated within the Target Company's Group, the database of 4,600,000 cases of injuries and illnesses associated with the medical practice, along with the medication verification database, and the 972,480,000 cases of medical receipt analysis, all accumulated since 1996.

(Note 4) Registration of establishment have been completed in Japan for the patent relating to "medical costs breakdown analysis device, medical costs breakdown analysis method and relevant computer program" for identifying medical costs for each injury or illness based on medical receipts (Patent No. 4312757), patent relating to "injury and illness management system" extracting and stratifying patients by stage of severity of injury and illness, based on the injury/illness identification information and drug identification information, and the medical practice identification information, described in the medical receipts (Patent No. 5203481), and patent relating to "receipt analysis system and analysis method" which determine the name of injury and illness currently under treatment, of all the names of injuries and illnesses described in the medical receipts (Patent No. 5992234).

The healthcare information service operated by the Target Company's Group involves analysis of the medical receipt data received from the health insurance providers by the dedicated software developed by using the healthcare-related database prepared in-house, along with the provision of the data health-related services based on such analysis to the health insurance providers, etc. Such services comprise mainly formulation of the data health plan and the healthcare costs analysis for health insurance providers; provision of guidance on how to prevent aggravation of illness as well guidance for optimizing consulting behavior (rectification of excessively frequent or duplicate consultations) for the members covered by health insurance; provision of notifications such as sharing of information regarding currently prescribed medication for preventing polypharmacy (Note 5), notification for optimizing consulting behavior, notice on generic drug promotion; and analysis of performance of each business.

(Note 5) Polypharmacy refers to adverse drug events such as side effects caused by taking many medications. To prevent polypharmacy, centralized management of medication information is required.

In terms of the business environment surrounding the Target Company, as mentioned above, each prefectural government started to be responsible for the financial management of the National Health Insurance since FY2018. Under such circumstance, the data health that can predict outcomes (future healthcare events) is expected to remain in great demand from insurance providers, while market expectation for utilization of healthcare information is becoming greater. Furthermore, in line with the revision of the Public Assistance Act, the optimization of medical assistance and the health management support for welfare benefit recipients became mandatory from 2021, making the demand for the data health still greater at an increasing pace.

In such business environment, the Target Company's Group claims to have been striving to increase its market share and sales by meeting these demands through aggressive sales activities. Furthermore, the Target Company's Group claims to be endeavoring to increase new orders on a prefecture-wide basis, while developing new services, through collaborations such as the business alliance concluded with DeSC on April 2, 2020 (Note 6), in view of the government initiative scheduled to launch shortly for promoting the support to assist prefectural governments in managing National Health Insurance on their own (Note 7), the capital and business alliance concluded with the Tender Offeror on August 14, 2020 (hereinafter the "Original Capital & Business Alliance Agreement") (Note 8), with a view to achieving further extension of healthy lifespan among the population and a zero primary balance for medical costs (Note 9), and the planned collaboration with the companies like Wingarc1st Inc. offering the type of strengths the Target Company's Group does not have.

(Note 6) Refer to the press release disclosed by the Tender Offeror on its website on April 2, 2020 titled "Business Alliance between DATA HORIZON CO., LTD. and DeNA in Healthcare Business for Local Municipalities Throughout Japan: Aim to Make Use of Service Operation Capabilities and Data Analytics Technology and Reduce Medical Costs."

(Note 7) The national health insurance health-up business is a business promoted by the Ministry of Health, Labour and Welfare, where the PDCA cycle is efficiently and effectively run based on data analysis with the goal of promoting health preservation and improvement, preventing illness, and increasing quality of life, etc. for National Health Insurance members.

(Note 8) Refer to the press release disclosed by the Tender Offeror on its website on August 14, 2020 titled "Capital & Business Alliance between DATA HORIZON CO., LTD. and DeNA: Aiming to Support Health Promotion for People, and Achieving a Zero Primary Balance for Medical Costs Through Providing Data Health, Etc. to Local Municipalities and Health Insurance Societies."

(Note 9) Zero primary balance for medical costs refers to the state where the national medical insurance and social security is sustainable, with national medical costs in line with the economic growth.

In the healthcare domain, the Tender Offeror is engaged in the operations such as DNA testing services for general consumers, health promotion support services utilizing ICT (information and communication technology), and healthcare businesses focused on utilization of healthcare data, in pursuit of provision of services promoting health and behavioral improvement as well as evidence creation based on accumulated data, capitalizing on the knowhow developed in the entertainment domain and the internet/AI based technologies, with a view to extending healthy lifespan.

The Tender Offeror and the Target Company have been building up close kinship through capital relationships and business transactions to date. Specifically, the two have been working together for supporting health promotion for people, while accelerating support for the initiatives for reducing medical costs across the country since April 2020 when DeSC, a subsidiary of the Tender Offeror, and the Target Company reached the business alliance agreement for promoting the data health business. Moreover, in August 2020, the Original Capital & Business Alliance Agreement was signed

between the Tender Offeror and the Target Company, further accelerating the collaboration. The companies have been supporting health promotion for people by accelerating their health business for local municipalities and health insurance societies, taking advantage of the strengths of both parties. The companies have been also working together on a business to make use of data to contribute to the zero primary balance for medical costs. Through the conclusion of the aforementioned capital & business alliance in August 2020, the Tender Offeror acquired 920,100 Target Company Shares (Ownership ratio after reflecting the potentially dilutive shares before capital increase: 8.52%) from six individual shareholders, including Mr. Utsumi, through negotiated transactions, and then in June 2021 acquired additional shares (450,000 Target Company shares (Ownership ratio after reflecting the potentially dilutive shares before capital increase: 4.16%)) from one individual shareholder through negotiated transactions, ending up holding 1,370,100 Target Company Shares (Ownership ratio after reflecting the potentially dilutive shares before capital increase: 12.68%) at present.

In the environment surrounding the healthcare industry in which the Tender Offeror and the Target Company operate, the government is currently working to reducing medical costs by maintaining the national public health while preventing aggravation of existing conditions, through promoting the data health plan in an effort to strengthen the functions of health insurance societies. To that end, local municipalities are engaged in various tasks such as the promotion of specific health guidance and the prevention of aggravation of existing conditions, while promoting the data health on the basis of the National Health Insurance. How to prevent aggravation of the existing condition of the elderly aged between 65 and 74 is a particularly urgent challenge in the National Health Insurance system operated by local municipalities across the country. On the other hand, effective utilization of health data such as medical receipts (medical fee statement), medical examinations, lifelogs, medical records, and lab test results held by health insurance providers and medical institutions is expected to be an effective step to support health promotion for people, while contributing to optimize the primary balance for medical costs. Further expansion is expected in the market for the health promotion support services utilizing ICT (information and communication technology) as well as services involving the utilization of healthcare data, as provided by the Tender Offeror and the Target Company.

The Tender Offeror came to believe that it was necessary, in view of the business environment of the healthcare industry surrounding the two companies, to strengthen cooperation, not least enhancement of their capital relationship for further promoting their businesses. Thus, the Tender Offeror sounded out the Target Company in early January 2022, received a positive indication of interest from the Target Company, and subsequently the two companies began discussion of specific strategies including the aforementioned capital relationship enhancement.

Whereas the Tender Offeror has strengths in providing health promotion support services that customers can use continuously in their daily lives enjoyably, which was originally developed through providing healthcare services to consumers including the healthcare entertainment application “kencom,” as well as in analyzing data obtained therefrom, the Target Company claims strengths in standardizing medical big data from local governments, data analysis, and in its severe diabetic nephropathy prevention management business. As such, the Tender Offeror and the Target Company came to believe that they should, through further strengthening their collaboration thereby promptly building up smooth relationship between them, be able to accelerate materializing their common objectives, namely the extension of healthy lifespans and the achievement of a zero primary balance for medical costs.

The Tender Offeror believed that the number of Shares Held by the Tender Offeror Before the Transactions was not sufficient for materializing effective enough cooperation with the Target Company, and that enhancement of corporate value of both companies should be achieved by driving the business of both under wider scope of the Tender Offeror’s Group as one, based on the further

strengthened collaboration through converting the Target Company into the Tender Offeror's consolidated subsidiary.

The Tender Offeror and Target Company deliberated from early January 2022, and as a result they reached a conclusion that it was desirable, as means to strengthen their capital relationship, to opt for the conversion of the Target Company into the Tender Offeror's consolidated subsidiary keeping its status as a listed corporation, which allows some level of management discretion at the Target Company while further cultivating collaboration between them. This approach is based on the recognition that it is critically important for the Target Company to maintain its unique corporate culture and management autonomy in order to enhance its corporate value through sustainable development. The Target Company and DeSC had concluded the business alliance on data health related business on April 2, 2020 and supported health promotion for people and rationalized national medical costs for Japan. By further enhancing the alliance between the Target Company and DeSC, it was felt that it would be possible to integrate the Target Company and DeSC databases, create a database of the insured throughout Japan that covers health insurance societies through local governments, and accelerate initiatives in the data use business, which is in the public interest. It was also felt that this would allow for the expansion of market share to expand financial performance and maintain and enhance the financial base of the Target Company, and thus lead to enhancement in the corporate value of both companies. For this reason, it was felt that the conversion of DeSC into a subsidiary of the Target Company would be necessary. For this reason, in early February 2022 the Tender Offeror sounded out the Target Company on methods for the companies to coordinate, including converting the Target Company into a consolidated subsidiary and having the Target Company convert DeSC into a subsidiary. In the middle of February the Tender Offeror confirmed that the Target Company would positively consider such a proposal. After than the two companies deliberated on the possibility of a Third-Party Allotment with need to consider the demand for funds from the Target Company for converting DeSC into a subsidiary, the conditions for said allotment, the possibility of a tender offer to provide an option for minority shareholders of the Target Company to sell, the tender offer price, and other tender offer conditions. In early February 2022, the Tender Offeror appointed KPMG FAS Co., Ltd. (hereinafter "KPMG"), as its financial advisor and third-party appraiser independent of the Tender Offeror, DeSC, and the Target Company, and Mori Hamada & Matsumoto as its legal advisor. In late February 2022, the Target Company appointed Houlihan Lokey as its financial advisor and third-party appraiser independent of the Tender Offeror, DeSC, and the Target Company, and Nagashima Ohno & Tsunematsu as its legal advisor, and established a system for deliberations and negotiations regarding the Transactions.

Subsequently, the Tender Offeror conducted due diligence on the Target Company from early March 2022 to mid-April 2022 in order to examine the feasibility of the Tender Offer, and the two companies continued to consider and discuss the Transactions. In early March 2022, as a method for the Tender Offeror to make the Target Company into a consolidated subsidiary, the Tender Offeror decided to combine the Tender Offer method, which would provide minority shareholders of the Target Company with an opportunity to sell their shares, and the Third-Party Allotment, which would enable the Target Company to meet its demand for funds for the DeSC Subsidiary Conversion without adversely affecting its financial base. This was considered to be a good way to take into account both the opportunities for minority shareholders to sell their shares and the financing needs of the Target Company. The amount to be paid in through the Third-Party Allotment shall be the amount deemed necessary to fund the acquisition of all of the Tender Offeror's held DeSC Shares (95% of issued DeSC Shares), and the Third-Party Allotment was set to be 2,016,600 Target Company Shares (ownership ratio after reflecting the potentially dilutive shares before capital increase 15.73%). In addition, given that the intention is for the Tender Offeror to convert the Target Company into a consolidated subsidiary and to have the Target Company maintain its listing even after the

Transactions are complete, the Tender Offeror and the Target Company have agreed that the maximum and minimum number of shares to be purchased in the Tender Offer will be set as 3,148,600 shares (ownership ratio after reflecting the potentially dilutive shares before capital increase 24.56%), so that the Tender Offeror's total shares shall be 6,535,300 (ownership ratio after reflecting the potentially dilutive shares before capital increase 50.97%), which is the sum of 1,370,100 Shares Held By the Tender Offeror Before the Transaction (ownership ratio after reflecting the potentially dilutive shares before capital increase 10.69%), the above-mentioned 3,148,600 shares to be purchased through the Tender Offer, and the 2,016,600 Target Company Shares to be acquired by the Tender Offeror through the Third-Party Allotment.

On April 6, 2022, the Tender Offeror made an initial proposal to the Target Company to set the Tender Offer Price at a certain premium to the market price of the Target Company's shares. On April 16, 2022, the Target Company replied that as there was a limit to the number of shares to be purchased in the Tender Offer and as the Target Company Shares would continue to be listed, for shareholders who did not wish to sell their Target Company Shares there would be the option to continue to hold the Target Company Shares; but for shareholders who did wish to sell their Target Company Shares it was necessary to ensure that they would receive a reasonable price. For this reason, the Target Company stated that the Tender Offer price should be a premium of approximately 30% over the simple average of the closing price on June 28, 2022, which would be the business day prior to the announcement day (hereinafter the "Pre-Announcement Business Day"), as this level of premium was higher than in 18 cases of tender offers since January 2017 conducted by a party other than the issuer with the objective of changing a company into a consolidated subsidiary with a set maximum for the shares to be purchased in the Tender Offer (The average amount of the premium for the business day before announcement was 27.79%, for the past month was 29.19%, for the past three months was 29.35%, and for the past six months was 28.67%; meanwhile the median for the business day before announcement was 21.75%, for the past month was 25.47%, for the past three months was 27.31%, and for the past six months was 25.36%).

The Tender Offeror considered the Tender Offer price again based on the response of the Target Company. However, on April 25, 2022 the Target Company announced a downward revision of the consolidated earnings forecast for the fiscal year ending June 30, 2022, per the disclosure "Notice Regarding the Revision of the Consolidated Earnings Forecast," and on the same day the Target Company communicated to the Tender Offeror that the Target Company would create a revised business plan updated to reflect the content of the earnings forecast revision and the recent business environment (hereinafter the "Business Plan"). The Tender Offeror felt that sufficient time would be needed to consider the Tender Offer price based on the Business Plan, and so on April 26, 2022 communicated to the Target Company that the Tender Offer, which was originally scheduled for early May 2022, would be postponed, and this communication was acknowledged by the Target Company on the same day. Subsequently the Tender Offeror received the Business Plan from the Target Company on May 12, 2022, and continued deliberations and negotiations while checking the content of the Business Plan.

Thereafter, on June 11, 2022, the Tender Offeror proposed to the Target Company that the Tender Offer Price be set at a premium of approximately 20% over the simple average closing price of the Target Company's shares on the Growth Market of the Tokyo Stock Exchange for the most recent 6 months as of the business day preceding the announcement of the Tender Offer in order to smooth out the impact of share price fluctuations until the announcement of the Tender Offer. In response, on June 15, 2022 the Target Company responded that their wish was to set the Tender Offer Price at 2,200 yen, due to the need to secure appropriate selling opportunities for Target Company shareholders who wished to sell their Target Company Shares. To this, the Tender Offeror replied that

it was important to increase the certainty that the necessary number of shares from Target Company shareholders would be offered in order to make the Target Company a consolidated subsidiary, and for that the Tender Offeror thought it was necessary to attach a sufficient premium to the market stock price. The proposed price of 2,200 yen would be a 43.98% premium on the closing price of 1,528 yen for Target Company Shares on June 21, 2022, and in comparison to observed premium levels in similar cases to the Tender Offer (26 target offer cases from January 2019 conducted by a party other than the issuer with the objective of changing a company into a consolidated subsidiary with a set maximum for the number of shares to be purchased in the Tender Offer (The average amount of the premium for the business day before announcement was 15.42%, for the past month was 17.99%, for the past three months was 19.72%, and for the past six months was 19.23%; meanwhile the median for the business day before announcement was 14.69%, for the past month was 14.33%, for the past three months was 20.29%, and for the past six months was 21.80%)). On June 21, 2022 the Tender Offeror and Target Company agreed to a Tender Offer Price of 2,200 yen.

With respect to the payment price for the Third-Party Allotment, the Tender Offeror proposed a price to the Target Company on June 11, 2022 that does not qualify as a “particularly favorable amount” under the “Guidelines Concerning Handling of Third-Party Allotments” (dated April 1, 2010) provided by the Japan Securities Dealers Association. Said price was to be not less than the simple average closing price of the Target Company's shares on the Growth Market of the Tokyo Stock Exchange on the business day prior to the public announcement for the most recent one-month period, taking into account a 10% discount. On the same day the Tender Offeror sounded out the Target Company on how it envisioned the DeSC Shares transfer price to be approximately 3.4 billion yen, considering the business and financial status of DeSC, and the amount invested into DeSC by the Tender Offeror to date and the investment recoupment perspective. In response, on June 15, 2022 the Target Company replied that it wished to make the total amount of the Third-Party Allotment be 3.4 billion yen, to serve as the amount necessary to purchase all the DeSC Shares (95% of issued DeSC Shares) held by the Target Company. Also, on June 23, 2022, the Target Company replied to the Tender Offeror with respect to the method of determining the paid-in amount for the Third-Party Allotment, that while the Target Company accepted the basic idea of the Tender Offeror's proposal, there were concerns that an issue price at a discount to the market price of the Target Company Shares on the Pre-Announcement Day would result in a dilution of the earnings per share of the Target Company Shares, etc., and there is a risk of a decline in the market price of the Target Company Shares. In addition, since there is a set maximum for the shares to be purchased in the Tender Offer, it could be considered that there may be minority shareholders who are dissatisfied with the Tender Offer Price but who believe that they will be treated unfavorably if they do not tender their shares and thus feel that they need to tender their shares. From a viewpoint of reducing the possibility of such concerns by the Target Company shareholders, the Target Company reply was that it would like to consider a price that is not lower than the closing price on the Pre-Announcement Day. The Tender Offeror felt that as the paid-in price for the Third-Party Allotment is based on the market price, even if the price was to be a discount to the market price of the Target Company Shares on the Pre-Announcement Day, the amount would still be in accordance with the "Guidelines Concerning Handling of Third-Party Allotments" of the Japan Securities Dealers Association, and therefore, the price would not cause a decline in the share price or a risk of dilution beyond what is generally considered to be acceptable. On June 27, 2022, the Tender Offeror proposed to the Target Company that the paid-in price for the Third-Party Allotment shall be the price considering a 10% discount to the simple average closing price of the Target Company Shares on the Growth Market of the Tokyo Stock Exchange for the most recent month as of the Pre-Announcement Day. However, if the closing price of the Target Company's shares on the Pre-Announcement Day were to be higher than the simple average of the closing prices of the Target Company Shares for the most recent month, the price to be

paid shall be the price considering a 10% discount to the closing price on the Pre-Announcement Day. In response, on June 28, 2022, the Target Company responded that it wanted the closing price to be the closing price on the Pre-Announcement Day, and on June 29, 2022, based on the share price trend of the Target Company Shares the closing price on the Growth Market of the Tokyo Stock Exchange of 1,686 yen from the Pre-Announcement Day was determined to be paid-in price for the Third-Party Allotment.

On the other hand, the Tender Offeror also started discussions with Mr. Utsumi and the Accepting Shareholders other than Mr. Utsumi regarding the Transactions, including the Tender Offer, from early March, 2022, and made a proposal regarding the acquisition of the Target Company shares held by the Accepting Shareholders, to which the Tender Offeror received a response from the Accepting Shareholders that they would consider tendering their shares in the Tender Offer. In mid-April 2022, the Tender Offeror made an initial proposal to the Accepting Shareholders to the effect that the Tender Offer price would be a certain premium over the market price of the Target Company Shares, and continued discussions and negotiations regarding the Tender Offer price and the number of shares to be tendered. On June 28, 2022, the Tender Offeror made an initial proposal to the Accepting Shareholders that the Tender Offer Price be set at 2,200 yen per share, and the Accepting Shareholders agreed to this proposal. The Tender Offeror has entered into the Acceptance Agreement as of June 29, 2022 with each of the tendering shareholders respectively. If the total number of the tendered share certificates, etc. exceeds the maximum number of share certificates, etc. to be purchased (3,148,600 shares), the excess will not be purchased in whole or in part, and delivery and other settlement procedures relating to the purchase, etc. of the share certificates, etc. will be conducted through the pro rata method prescribed in Article 27-13, paragraph 5 of the Act, as well as Article 32 of the Cabinet Office Ordinance. However, in this case the Accepting Shareholders shall retain a portion of the Target Company Shares even after the Tender Offer. Regarding the policy for holdings of Target Company Shares by the Accepting Shareholders after the Tender Offer, any assignment, transfer, succession, lending, creation of security interest or any other disposition of the Target Company Shares in part or in whole (including application for the Tender Offer and secondary offering of shares, hereinafter referred to as "Assignment, etc.") by Mr. Utsumi, as well as any provision of information, proposal, solicitation, deliberation, or negotiation regarding the Assignment, etc. of shares, etc. of the Target Company is prohibited under the Acceptance Agreement from the date of conclusion of the Acceptance Agreement with Mr. Utsumi until the date Mr. Utsumi loses his position as representative director of the Target Company. In addition, Mr. Utsumi has agreed to not make any agreement for assignment, succession, or other acquisition or any agreement with a third party related to shares, etc. of the Target Company prescribed in Article 27-2, paragraph 7, item 2 of the Act from the date of conclusion of the Acceptance Agreement with Mr. Utsumi until the date Mr. Utsumi loses his position as representative director of the Target Company. For Accepting Shareholders other than Mr. Utsumi, there is no special arrangement between the Tender Offeror and the Accepting Shareholders, and policy on ownership for these Accepting Shareholders for the Target Company's shares has not been confirmed. There is no plan to confirm any such policy.

Based on the results of the aforementioned discussions and consultations, the Tender Offeror concluded, on June 29, 2022, the Capital & Business Alliance Agreement with the Target Company, while concluding a tender offer acceptance agreement with the Accepting Shareholders, and furthermore at the Board of Directors meeting on June 29, 2022 decided to conduct the Tender Offer and agreed on the Tender Offer Price (For further detail of the Tender Offer Price, please refer to “1) Basis of calculation” and “2) Background to calculation” in “(4) Basis for calculation of price of tender offer, etc.” under “2. Summary of Purchase, etc.” described hereunder.

While the Tender Offer Price is 2,200 yen, the issue price of the Third-Party Allotment is 1,686 yen,

which is the closing price of the Target Company's shares on the Growth Market of the Tokyo Stock Exchange on the Pre-Announcement Day. For this reason, there is a difference between the Tender Offer Price and the issue price of the Third-party Allotment. This is because, although the Third-Party Allotment and the Tender Offer are each part of the Transactions to make the Target Company a consolidated subsidiary, the Tender Offer is a transaction with the Target Company's shareholders in which the Target Company's shares are acquired by delivering cash to the Target Company's shareholders, while the Third-party Allotment is a transaction with the Target Company in which the Target Company Shares are acquired by paying cash to the Target Company. The nature of each transaction differs, and thus have differing considerations.

In other words, first, since there is a risk that the Tender Offer will not attract the number of shares necessary to make the Target Company a consolidated subsidiary, it is important to increase the certainty that the shares necessary to make the Target Company a consolidated subsidiary will be tendered, and it is necessary to attach a sufficient premium to the market share price, taking into account trends in market share prices, etc. In addition, shareholders who do not tender their shares in the Tender Offer may enjoy the opportunity to realize benefits from increased corporate value of the Target Company from realized synergies generated when the Tender Offeror makes the Target Company a consolidated subsidiary after the Tender Offer, while shareholders who tender their shares in the Tender Offer will not enjoy such opportunity because they will be selling their shares. Therefore, the Tender Offeror believes that by setting the Tender Offer Price including a premium, a certain portion of such synergies will be distributed from the Tender Offeror to the shareholders of the Target Company who sell their shares. Therefore, the Tender Offeror has decided to set the Tender Offer Price at 2,200 yen (approximately 30.49% premium over the closing price of the Target Company Shares on the Growth Market of the Tokyo Stock Exchange on the same date of 1,686 yen), as described above, taking into consideration the prospect of the tenders, synergy distribution, and results of negotiations with the Accepting Shareholders.

On the other hand, the Third-Party Allotment is a transaction with the Target Company, as it will provide the Target Company with the funds necessary to make DeSC a subsidiary. Since no shares will be acquired from the Target Company's shareholders and the Target Company's shareholders will enjoy the opportunity to enhance the Target Company's corporate value by realizing synergies arising from making the Target Company a consolidated subsidiary, there is no need for the price to include a premium. Rather, the Tender Offeror believes that it is appropriate to distribute synergies between the Offeror and existing shareholders by setting the amount to be paid based on the market price. Therefore, taking into consideration the results of discussions and negotiations with the Target Company, the Tender Offeror has decided to set the purchase price at 1,686 yen, which is the closing price of the Target Company's shares on the Growth Market of the Tokyo Stock Exchange on the Pre-Announcement Day, as described above.

The potential that the Third-Party Allotment may cause an 18.66% dilution of voting rights for existing Target Company shareholders has been recognized (Note 10). However, as a general rule, if the payment price for the Third-Party Allotment is appropriate, it will not affect the economic value of the shares held by the existing shareholders of the Target Company. This amount is in accordance with the "Guidelines Concerning Handling of Third-Party Allotments" of the Japan Securities Dealers Association, and therefore, it is felt that there is no risk of a decline in the share price or dilution of the share price beyond what is generally considered to be permissible. In addition, existing Target Company shareholders will also have the opportunity to enjoy the benefit of increased Target Company's corporate value from realizing synergies resulting from the Transactions. Therefore, the Tender Offeror believes that the Transactions will not cause any undue economic disadvantage to existing Target Company shareholders.

The Tender Offeror also recognizes that it may be pointed out that the difference between the issue price of the Third-Party Allotment and the Tender Offer Price in the Transactions may cause the share price to decline. The impact of the Transactions on the share price will depend on how the significance of the Transaction and the enhancement of corporate value through synergies between the Tender Offeror and the Target Company after the Transactions are evaluated, and if expectations of such synergies increase, this may be a factor that supports or increases the share price. The Tender Offeror believes that the Transactions will contribute to the improvement of the corporate value of both companies, and therefore, even if such comments regarding the decline in the share price are possible, the Transactions do not constitute terms and conditions that unfairly harm the minority shareholders of the Target Company.

Also, the Tender Offeror recognizes that it may be pointed out that the Tender Offeror may be making Target Company a consolidated subsidiary at an unreasonably low price by combining the Third-Party Allotment at an amount lower than the Tender Offer Price in the Transactions. However, as stated above, the Third-Party Allotment is intended to raise funds for the acquisition of all of the DeSC shares held by the Tender Offeror (95% of the issued DeSC Shares), and will be implemented on the minimum necessary scale based on the Target Company's specific funding needs. The Tender Offeror does not believe that the Third-Party Allotment is being combined with the Tender Offer to make Target Company a consolidated subsidiary at an unreasonably low price. The Tender Offeror has estimated that if the Tender Offeror were to make the Target Company a consolidated subsidiary and acquire 50.97% of the Target Company Shares so that its ownership ratio after taking dilutive shares into consideration would be 50.97%, it would require more funds than if the Tender Offeror were to conduct this solely through the Tender Offer (Note 10).

(Note 10) Reference: In the case where the Tender Offeror acquires the Target Company's shares so that it becomes a consolidated subsidiary of the Tender Offeror and its ownership ratio after taking into account the dilutive shares of the Target Company is 50.97%, in the case where the Tender Offeror acquires the shares solely through (1) Third-Party Allotment, (2) Transactions, and (3) Tender Offer, the following information is provided for each method of acquisition. The table below shows the dilution ratio of voting rights, the number of shares to be purchased, and the total amount of funds required. The "ownership ratio after reflecting the potentially dilutive shares" in this Note refers to the total number of issued shares of the Target Company as of March 31, 2022 (10,695,180 shares) stated in the Financial Results, less the number of treasury shares held by the Target Company as of March 31, 2022 stated in the Financial Results (75,051 shares), to which is added the Target Company Shares of 184,500 to be delivered upon exercise of 615 stock acquisition rights issued today, and then in (1) this refers to the ownership ratio relative to 19,242,360 shares, which in addition to the above includes the Target Company Shares to be acquired by the Tender Offeror in the Third-Party Allotment, and in (2) this refers to the ownership ratio relative to 12,821,229 shares further added to the above including the Target Company Shares to be acquired by the Tender Offeror in the Third-Party Allotment. For (3) this refers to the total number of issued shares of the Target Company as of March 31, 2022 (10,695,180 shares) stated in the Financial Results, less the number of treasury shares held by the Target Company as of March 31, 2022 stated in the Financial Results (75,051 shares), to which is added the Target Company Shares of 184,500 to be delivered upon exercise of 615 stock acquisition rights issued today, for a total of 10,804,629 shares as the relative number for the ratio calculation (in all the above cases rounded to two decimal places).

	Voting Right Dilution Percentage	Shares to be Purchased in the Tender Offer	Total Required Funds
Case of 50.97% acquisition only through Third-Party Allotment	78.09%	-	14,226 million yen
The Transactions	18.66%	3,148,600 shares	10,327 million yen
Case of 50.97% acquisition only through Tender Offer	-	4,137,020 shares	9,101 million yen

(Note) The Voting Right Dilution Percentage refers to (For (1) this is relative to the Third-Party Allotment, and (2) this is relative to the number of issued shares from the Third-Party Allotment) the total number of issued shares of the Target Company as of March 31, 2022 (10,695,180 shares) stated in the Financial Results, less the number of treasury shares held by the Target Company as of March 31, 2022 stated in the Financial Results (75,051 shares), to which is added the Target Company Shares of 184,500 to be delivered upon exercise of 615 stock acquisition rights issued today, for a total of 10,804,629 shares as the relative number for the ratio calculation (in all the above cases rounded to two decimal places).

(Note) The Shares to be Purchased in the Tender Offer are the number of shares required to be purchased from Target Company shareholders in the Tender Offer.

(Note) The Total Required Funds is the sum of the total amount to be paid in under the Third-Party Allotment (the issue price per share of 1,686 yen multiplied by the number of shares issued) and the number of shares to be purchased under the Tender Offer multiplied by the Tender Offer Price (2,200 yen).

In addition, the Tender Offeror recognizes that it may be pointed out that the Transactions, including the Third-Party Allotment, may result in a change of controlling shareholder in the Target Company without the procedures such as notification, etc. pursuant to the provisions of Article 206-2 of the Companies Act (Act No. 86 of 2005, as amended, the same applies hereinafter) and that this would be a circumvention of said provisions. However, the Tender Offeror is of the opinion that the provisions of the said article apply in the case where an underwriter becomes a specific underwriter (as defined in Paragraph 1 of the said article. The same shall apply hereinafter) through a third-party allotment, and said provisions do not apply in cases where control is acquired in combination with a stock transfer or other transaction in general. The Tender Offeror further believes that this understanding is consistent with the fact that the Companies Act does not provide for any provision such as notification to the shareholders of the issuing company when the controlling shareholder changes with respect to the general transfer of shares that are not subject to transfer restrictions, nor does it require approval at a general meeting of shareholders of the subsidiary issuing the shares for the delivery of shares. As the Tender Offeror is not a specified underwriter in the Third-Party Allotment, the Tender Offeror is of the understanding that even if the procedures such as notification, etc. under the provisions of the said article are not taken by the Target Company, it is not unreasonable and does not circumvent Article 206-2 of the Companies Act.

The Tender Offeror also recognizes that there may be some who may point out that it would be sufficient to make the Target Company a consolidated subsidiary through the Tender Offer alone and then conduct a Third-Party Allotment, and that the fact that the maximum number of shares to be purchased in the Tender Offer is set low because the Third-Party Allotment is conducted in parallel with the Tender Offeror's Tender Offer may be an unfair condition to the Target Company's minority shareholders. However, the Tender Offeror does not expect to invest additional funds to acquire shares

of the Target Company beyond what is considered necessary to make the Target Company a consolidated subsidiary of the Tender Offeror, and in a situation such as the Transactions where the Target Company needs to raise funds through a Third-Party Allotment, the Tender Offeror understands that it would not be unfair or illegal to set the maximum number of shares to be purchased in the Tender Offer by taking into account the amount of shares to be acquired through the Third-Party Allotment.

The Tender Offeror shall aim to implement the following specific measures while materializing synergy, with a view to further enhancing corporate value of both the Tender Offeror and Target Company Groups (hereinafter referred to as “Both Groups”).

- (i) Further enhancement of collaboration and synergy creation between the Tender Offeror’s healthcare business, the Target Company and DeSC

The Tender Offeror shall be working together with Both Groups to provide solutions to a variety of public health management businesses, handling a range of people from healthy individuals to high-risk individuals, such as the elderly and those with preexisting conditions, with a view to further expanding their market shares in the public health management sector, targeting primarily local governments across the country. Specifically, Both Groups shall endeavor to strengthen sales capabilities, expand distribution channels, and develop new products through mutual collaboration. Meanwhile, through the Transactions the Target Company will become a subsidiary of the Tender Offeror, and DeSC will become a subsidiary of the Target Company, and as Both Groups, promptly after the DeSC Subsidiary Conversion, the Target Company and DeSC shall integrate their databases to create a database that serves wide range of health insurance providers from health insurance societies and local governments, thereby covering all ages of population, thereby accelerating the progress in data utilization business that serves public interest, thus enhancing the share in this market.

- (ii) Synergy creation through collaboration between the Target Company and the Tender Offeror’s businesses other than the healthcare business, along with the utilization of the Tender Offeror’s assets

By strengthening collaboration with the Tender Offeror’s businesses other than the healthcare business, such as the sports business and the smart city business, the Target Company expects to be able to endeavor to achieve expansion of its existing distribution channels including local municipalities, as well as enhancement of sales and marketing capabilities, while strengthening new Target Company products development and data analysis technique through further utilizing the technological capabilities of the Tender Offeror’s Group, not least in the areas of AI.

- 2) The decision-making process of and the reason behind the Target Company’s consent to the Tender Offer

The Target Company Press Release disclosed that the Target Company has, as described in the aforementioned “1) Background, reasons and decision-making process that led the Tender Offeror to carry out the Transactions,” been working on the collaboration with other companies including the Tender Offeror and DeSC, with a view to achieving growth in market share and sales in the business environment in which the data health is in increasingly greater demand. Consequently, the Tender Offeror and Target Company came to feel that enhancement of the collaboration between the two companies was necessary to promote both companies’ businesses further given the business environment of the companies’ healthcare businesses, and so from early January 2022 the Tender Offeror sounded out the Target Company, the Target Company responded with positive interest to explore the matter, and then the companies began discussing detailed measures, which later came to

include an enhancement of the capital alliance. In the course of these discussions that began in early January 2022, the Tender Offeror and the Target Company determined that it is very important to maintain the Target Company's unique corporate culture and management autonomy in order to enhance corporate value through the Target Company's sustainable development, and that in strengthening the capital relationship between the two companies, it would be desirable for the Target Company to become a consolidated subsidiary that maintains its listing and allows the Target Company's independent management to be respected. In addition, in order to take into consideration the dilution of the existing shares of the Target Company, it was considered desirable to acquire additional shares of the Target Company by way of a tender offer in addition to the capital increase through Third-Party Allotment. In addition, the Target Company concluded a business alliance agreement with DeSC on April 2, 2020 for data health-related business, and has been supporting efforts to improve the health of the public and to optimize healthcare costs in Japan. By further strengthening the collaboration between the Target Company and DeSC, it will be possible to integrate the Target Company's and DeSC's databases and accelerate efforts in the data utilization business that is in the public interest as a database for all generations of insurers covering health insurance societies to local governments. It is felt that it is necessary for DeSC to become a subsidiary of the Target Company because the expansion of its market share in the relevant market will contribute to the expansion of the Target Company's earnings and the maintenance and strengthening of its financial base, and thereby to the enhancement of the corporate value of both companies. Therefore, in early February 2022, the Tender Offeror approached the Target Company regarding the method of collaboration between the two companies, including making the Target Company a consolidated subsidiary of the Tender Offeror and making DeSC a subsidiary of the Target Company. Thereafter, the Tender Offeror and the Target Company decided to discuss the possibility and terms of a Third-Party Allotment, the possibility of providing opportunities through a tender offer for minority shareholders of the Target Company to sell their shares, the Tender Offer Price, and other terms and conditions of the Tender Offer, taking into consideration the demand for funds by the Target Company to make DeSC a subsidiary of the Tender Offeror. In late February 2022, the Target Company appointed Houlihan Lokey as its financial advisor and third-party appraiser independent of the Target Company, Tender Offeror and DeSC, and Nagashima Ohno & Tsunematsu as its legal advisor, to discuss and negotiate the Transactions, and established a system to discuss and negotiate the Transactions. In the course of discussion and consideration regarding the possibility of implementing a third-party allotment and its terms and conditions, the Tender Offer Price and other terms and conditions of the Tender Offer, the Target Company requested Houlihan Lokey, a third-party appraiser, to value the Target Company's shares in late February 2022, as described in “(4) Measures to ensure the fairness of the Transactions including the Tender Offer, such as measures to ensure the fairness of purchase price, etc. as well as the measures to avoid conflicts of interest, etc.,” to outsource calculation of the equity value of the Target Company Shares, and received the equity valuation report dated June 28, 2022 from Houlihan Lokey (hereinafter the “Valuation Report for the Target Company Shares”). Subsequently, the Tender Offeror conducted due diligence on the Target Company from early March 2022 to mid-April 2022 in order to examine the feasibility of the Tender Offer, and the two companies continued to consider and discuss the Transactions. In early March 2022, as a method for the Tender Offeror to make DeSC a consolidated subsidiary of the Target Company, the Tender Offeror decided to combine the Tender Offer method, which would provide minority shareholders of the Target Company with an opportunity to sell their shares, and the Third-Party Allotment, which would not adversely affect the Target Company's financial base meet the needs for the demand for funds for the Target Company to make DeSC a subsidiary. Thus the Target Company concluded that it would be desirable to combine the Tender Offer with the Third-Party Allotment as the method of the Transactions. The amount to be paid in through the Third-Party Allotment shall be the amount

considered necessary to fund the acquisition of all of DeSC Shares (95% of issued DeSC Shares). In addition, given that the intention is for the Tender Offeror to convert the Target Company into a consolidated subsidiary and to have the Target Company maintain its listing even after the Transactions are complete, the Tender Offeror and the Target Company have agreed that the maximum and minimum number of shares to be purchased in the Tender Offer will be set as 3,148,600 shares (ownership ratio after reflecting the potentially dilutive shares before capital increase 24.56%), so that the Tender Offeror's total shares shall be 6,535,300 (ownership ratio after reflecting the potentially dilutive shares before capital increase 50.97%), which is the sum of 1,370,100 Shares Held By the Tender Offeror Before the Transaction (ownership ratio after reflecting the potentially dilutive shares before capital increase 10.69%), the above-mentioned 3,148,600 shares to be purchased through the Tender Offer, and the 2,016,600 Target Company Shares to be acquired by the Tender Offeror through the Third-Party Allotment.

The Target Company reportedly recognizes that the fact of the Third-Party Allocation timing being close to the Tender Offer timing means that the following cannot be denied: (i) that the number of shares to be purchased in the Tender Offer will be less and therefore there will be fewer opportunities for shareholders to sell their shares in comparison with the case where the Tender Offeror purchases the required Target Company Shares to make the Target Company a consolidated subsidiary through the Tender Offer alone, (ii) that there is a risk of a decline in the stock price due to the difference between the issue price for the Third-Party Allotment and the Tender Offer Price, (iii) that as the number of voting rights that the Tender Offeror will have in the Target Company as a result of the Third-Party Allotment will not exceed one-half of the total number of voting rights of all shareholders after the Third-Party Allotment the procedures for notification, etc. in the case of a Third-Party Allotment involving a change in controlling shareholder as provided in Article 206-2 of the Companies Act shall not apply to this Third-Party Allotment, and (iv) that if minority shareholders who are concerned about the above matters (i) through (iii) do not tender their shares in the Tender Offer, there is a possibility that they will be treated less favorably than if they had tendered their shares, and there may be shareholders who are dissatisfied with the Tender Offer Price but would be pressured to tender their shares in the Tender Offer, in effect, creating a so-called coercion problem. Based on this, on June 23, 2022, the Target Company proposed that the amount to be paid in for the Third-Party Allotment be no less than the closing price of the Target Company Shares on the Tokyo Stock Exchange on June 28, 2022, the trading day immediately preceding the date of the Board of Directors' resolution regarding the Third-Party Allotment (June 29, 2022). In response, on June 27, 2022, the Tender Offeror proposed to the Target Company that the paid-in price for the Third-Party Allotment should be the simple average closing price of the Target Company's shares on the Growth Market of the Tokyo Stock Exchange for the last month prior to the Pre-Announcement Day, including a discount of 10%. However, if the closing price of the Target Company's shares on the business day prior to the announcement exceeds the simple average of the closing prices of the Target Company's shares for the most recent month, the Target Company would propose that the price be set at a 10% discount to the closing price on the Pre-Announcement Day. Subsequently, after discussions between the two companies, they finally agreed that the amount to be paid in for the Third-Party Allotment will be the same as the closing price of the Target Company Shares on the Tokyo Stock Exchange on June 28, 2022, the trading day immediately prior to the date of the Board of Directors' resolution regarding the Third-Party Allotment (June 29, 2022) (1,686 yen per share).

The Target Company has determined that sufficient consideration has been given to the interests of general shareholders who do not tender their shares in the Tender Offer, and that the coercive effect has been sufficiently reduced due to holistic consideration of the facts that (a) the Third-Party Allotment is being implemented to procure the funds necessary for the Target Company to acquire all of the DeSC Shares held by the Tender Offeror based on the Target Company's specific funding needs

as described above, and for the Target Company to improve its corporate value by acquiring the DeSC shares, while on the other hand, if the Tender Offeror acquires the Target Company shares necessary to make the Target Company a consolidated subsidiary solely through the Tender Offer, the Target Company will not be able to acquire the DeSC Shares or raise the necessary funds to do so, and will not be able to achieve the same improvement in corporate value; (b) although the risk that the market price of the Target Company Shares will rise after the announcement of the Third-Party Allotment and the Tender Offer and then fall after the end of the Tender Offer Period cannot be completely ruled out, from the Target Company view, (x) the issue price of the Third-Party Allotment is the closing price of the Target Company Shares on the Tokyo Stock Exchange on June 28, 2022, which is the trading day immediately prior to the date of the Board of Directors' resolution on the Third-Party Allotment (June 29, 2022), and this is not a discounted issue and is in accordance with the "Guidelines Concerning Handling of Third-Party Allotments" of the Japan Securities Dealers Association, and therefore is not considered to cause a decline in the share price or a risk of dilution beyond what is generally considered to be permissible, and (y) there is rationality in the idea that it is appropriate to distribute synergies between the Tender Offeror and existing shareholders by setting the amount to be paid in for the Third-Party Allotment, which is based on the alliance with the allottee, at the amount before reflecting synergies, in contrast to the Tender Offer Price, which requires a sufficient premium to the market price of the shares; (c) compared to a scheme in which the allottee makes the Target Company a consolidated subsidiary solely through a third-party allotment, the Third-Party Allotment, when combined with the Tender Offer, is not subject to the procedures such as notification in the case of a third-party allotment involving a change in controlling shareholder as stipulated in Article 206-2 of the Companies Act, however, sufficient measures have been taken to eliminate arbitrariness in the decision-making process regarding the Transactions and to ensure the fairness of the terms and conditions of the Transactions, including the opinion of the Audit and Supervisory Committee, which is composed solely of outside directors, on the necessity and reasonableness of the Third-Party Allotment, and thus the interests of the Target Company minority shareholders are protected; and (d) the details of the Third-Party Allotment are appropriately described in the securities registration statement and other materials, and appropriate explanations are provided to the Target Company's shareholders, thereby ensuring that the Target Company's shareholders have appropriate opportunities to make decisions.

On April 6, 2022, the Tender Offeror made an initial proposal to the Target Company to set the Tender Offer Price at a certain premium to the market price of the Target Company's shares. On April 16, 2022, the Target Company replied that as there was a limit to the number of shares to be purchased in the Tender Offer and that the shares of the Target Company would continue to be listed, for shareholders who did not wish to sell their Target Company Shares there would be the option to continue to hold the Target Company Shares; but for shareholders who did wish to sell their Target Company Shares it was necessary to ensure that they would receive a reasonable price. For this reason, the Target Company stated that the Tender Offer price should be a premium of approximately 30% over the simple average of the closing price on June 28, 2022, which would be Pre-Announcement Day, as this level of premium was higher than in 18 cases of tender offers since January 2017 conducted by a party other than the issuer with the objective of changing a company into a consolidated subsidiary with a set maximum for the shares to be purchased in the Tender Offer (The average amount of the premium for the business day before announcement was 27.79%, for the past month was 29.19%, for the past three months was 29.35%, and for the past six months was 28.67%; meanwhile the median for the business day before announcement was 21.75%, for the past month was 25.47%, for the past three months was 27.31%, and for the past six months was 25.36%).

The Tender Offeror considered the Tender Offer price again based on the response of the Target

Company. However, on April 25, 2022 the Target Company announced a downward revision of the consolidated earnings forecast for the fiscal year ending June 30, 2022, per the disclosure “Notice Regarding the Revision of the Consolidated Earnings Forecast,” and on the same day the Target Company communicated to the Tender Offeror that the Target Company would create a revised Business Plan updated to reflect the content of the earnings forecast revision and the recent business environment. The Tender Offeror felt that sufficient time would be needed to consider the Tender Offer price based on the Business Plan, and so on April 26, 2022 communicated to the Target Company that the Tender Offer, which was originally scheduled for early May 2022, would be postponed, and this communication was acknowledged by the Target Company on the same day. Subsequently the Tender Offeror received the Business Plan from the Target Company on May 12, 2022, and continued deliberations and negotiations while checking the content of the Business Plan. Thereafter, on June 11, 2022, the Tender Offeror proposed to the Target Company that the Tender Offer Price be set at a premium of approximately 20% over the simple average closing price of the Target Company's shares on the Growth Market of the Tokyo Stock Exchange on the business day preceding the announcement of the Tender Offer in order to smooth out the impact of share price fluctuations until the announcement of the Tender Offer. In response, on June 15, 2022 the Target Company responded that their wish was to set the Tender Offer Price at 2,200 yen, due to the need to secure appropriate selling opportunities for Target Company shareholders who wished to sell their Target Company Shares. To this, the Tender Offeror replied that it was important to increase the certainty that the necessary number of shares from Target Company shareholders would be offered in order to make the Target Company a consolidated subsidiary, and for that the Tender Offeror thought it was necessary to attach a sufficient premium to the market stock price. The proposed price of 2,200 yen would be a 43.98% premium on the closing price of 1,528 yen for Target Company Shares on June 21, 2022, and in comparison to observed premium levels in similar cases to the Tender Offer (26 target offer cases from January 2019 conducted by a party other than the issuer with the objective of changing a company into a consolidated subsidiary with a set maximum for the number of shares to be purchased in the Tender Offer (The average amount of the premium for the business day before announcement was 15.42%, for the past month was 17.99%, for the past three months was 19.72%, and for the past six months was 19.23%; meanwhile the median for the business day before announcement was 14.69%, for the past month was 14.33%, for the past three months was 20.29%, and for the past six months was 21.80%)). On June 21, 2022 the Tender Offer and Target Company agreed to a Tender Offer Price of 2,200 yen.

With respect to the payment price for the Third-Party Allotment, the Tender Offeror proposed a price to the Target Company on June 11, 2022 that does not qualify as a “particularly favorable amount” under the “Guidelines Concerning Handling of Third-Party Allotments” (dated April 1, 2010) provided by the Japan Securities Dealers Association. Said price was to be not less than the simple average closing price of the Target Company's shares on the Growth Market of the Tokyo Stock Exchange on the business day prior to the public announcement for the most recent one-month period, taking into account a 10% discount. On the same day the Tender Offeror sounded out the Target Company on how it envisioned the DeSC Shares transfer price to be approximately 3.4 billion yen, considering the business and financial status of DeSC, and the amount invested into DeSC by the Tender Offeror to date and the investment recoupment perspective. In response, on June 15, 2022 the Target Company replied that it wished to make the total amount of the Third-Party Allotment be 3.4 billion yen, to serve as the amount necessary to purchase all the DeSC Shares (95% of issued DeSC Shares) held by the Target Company. Also, on June 23, 2022, the Target Company replied to the Tender Offeror with respect to the method of determining the paid-in amount for the Third-Party Allotment, that while the Target Company accepted the basic idea of the Tender Offeror’s proposal, there were concerns that an issue price at a discount to the market price of the Target Company Shares

on the Pre-Announcement Day would result in a dilution of the earnings per share of the Target Company Shares, etc., and there is a risk of a decline in the market price of the Target Company Shares. In addition, since there is a set maximum for the shares to be purchased in the Tender Offer, it could be considered that there may be minority shareholders who are dissatisfied with the Tender Offer Price but who believe that they will be treated unfavorably if they do not tender their shares and thus feel that they need to tender their shares. From a viewpoint of reducing the possibility of such concerns by the Target Company shareholders, the Target Company reply was that it would like to consider a price that is not lower than the closing price on the Pre-Announcement Day. The Tender Offeror felt that as the paid-in price for the Third-Party Allotment is based on the market price, even if the price was to be a discount to the market price of the Target Company Shares on the Pre-Announcement Day, the amount would still be in accordance with the "Guidelines Concerning Handling of Third-Party Allotments" of the Japan Securities Dealers Association, and therefore, the price would not cause a decline in the share price or a risk of dilution beyond what is generally considered to be acceptable. On June 27, 2022, the Tender Offeror proposed to the Target Company that the paid-in price for the Third-Party Allotment shall be the price considering a 10% discount to the simple average closing price of the Target Company Shares on the Growth Market of the Tokyo Stock Exchange for the most recent month as of the Pre-Announcement Day. However, if the closing price of the Target Company's shares on the Pre-Announcement Day were to be higher than the simple average of the closing prices of the Target Company Shares for the most recent month, the price to be paid shall be the price considering a 10% discount to the closing price on the Pre-Announcement Day. In response, on June 28, 2022, the Target Company responded that it wanted the closing price to be the closing price on the Pre-Announcement Day, and on June 29, 2022, based on the share price trend of the Target Company Shares the closing price on the Growth Market of the Tokyo Stock Exchange of 1,686 yen from the Pre-Announcement Day was determined to be the paid-in price for the Third-Party Allotment.

The closing price of 1,686 yen on the Pre-Announcement Day of the Target Company Shares on the Growth Market of the Tokyo Stock Exchange was higher than the simple average of the closing prices for the past month of 1,508 yen, so the paid-in price for the Third-Party Allotment was set at 1,686 yen.

As a result of the above discussion and deliberation, the Target Company has reached the conclusion that through the Transactions, DeSC will become a subsidiary of the Target Company while the Target Company, which will remain listed, will become a consolidated subsidiary of the Tender Offeror thereby ensuring a certain degree of management independence while building a smooth and prompt cooperative relationship between the two companies, thereby contributing to the two companies' goal of extending healthy lifespans. In addition, Target Company's business is considered to have strengths in standardization and data analysis of local municipality medical big data, and in the business of preventing and managing the seriousness of diabetic nephropathy. Making DeSC a subsidiary will enable the two companies to further accelerate the realization of their goal of extending healthy lifespans and achieving a zero primary balance in medical expenses. By strengthening cooperation between Target Company and DeSC, which have been in a business alliance since April 2, 2020, the Target Company and DeSC's databases will be integrated to create a database for all generations of insurers, from health insurance societies to local governments, and to accelerate efforts in the data utilization business that is in the public interest. Therefore, the Board of Directors of the Target Company resolved at its meeting held on June 29, 2022, to approve the Tender Offer, based on the belief that the Transaction will contribute to the expansion of the Target Company's revenue and the maintenance and strengthening of its financial base by increasing its market share, thereby enhancing the Target Company's corporate value. The Board of Directors decided to approve the Tender Offer at its meeting held on June 29, 2022.

In addition, since it is necessary to also have the combination of the Third-Party Allotment in order to raise the necessary funds for making DeSC a subsidiary, repayment of loans and operating funds, the Target Company has concluded that the best method for the Tender Offeror to make the Target Company a consolidated subsidiary is to combine not only the Tender Offer but also the Third-Party Allotment. The Target Company has concluded that the combination of the Tender Offer and the Third-Party Allotment is the most appropriate method to make the Target Company a consolidated subsidiary of the Tender Offeror, and resolved at its Board of Directors meeting held on June 29, 2022, to approve the implementation of the Third-Party Allotment in addition to the Tender Offer.

Regarding the appropriateness of the Tender Offer Price, the Target Company has determined, with reference to the calculation results of the share price of the Target Company Shares obtained from the third-party appraiser Houlihan Lokey, and as described in “2) The Target Company’s obtainment of an equity valuation report from an independent third-party appraisal institution” under “(4) Measures to ensure the fairness of the Transactions including the Tender Offer, such as measures to ensure the fairness of purchase price, etc. as well as the measures to avoid conflicts of interest, etc.” below, the valuation is above the valuation ranges calculated using the market price method and discounted cash flow method (hereinafter “DCF”), and given that there is a premium of 30.49% being applied to the closing price of 1,686 yen for the Target Company Shares on the Growth Market of the Tokyo Stock Exchange on June 28, 2022, the Pre-Announcement Day for the Tender Offer, and that this is a premium of 45.89% for the simple average of the closing prices for past month before that date of 1,508 yen, a premium of 20.95% for the simple average of the closing prices for past three month before that date of 1,819 yen, and a premium of 30.02% for the simple average of the closing prices for past six months before that date of 1,692 yen, and as this level of premium was higher than in 18 cases of tender offers since January 2017 conducted by a party other than the issuer with the objective of changing a company into a consolidated subsidiary with a set maximum for the shares to be purchased in the Tender Offer (The average amount of the premium for the business day before announcement was 27.79%, for the past month was 29.19%, for the past three months was 29.35%, and for the past six months was 28.67%; meanwhile the median for the business day before announcement was 21.75%, for the past month was 25.47%, for the past three months was 27.31%, and for the past six months was 25.36%), the Tender Offeror believes that the Transactions are reasonable because they can be evaluated as ensuring reasonable opportunities for shareholders of the Target Company who wish to sell their shares, and because the Tender Offeror intends to continue to maintain the listing of the Target Company's shares after the Transaction, and shareholders of the Target Company who do not wish to sell their shares can choose to continue to hold the Target Company's shares after the Transactions. Therefore, the Tender Offeror has determined that sufficient attention has been paid to the protection of the interests of minority shareholders, and believes that the Tender Offer is reasonable. However, as there is a maximum number of shares to be purchased in the Tender Offer, and the Tender Offeror intends to continue to maintain the listing of the Target Company's shares after the Tender Offer, the Target Company has resolved to leave the decision on whether or not to tender its shares in the Tender Offer to the Target Company's shareholders. Among the directors of the Target Company, Mr. Utsumi has participated in the discussions with the Tender Offeror because he has deep knowledge of the operation of the Target Company and has essential practical knowledge in the discussions with the Tender Offeror, but he did not participate in the deliberations and resolutions of the Board of Directors' meeting regarding the Transactions in order to eliminate the possibility of the deliberations and resolutions being affected by the structural conflict of interest issues in the Transactions. Mr. Segawa, who concurrently serves as an employee of the Tender Offeror and a representative director of DeSC, a consolidated subsidiary of the Tender Offeror, has essential practical knowledge of the Transactions, and therefore, he participated in the discussions with the Target Company from the standpoint of the Tender Offeror; however, he did not participate

in the deliberations and resolutions of the Board of Directors' meeting regarding the Transactions in order to eliminate the risk that the deliberations and resolutions of the Board of Directors' meeting would be affected by structural conflicts of interest in the Transactions.

The Target Company believes that it will be able to further enhance the corporate value of Both Groups by realizing synergies through the implementation of the following measures.

- (i) Further enhancement of collaboration and synergy creation between the Tender Offeror's healthcare business, the Target Company and DeSC

The Target Company shall be working together with Both Groups to provide solutions to a variety of public health management businesses, handling a range of people from healthy individuals to high-risk individuals, such as the elderly and those with preexisting conditions, with a view to further expanding their market shares in the public health management sector, targeting primarily local governments across the country. Specifically, Both Groups shall endeavor to strengthen sales capabilities, expand distribution channels, and develop new products through mutual collaboration. Meanwhile, through the Transactions the Target Company will become a subsidiary of the Tender Offeror, and DeSC will become a subsidiary of the Target Company, and as Both Groups, promptly after the DeSC Subsidiary Conversion, the Target Company and DeSC shall integrate their databases to create a database that serves wide range of health insurance providers from health insurance societies and local governments, thereby covering all ages of population, thereby accelerating the progress in data utilization business that serves public interest, thus enhancing the share in this market.

- (ii) Synergy creation through collaboration between the Target Company and the Tender Offeror's businesses other than the healthcare business, along with the utilization of the Tender Offeror's assets

By strengthening collaboration with the Tender Offeror's businesses other than the healthcare business, such as the sports business and the smart city business, the Target Company expects to be able to endeavor to achieve expansion of its existing distribution channels including local governments, as well as enhancement of sales and marketing capabilities, while strengthening new Target Company products development and data analysis technique through further utilizing the technological capabilities of the Tender Offeror's Group, not least in the areas of AI.

3) Management policy after the Transactions

The shares of the Target Company will remain listed on the Growth Market of the Tokyo Stock Exchange after the Transactions, and the Target Company will continue its management as a listed company.

Pursuant to the Capital & Business Alliance Agreement, the Target Company plans to submit a proposal for the election of directors to the effect that the Target Company will appoint three (3) persons proposed by the Tender Offeror as directors of the Target Company at the annual general meeting of shareholders of the Target Company for the fiscal year ending June 30, 2022. Additionally, pursuant to the Capital & Business Alliance Agreement, the number of representative directors of the Target Company will be two, and the Target Company plans to select the person proposed by the Tender Offeror as one of them at the first meeting of its Board of Directors to be held after the conclusion of this Ordinary General Meeting of Shareholders.

(3) Significant agreements, etc. in respect of the Transactions

1) The Capital & Business Alliance Agreement

The Tender Offeror has entered into the Capital & Business Alliance Agreement with the Target Company on June 29, 2022. The outline of the Capital & Business Alliance Agreement is as follows.

- (i) Objective

By making the Target Company a consolidated subsidiary of the Tender Offeror and making DeSC, a subsidiary of the Tender Offeror, a wholly owned subsidiary of the Target Company, the Tender Offeror intends to take the existing capital & business alliance and collaboration between the Tender Offeror and the Target Company one step further and contribute to further growth of both companies.

(ii) Items related to the Tender Offer

- (A) During the period from the execution date of the Capital & Business Alliance Agreement to the last day of the Tender Offer Period for the Tender Offer, the Target Company will maintain a resolution approving of the Tender Approval (hereinafter the "Approval Resolution") (however, the Target Company's shareholders will be neutral with respect to the application for the Tender Offer) and will not change or withdraw the Approval Resolution, and will not adopt any resolution that is inconsistent with the Approval Resolution. However, if a third party other than the Tender Offeror launches a tender offer for the Target Company's shares at a purchase price higher than the Tender Offer Price (hereinafter in (ii) the "Competing Transaction") after the execution date of the Capital & Business Alliance Agreement without violating (B) and (C) below, and the Target Company determines that there is a reasonable probability that not amending, etc. the Approval Resolution will cause a breach of the duty of care of the directors of the Target Company (However, the judgment must be based on a legal opinion by an attorney to the effect that there is a high reasonable probability that a breach of the duty of care will occur, or a reasonable judgment equivalent thereto.), and the Target Company notifies the Tender Offeror in writing to that effect together with a reasonable explanation of such decision (including a legal opinion and other grounds and reasons for such decision and the details thereof), then the Target Company may make changes, etc. to the Approval Resolution to the extent reasonably necessary from the viewpoint of the duty of care of the Target Company's directors.
- (B) During the period from the date of execution of the Capital & Business Alliance Agreement to the business day immediately preceding the commencement date of the Tender Offer, the Target Company will not enter into any transaction that substantially conflicts with the Transactions or makes the execution of the Transactions difficult, or any agreement relating thereto, and will not propose, solicit, discuss, negotiate or provide information relating to such transaction. However, if a third party proposes a Competing Transaction in writing with details of the transaction conditions and the Target Company determines that there is a reasonable probability that the Target Company's failure to inform, discuss or negotiate with the third party will cause a breach of the duty of care by the directors of the Target Company (However, the judgment must be based on a legal opinion by an attorney to the effect that there is a high reasonable probability that a breach of the duty of care will occur, or a reasonable judgment equivalent thereto.), and the Target Company notifies the Tender Offeror in writing to that effect together with a reasonable explanation to the Tender Offeror of such decision (including a legal opinion and other grounds and reasons for such decision and the details thereof), then the Target Company may provide information to, discuss, or negotiation with such a third party to the extent reasonably necessary from the viewpoint of the duty of care of the Target Company's directors.
- (C) If the Target Company receives any information, proposal, solicitation, discussion or other offer from a third party concerning a transaction that substantially conflicts with the Transactions or makes the execution of the Transactions difficult, the Target Company shall promptly notify the Tender Offeror of such fact and details.
- (D) The Target Company shall not request the Tender Offeror to extend the Tender Offer Period. However, this shall not apply in the event of any modification, etc. of the Approval Resolution

by the Target Company pursuant to (A) above.

(iii) Items related to the Third-Party Allotment

- (A) On the date of execution of the Capital & Business Alliance Agreement, the Target Company shall set the class and number of shares to be offered at 2,016,600 shares of common stock (no treasury stock of the Target Company shall be used). The payment period shall be from July 29, 2022 to August 28 (hereinafter the "Payment Period"). The amount to be paid in shall be 1,686 yen per share (hereinafter the "Payment Amount"), and the total payment amount shall be 3,399,988 thousand yen. On said date the Target Company shall pass a resolution to conduct the Third-Party Allotment (hereinafter the "Third-Party Allotment Resolution") and will not change or withdraw the Third-Party Allotment Resolution, and will not adopt any resolution that is inconsistent with the Third-Party Allotment Resolution.
- (B) The Target Company shall use the funds paid in through the Third-Party Allotment for the funding the acquisition of DeSC to make it a wholly-owned subsidiary, unless otherwise approved in writing by the Tender Offeror in advance.
- (C) In the event that the Target Company holds a general shareholders' meeting of the Target Company after the Third-Party Allotment with the date prior to the Payment Date as the record date for the exercise of voting rights, the Target Company may request the Tender Offeror to hold a general shareholders' meeting in accordance with the Article 124, Paragraph 4 of the Companies Act (Act No. 86 of 2005, including subsequent amendments) so that the Tender Offeror may exercise voting rights at such meeting with respect to the Target Company shares acquired by the Tender Offeror through the Third-Party Allotment.
- (D) Upon implementation of the Tender Offer, the Tender Offeror shall complete the payment on the business day preceding the settlement commencement date (hereinafter referred to as the "Payment Date"). However, this shall be on the condition that (a) the representations and warranties (Note 1) of the Target Company are true and correct in all majorly material respects (but without applying any reservation of materiality or significance) as of the execution date of the Capital & Business Alliance Agreement, the commencement date of the Tender Offer and the Payment Date; (b) The Target Company has performed or complied in major material respects with the matters required to be performed or complied with by the Payment Date under the Capital & Business Alliance Agreement (Note 2); (c) The Securities Registration Statement regarding the Third-Party Allotment has become effective and has not been suspended; (d) the Tender Offer has been implemented; (e) There have been no judgments, etc. by judicial or administrative agencies, etc. prohibiting or restricting the Transactions, and no proceedings relating thereto are pending; and (f) a share transfer agreement (hereinafter the "DeSC Share Transfer Agreement") relating to the transfer of the shares of DeSC common stock owned by the Tender Offeror to the Target Company has been legally and validly executed and is in effect, and that the DeSC Share Transfer is expected to be implemented in accordance with the DeSC Share Transfer Agreement. The Tender Offeror may, however, in its sole discretion, waive all or any part of such conditions.

(Note 1) In the Capital & Business Alliance Agreement, the Target Company represents and warrants that for the execution date of the Capital & Business Alliance Agreement, the start date of the Tender Offer, the Business Day Before the Settlement Date of the Tender Offer, and the Payment Start Date, the following hold true for the Target Company Group: (a) legal and effective incorporation and existence; (b) performance of procedures for the execution and performance of the Capital & Business Alliance Agreement; (c) enforceability of the Capital & Business Alliance Agreement; (d) absence of any conflict with laws and regulations with respect to execution and performance of the Capital & Business Alliance Agreement; (e)

obtaining necessary permits and approvals; (f) matters relating to shares and stock acquisition rights; (g) accuracy of securities reports; (h) compliance with laws and regulations; (i) absence of bankruptcy proceedings; (j) absence of relationships with anti-social forces; (k) absence of insider information, (l) accuracy of information disclosure, etc.

(Note 2) In addition to (ii)(A), (B), and (C) above and (iii)(A), (iv), (vi)(B), (viii)(D), and (xii) below, Target Company is obligated to (a) operate the Target Company Group with the duty of care and (b) maintain confidential information.

(iv) DeSC Share Transfer

(A) The Tender Offeror and the Target Company shall enter into the DeSC Share Transfer Agreement as of the date of execution of the Capital & Business Alliance Agreement, and subject to the Tender Offer and the Third-Party Allotment making the Target Company a consolidated subsidiary of the Tender Offeror, the Tender Offeror shall transfer to the Target Company the 11,172 shares of common stock of DeSC it holds in accordance with such agreement and the Target Company shall receive 11,172 shares of common stock held by the Tender Offeror.

(v) Content of the Business Alliance (Note 3)

(A) The Target Company and DeSC will each continue, after the execution date of the Capital & Business Alliance Agreement, to improve their services through the Capital & Business Alliance prescribed in said Agreement through the Target Company's analysis of receipts, etc. and interventions to prevent serious illness and DeSC's healthcare entertainment application, kencom, and analysis of receipts, etc.

(B) With regards to the data health business, the Target Company and DeSC shall engage in the following activities as part of the business alliance: (a) promoting the introduction of kencom to local governments, (b) promotion of the introduction of Target Company-provided services to local governments that do not have a business relationship with the Target Company, (c) promotion of the data cleansing business, stratification analysis technology, and intervention business of the Target Company for health insurance societies, and (d) providing solutions by combining the Target Company's business to prevent worsening condition for people with health risks and DeSC's health promotion business for people who are not interested in their health.

(C) If DeSC needs to conduct data analysis in its own data health business, DeSC shall, upon agreement between the Target Company and DeSC, outsource to the Target Company the data cleansing services for the information provided by the health insurance societies and local governments.

(D) With respect to the utilization of data for public interest, the Target Company and DeSC will continue their business alliance with respect to (a) market expansion for the Target Company's and DeSC's data business through the utilization of data held by DeSC and data held by the Target Company, (b) development and operation of database systems for the Target Company's and DeSC's data business, and (c) activities related to the provision and sale of data held by the Target Company and DeSC.

(Note 3) This section shall become effective as of the settlement commencement date of the Tender Offer, subject to the condition that the payment of the Purchase Price has been made. It has been agreed in the Capital & Business Alliance Agreement that the Original Capital & Business Alliance Agreement shall be terminated as of the settlement commencement date of the Tender Offer, subject to the condition precedent that the Payment Amount has been paid.

(vi) Management independence

- (A) The Tender Offeror confirms that it intends to maintain and respect the listing of the Target Company's common stock on the Tokyo Stock Exchange and the independence of the Target Company as a listed company, and that it recognizes the importance of serving the common interests of the Target Company's shareholders, including minority shareholders.
- (B) Before the Target Company engages or attempts to engage in the any of the following in the Target Group, excepting in the case where the action is clearly planned or determined separately in the Capital & Business Alliance Agreement, the Target Company will engage in discussion with the Tender Offeror in advance in good faith: (a) Form or change or dissolve a capital alliance; (b) Form or materially change or dissolve a business alliance that reasonably relates to or could affect the business subject to the Capital and Business Alliance; (c) Decide on a business plan or material change in a business plan that could reasonably relate to or affect the business subject to the Capital and Business Alliance; (d) the commencement of a new business that is reasonably related to or could materially affect the business subject to the Capital and Business Alliance; (e) a significant downsizing, withdrawal or material change in the business subject to the Capital and Business Alliance; (f) Merger, company split, transfer of all or a significant part of its business, transfer of all of its business, or any other acts listed in Article 467, Paragraph 1, Items 1 through 4 of the Companies Act; (g) Acquisition, sale or other disposition of shares or equity interests in another person; or (h) Disposal or transfer of material assets, or (i) Borrowing large amounts of money, guaranteeing or assuming the debts of others, or other similar acts.

(vii) Items related to officers

- (A) The number of directors of the Target Company (excluding directors who are members of the Audit and Supervisory Committee) shall be six (6), and the number of directors who are members of the Audit and Supervisory Committee shall be three (3).
- (B) The Tender Offeror may make a separate proposal to the Target Company regarding candidates for directors of the Target Company. In response to such a proposal, the Target Company may elect three (3) candidates proposed by the Tender Offeror as directors of the Target Company (excluding directors who are members of the Audit and Supervisory Committee, and one candidate shall be an outside director). The Target Company will submit to the annual general meeting of shareholders of the Target Company for the fiscal year ending June 30, 2022 (the "Annual Meeting") a proposal to elect one of the candidate proposed by the Tender Offeror as an outside director who is a member of the Audit and Supervisory Committee, one candidate who is a member of the Audit and Supervisory Committee determined after deliberation and agreement with the Tender Offeror, and one candidate who will be an alternate outside director who is a member of the Audit and Supervisory Committee determined after deliberation and agreement with the Tender Offeror.
The Target Company, as the issuing company, will cooperate with the Tender Offeror to the extent reasonable so that such proposal will be approved.
- (C) The number of representative directors of the Target Company shall be two (2), and the Tender Offeror may separately propose to the Target Company a candidate for one (1) of these representative directors. In response to such proposal, the Target Company shall select one person proposed by the Tender Offeror as its representative director at the first meeting of its Board of Directors to be held after the conclusion of this Annual Meeting.

(viii) Other Target Company Group operations

- (A) The Target Company and the Tender Offeror will, at an appropriate time after the

implementation of the Transactions, discuss and consider in good faith the possibility of the merger of the Target Company and DeSC, including the implementation of an absorption-type merger whereby the Target Company will be the surviving company and DeSC will be the absorbed company.

- (B) The Target Company and Tender Offeror shall change the name of the Target Company to "DeHorizon Co., Ltd." at an appropriate time after the implementation of the Transactions.
 - (C) The Target Company and the Tender Offeror shall not change the address of the Target Company's registered head office from 1-21-35, Kusatsushinmachi, Nishi-ku, Hiroshima City, Hiroshima Prefecture, the address of the Target Company's head office as of the execution date of the Capital & Business Alliance Agreement for at least three years after the commencement date of settlement of the Tender Offer.
 - (D) In principle, the Target Company and Tender Offeror shall obtain the prior written consent of the other party before providing assistance to a third party in conducting a transaction, etc. that competes with the business related to the business alliance.
- (ix) Maintenance of voting rights ratio, etc.
- (A) Subject to the condition precedent that the Payment Amount has been paid, from the settlement commencement date of the Tender Offer, if the Target Company intends to issue, dispose of, or grant shares, etc. of the Target Company, the Target Company shall notify the Tender Offeror in writing of such intention and the principal terms and conditions thereof, and the Target Company may, upon the Tender Offeror's written acceptance of such intention the Target Company may issue, dispose of, or grant shares, etc. of the Target Company only if the Tender Offeror agrees in writing.
 - (B) Subject to the condition precedent that the Payment Amount is paid, from the settlement commencement date of the Tender Offer, if the Target Company intends to take any action that may increase the Tender Offeror's ownership percentage of the Target Company's shares in the Target Company, such as the acquisition of its own shares, the Tender Offeror will maintain the Tender Offeror's ownership percentage of the Target Company's shares in the Target Company. In order to implement such measures, the Tender Offeror will consult with the Target Company in good faith in advance.

(x) Termination of the Capital & Business Alliance Agreement

In the following cases, then the Tender Offeror or Target Company may terminate the Capital & Business Alliance by written notice: (a) if the other party breaches or fails to perform any of its obligations under the Capital & Business Alliance Agreement in any material respect, and such breach or failure is not corrected within ten (10) days after notice, notwithstanding any instruction to correct such breach or failure; (b) if the other party breaches in any material respect any of its representations and warranties (Note 4) (Note 5); (c) if bankruptcy proceedings, etc. are commenced against the other party; or (d) if the Tender Offeror breaches or threatens to breach any of the delisting standards.

(Note 4) In the Capital & Business Alliance Agreement, the Target Company represents and warrants that for the execution date of the Capital & Business Alliance Agreement, the start date of the Tender Offer, the Business Day Before the Settlement Date of the Tender Offer, and the Payment Start Date, the following hold true for the Target Company Group: (a) legal and effective incorporation and existence; (b) performance of procedures for the execution and performance of the Capital & Business Alliance Agreement; (c) enforceability of the Capital & Business Alliance Agreement; (d) absence of any conflict with laws and regulations with respect to execution and performance of the Capital & Business Alliance Agreement; (e) obtaining necessary permits and approvals; (f) matters relating to shares and stock acquisition rights; (g) accuracy of securities reports; (h) compliance with laws and regulations; (i) absence of bankruptcy proceedings; (j) absence of relationships with anti-social forces; (k) absence of insider information, (l) accuracy of information disclosure, etc.

(Note 5) In the Capital & Business Alliance Agreement, the Tender Offeror represents and warrants that for the execution date of the Capital & Business Alliance Agreement, the start date of the Tender Offer, the Business Day Before the Settlement Date of the Tender Offer, and the Payment Start Date, the following hold true for the Tender Offeror and DeSC: (a) legal and effective incorporation and existence; (b) performance of procedures for the execution and performance of the Capital & Business Alliance Agreement; (c) enforceability of the Capital & Business Alliance Agreement; (d) absence of any conflict with laws and regulations with respect to execution and performance of the Capital & Business Alliance Agreement; (e) obtaining necessary permits and approvals; (f) absence of bankruptcy proceedings; (g) absence of relationships with anti-social forces.

(xi) Conclusion of the Capital & Business Alliance Agreement

The Capital & Business Alliance Agreement will conclude (a) if the Tender Offeror and the Target Company agree to conclude the Capital & Business Alliance Agreement, (b) if it is terminated in accordance with (x) above, or (c) if the number of shares held by the Tender Offeror falls below 33% of the total number of issued shares in the Target Company.

(xii) Damages

The Tender Offeror and the Target Company shall indemnify, compensate or make good any damages, etc. suffered by the other party arising out of or in connection with a breach of its representations and warranties set forth in the Capital & Business Alliance Agreement or a breach of its obligations under the Agreement.

2) The Acceptance Agreement with Mr. Utsumi

The Tender Offeror has entered into a tender agreement (hereinafter the "Tender Agreement (Mr. Utsumi)") with Mr. Utsumi as of June 29, 2022. Under the Tender Agreement (Mr. Utsumi), it was agreed that a portion of the Target Company shares owned by Mr. Utsumi will be tendered to the Tender Offer (total number of shares: 2,121,900 shares, ownership ratio after reflecting the potentially dilutive shares before capital increase: 19.64%; ownership ratio after reflecting the potentially dilutive shares after capital increase: 16.55%, portion of shares to be tendered: 2,021,900 shares, ownership ratio after reflecting the potentially dilutive shares before capital increase: 18.71%; ownership ratio after reflecting the potentially dilutive shares after capital increase: 15.77%).

The summary of the Tender Agreement (Mr. Utsumi) is as follows. There are no preconditions for tendering under the Tender Agreement (Mr. Utsumi).

(A) Upon the start of the Tender Offer by the Tender Offeror, Mr. Utsumi shall promptly (within 10 business days from the start date of the Tender Offer at the latest) tender all of his Target Company Shares to the Tender Offer (hereinafter the "Tender Offer (Mr. Utsumi)"), and shall not withdraw the Tender Offer (Mr. Utsumi) afterwards. In addition, Mr. Utsumi will not terminate the agreement related to the tendering of his Target Company Shares.

(B) During the period from the date of execution of the Tender Agreement (Mr. Utsumi) to the settlement commencement date, Mr. Utsumi shall not transfer, pledge as collateral, or otherwise dispose of the shares subject to the Tender Offer (including tendering shares in any tender offer other than the Tender Offer), or make any proposal, solicitation, discussion, negotiation or provision of information concerning any other transaction that substantially conflicts with the Transaction or makes the execution of the Transaction difficult, and if he receives any information, proposal, solicitation, discussion or other offer concerning such transaction from any third party, he shall promptly notify the Tender Offeror of such fact and details.

(C) If the shareholders meeting of the Target Company is to be held with a record date for the exercise

of rights on or before the settlement commencement date (if the date of such meeting is after the expiration of the Tender Offeror's Tender Offer Period, limited to shares to be purchased from Mr. Utsumi through the Tender Offer), Mr. Utsumi shall, at the option of the Tender Offeror, exercise his voting and other rights with respect to the Target Company shares tendered by him at such meeting (a) in accordance with the Tender Offeror's instructions or (b) grant a general power of attorney to the Tender Offeror or the Tender Offeror's designee with a duly executed power of attorney signed and sealed by an authorized person and not revoke such power of attorney.

(D) Mr. Utsumi shall not transfer or otherwise dispose of all or part of the shares, etc. of the Target Company held by him (if any) during the period from the date the Tender Agreement (Mr. Utsumi) is concluded until Mr. Utsumi loses his position as representative director of the Target Company, nor shall he provide information, make proposals, solicit, discuss or negotiate with any third party regarding the transfer of all or part of such shares, etc. In addition, during the period from the date the Tender Agreement (Mr. Utsumi) is concluded until Mr. Utsumi loses his position as representative director of the Target Company, no assignment, succession or other acquisition with respect to the shares, etc. of the Target Company, nor any agreement stipulated in Article 27-2, Paragraph 7, Item 2 of the Act with a third party may be made.

(E) The parties agree to terminate the present Shareholders Agreement concluded on August 14, 2020 between Mr. Utsumi and the Tender Offeror (hereinafter the "Present Shareholders Agreement" upon execution of this Tender Agreement (Mr. Utsumi).

(F) If the other party suffers damages or other losses arising out of or in connection with a breach of representations and warranties (Note 1) (Note 2) or violation or a breach of obligations (Note 3) (Note 4) by the Tender Offeror or Mr. Utsumi under this Tender Offer Agreement (Mr. Utsumi) the other party shall indemnify the other party against such damages.

(Note 1) Under the Tender Offeror Agreement (Mr. Utsumi), the Tender Offeror, as of the date of execution of the Tender Offeror Agreement (Mr. Utsumi), the start date of the Tender Offer and the settlement commencement date of the Tender Offer, represents and warrants the following with respect to the Tender Offeror: (a) legal and valid establishment, (b) performance of procedures for the execution and performance of the Tender Offeror Agreement (Mr. Utsumi), (c) enforceability of the Tender Offeror Agreement (Mr. Utsumi), (d) absence of conflict with laws and regulations with respect to the execution and performance of the Tender Offeror Agreement (Mr. Utsumi), (e) absence of bankruptcy proceedings, etc., (f) the absence of any relationship with antisocial forces, etc.

(Note 2) Under the Tender Offeror Agreement (Mr. Utsumi), Mr. Utsumi, as of the date of execution of the Tender Offeror Agreement (Mr. Utsumi), the start date of the Tender Offer and the settlement commencement date of the Tender Offer, represents and warrants the following with respect to Mr. Utsumi: (a) he has the capacity, authority and ability to act, (b) there is no conflict with laws and regulations with respect to the execution and performance of the Tender Agreement (Mr. Utsumi), (c) there are no bankruptcy proceedings, (d) there are no relationships with antisocial forces, (e) there is legal and valid ownership of the Target Shares tendered by Mr. Utsumi, and that the Target Group is not a party to any lawful or valid contract of sale or purchase of the Target Shares. (f) the legal and valid incorporation of the Target Company Group, (g) the performance by Mr. Utsumi of the procedures for the execution and performance of the Tender Agreement (Mr. Utsumi), (h) the acquisition of the necessary permits and approvals, etc. for the Tender Offer, (i) the legality and validity, etc. of the Target Company Shares, (j) the legality and validity, etc. of the shares of subsidiaries held by the Target Company, (k) appropriateness of securities reports, etc., (l) appropriateness of contents of financial statements and accounting books, etc., (m) compliance with laws and regulations, (n) legal and effective ownership of intellectual property rights, systems and assets, (o) legal and effective conclusion of contracts, etc., (p) conclusion of appropriate insurance contracts and performance of obligations to pay insurance premiums, (q) absence of unpaid wages,

(q) absence of unpaid wages, etc., (r) fulfillment of tax reporting, etc., (s) absence of lawsuits or claims, etc., (t) absence of claims, obligations and transactions with tendering shareholders or their relatives, (u) absence of bankruptcy proceedings, etc., (v) absence of relationships with antisocial forces, etc., (w) absence of insider information, or (x) accuracy of information disclosure.

(Note 3) Under the Tender Offeror Agreement (Mr. Utsumi), the Tender Offeror is obligated (a) to notify about any breach or threatened breach of its representations and warranties or obligations under the Tender Offeror's Agreement (Mr. Utsumi) and (b) to maintain confidential information.

(Note 4) Under the Tender Offeror Agreement (Mr. Utsumi), Mr Utsumi is obligated (a) to notify about any breach or threatened breach of his representations and warranties or obligations under the Tender Offeror's Agreement (Mr. Utsumi), (b) to exercise his duty of care and diligence in the operation of the Target Company Group, and (c) to maintain confidential information.

3) The Acceptance Agreement with BCAM

The Tender Offeror has entered into a tender agreement (hereinafter the "Tender Agreement (BCAM)") with BCAM as of June 29, 2022. Under the Tender Agreement (BCAM), it was agreed that the Target Company shares owned by the fund operated by BCAM as an investment manager will be tendered to the Tender Offer (number of shares: 353,600 shares, ownership ratio after reflecting the potentially dilutive shares before capital increase: 3.27%; ownership ratio after reflecting the potentially dilutive shares after capital increase: 2.76%, hereinafter the "BCAM Tender Shares").

The summary of the Tender Agreement (BCAM) is as follows. There are no preconditions for tendering under the Tender Agreement (BCAM).

- (A) Upon the start of the Tender Offer by the Tender Offeror, BCAM shall promptly (within 15 business days from the start date of the Tender Offer at the latest) tender all of their Target Company Shares to the Tender Offer (hereinafter the "Tender Offer (BCAM)"), and shall not withdraw the Tender Offer (BCAM) afterwards. In addition, BCAM will not terminate the agreement related to the tendering of its Target Company Shares.
- (B) If a tender offer for the shares of the Target Company by a third party other than the Tender Offeror is launched before the last day of the Tender Offer Period, or if a tender offer for the shares of the Target Company or any other offer for the acquisition of the Target Company is made at least three business days before the last day of the Tender Offer Period (hereinafter in this (B) the "Counteroffer") and the purchase price of the Target Company Shares in the Counteroffer exceeds the purchase price in the Tender Offer, BCAM may not accept the Tender Offer for all or part of the BCAM Tender Shares, or cancel the agreement for the Tender Offer for the BCAM Tender Shares that was concluded as a result of the Tender Offer (BCAM), and BCAM may accept the Counteroffer.
- (C) After the date of execution of this Tender Agreement (BCAM) and until the settlement commencement date, BCAM shall not actively propose or solicit itself for the transfer, pledge as collateral, or other disposition of the shares tendered by BCAM or any other transaction that would substantially conflict with the Tender Offer or make the execution of the Tender Offer difficult. However, if BCAM receives any information, proposal, solicitation, discussion or other offer regarding such transactions from a third party, BCAM shall promptly notify the Tender Offeror of such fact and details, and may hold discussions with such third party only after such fact and details are notified.
- (D) If the shareholders meeting of the Target Company is to be held with a record date for the exercise of rights on or before the settlement commencement date (if the date of such meeting is after the expiration of the Tender Offeror's Tender Offer Period, limited to the BCAM Tender Shares), BCAM shall, at the option of the Tender Offeror, exercise its voting and other rights

with respect to the Target Company shares tendered by it at such meeting (a) in accordance with the Tender Offeror's instructions or (b) grant a general power of attorney to the Tender Offeror or the Tender Offeror's designee with a duly executed power of attorney signed and sealed by an authorized person and not revoke such power of attorney.

4) The Acceptance Agreement with Accepting Shareholders Other Than Mr. Utsumi and BCAM

The Tender Offeror has entered into Tender Agreements with the Accepting Shareholders other than Mr. Utsumi (hereinafter "Accepting Shareholders Other Than Mr. Utsumi and BCAM") as of June 29, 2022 (hereinafter these agreements with each Accepting Shareholder shall collectively be "Tender Agreements (Other Than Mr. Utsumi and BCAM)"). In the Tender Agreements (Other Than Mr. Utsumi and BCAM) it was agreed that a portion (number of shares: 773,000 shares, ownership ratio after reflecting the potentially dilutive shares before capital increase: 7.15%; ownership ratio after reflecting the potentially dilutive shares after capital increase: 6.03%) of the Target Company Shares owned by Accepting Shareholders Other Than Mr. Utsumi and BCAM (total number of shares: 1,344,600 shares, ownership ratio after reflecting the potentially dilutive shares before capital increase: 12.44%; ownership ratio after reflecting the potentially dilutive shares after capital increase: 10.49%, portion) will be tendered to the Tender Offer.

The summary of the Tender Agreements (Other Than Mr. Utsumi and BCAM) is as follows. There are no preconditions for tendering under the Tender Agreement (Other Than Mr. Utsumi and BCAM).

- (A) Upon the start of the Tender Offer by the Tender Offeror, Accepting Shareholders Other Than Mr. Utsumi and BCAM shall promptly (within 15 business days from the start date of the Tender Offer at the latest) tender all of their Target Company Shares to the Tender Offer (hereinafter the "Tender Offer (Other Than Mr. Utsumi and BCAM)"), and shall not withdraw the Tender Offer (Other Than Mr. Utsumi and BCAM) afterwards. In addition, Accepting Shareholders Other Than Mr. Utsumi and BCAM will not terminate the agreement related to the tendering of their Target Company Shares.
- (B) During the period from the date of execution of the Tender Agreement (Other Than Mr. Utsumi and BCAM) to the settlement commencement date, Accepting Shareholders Other Than Mr. Utsumi and BCAM shall not transfer, pledge as collateral, or otherwise dispose of the shares subject to the Tender Offer (Other Than Mr. Utsumi and BCAM) (including tendering shares in any tender offer other than the Tender Offer), or make any proposal, solicitation, discussion, negotiation or provision of information concerning any other transaction that substantially conflicts with the Transactions or makes the execution of the Transactions difficult, and if they receive any information, proposal, solicitation, discussion or other offer concerning such transaction from any third party, they shall promptly notify the Tender Offeror of such fact and details.

5) DeSC Shares Transfer Agreement

The Tender Offeror entered into this DeSC Share Transfer Agreement with the Target Company on June 29, 2022. The outline of the DeSC Share Transfer Agreement is as follows.

- (A) The Tender Offeror will transfer 11,172 issued DeSC Shares held by the Tender Offeror to the Target Company on October 1, 2022 or on a date separately agreed upon in writing by the Tender Offeror and the Target Company (hereinafter the "Closing Date"), and the Target Company will receive said shares in accordance with the provisions of the DeSC Share Transfer Agreement (hereinafter the transfer shall be referred to as "DeSC Share Transfer").
- (B) The total transfer price of this DeSC share transfer (the "Transfer Price") is 3,400,008,276 yen (304,333 yen per share).
- (C) The Tender Offeror and the Target Company will execute the DeSC Share Transfer subject to the

fulfillment of certain conditions (Note 1) (Note 2).

(D) Until the DeSC Share Transfer is implemented, the Tender Offeror or the Target Company may terminate the Agreement through written notice if there is (a) any material breach by the other party of its representations and warranties (Note 3) (Note 4), (b) any breach by the other party of its obligations under the DeSC Share Transfer Agreement in any material respect, that cannot be amended or that has not been amended within three (3) business days after notice thereof, (c) if a petition for commencement of bankruptcy proceedings, etc. is filed against the other party, (d) if the Capital & Business Alliance Agreement is terminated or concluded, or (e) if the DeSC Share Transfer is not executed by October 31, 2022 due to reasons not attributable to the other party.

(Note 1) (a) The representations and warranties of the Target Company are true and correct in all material respects as of the Closing Date; (b) the Target Company has performed or complied in all material respects with the performance or compliance requirements under the DeSC Share Transfer Agreement prior to the implementation of the DeSC Share Transfer; (c) there are no lawsuits or other actions pending or existing that seek to prevent the implementation of all or part of the DeSC Share Transfer, and there are no judgments or other decisions by any judicial or administrative agency to the effect that all or part of the DeSC Share Transfer is restricted or prohibited; and (d) the Target Company has become a consolidated subsidiary of the Tender Offeror as a result of the Tender Offeror's Tender Offer for the outstanding common shares of the Target Company pursuant to the Capital & Business Alliance Agreement and the Tender Offeror's issuance of new shares to the Target Company by way of Third-Party Allotment.

(Note 2) (a) The representations and warranties of the Tender Offeror are true and correct in all material respects as of the Closing Date; (b) the Tender Offeror has performed or complied in all material respects with the performance or compliance requirements under the DeSC Share Transfer Agreement prior to the implementation of the DeSC Share Transfer; (c) there are no lawsuits or other actions pending or existing that seek to prevent the implementation of all or part of the DeSC Share Transfer, and there are no judgments or other decisions by any judicial or administrative agency to the effect that all or part of the DeSC Share Transfer is restricted or prohibited; (d) the Board of Directors of DeSC has resolved to approve this transfer of DeSC shares; and (e) as a result of the Tender Offeror's tender offer for the outstanding common shares of the Target Company pursuant to the Capital & Business Alliance Agreement and the Tender Offeror's issuance of new shares to the Target Company through Third-Party Allotment, the Target Company has become a consolidated subsidiary of the Tender Offeror.

(Note 3) In the DeSC Share Transfer Agreement, the Tender Offeror will provide, as of the execution and closing date of the DeSC Share Transfer Agreement, the following representations and warranties with respect to the Target Company Group: (a) the lawful and valid establishment and existence of the Tender Offeror and DeSC; (b) the performance by the Tender Offeror of procedures for the execution and performance by the Tender Offeror of the DeSC Share Transfer Agreement; (c) the enforceability of the DeSC Share Transfer Agreement against the Tender Offeror; (d) the absence of any conflict with laws and regulations with respect to the execution and performance of the DeSC Share Transfer Agreement by the Tender Offeror; (e) the obtaining of necessary permits and approvals, etc. by the Tender Offeror and DeSC; (f) the legality and validity, etc. of the DeSC Shares; (g) the absence of subsidiaries and affiliates of DeSC; (h) the adequacy of the contents of DeSC's financial statements, accounting books, etc.; (i) compliance by DeSC with laws and regulations, etc.; (j) the lawful and valid ownership of intellectual property rights, systems and assets, etc. by DeSC; (j) the lawful and valid ownership of intellectual property rights, systems and assets by DeSC; (k) the lawful and valid execution of contracts, etc. by DeSC; (l) the proper execution of insurance contracts, etc. and performance of obligations to pay insurance premiums, etc. by DeSC; (m) the absence of unpaid wages, etc. at DeSC; (n) the performance of tax reporting, etc. at DeSC;

(o) the absence of lawsuits or claims, etc. at DeSC; (p) the absence of bankruptcy proceedings, etc. at the Tender Offeror and DeSC; (q) the absence of any relationship between the Tender Offeror and DeSC with anti-social forces, etc.; (r) the accuracy of information disclosure, etc.

(Note 4) The Target Company represents and warrants the following in the DeSC Share Transfer Agreement, as of the execution and closing date of the DeSC Share Transfer Agreement: (a) the Target Company is legally and validly established and continues to exist; (b) the procedures for the execution and performance of the DeSC Share Transfer Agreement have been followed; (c) the DeSC Share Transfer Agreement is enforceable; (d) there is no conflict with any laws or regulations regarding the execution and performance of the DeSC Share Transfer Agreement; (e) the necessary permits and licenses have been obtained; (f) the absence of bankruptcy proceedings, etc.; and (g) absence of any relationship with anti-social forces, etc.

(4) Measures to ensure the fairness of the Transactions including the Tender Offer, such as measures to ensure the fairness of purchase price, etc. as well as the measures to avoid conflicts of interest, etc.

The Tender Offeror holds 1,370,100 Target Company Shares as of today (ownership ratio after reflecting the potentially dilutive shares before capital increase: 12.68%; ownership ratio after reflecting the potentially dilutive shares after capital increase: 10.69%). The Tender Offer does not constitute a tender offer by a controlling shareholder. It is not planned that all or part of the management of the Target Company will directly or indirectly invest in the Tender Offeror, and the Transactions, including the Tender Offer, do not constitute a so-called management buyout transaction. In order to take all due care to ensure the fairness of the Transaction, including the Tender Offer Price, and to protect the interests of the Target Company's shareholders in general, the Tender Offeror and the Target Company have implemented the following as measures to ensure the fairness of the Transactions and to avoid conflicts of interest. The measures implemented at the Target Company described hereunder are based on the explanation received from the Target Company.

1) The Tender Offeror's obtainment of an equity valuation report from an independent third-party appraisal institution

In order to ensure the fairness of the Tender Offer Price, in determining the Tender Offer Price, in early February 2022 the Tender Offeror requested its financial adviser KPMG to appraise the equity value of the Target Company Shares. The Tender Offeror received a share valuation report regarding the value of the Target Company's shares (hereinafter the "Tender Offeror Share Valuation Report") on June 28, 2022. KPMG is not a related party to the Tender Offeror, the Target Company, or DeSC, and has no material interest in the Transactions.

For the outline of equity valuation report regarding the equity value of the Target Company Shares the Tender Offeror obtained from KPMG the Tender Offeror Share Valuation Report, please refer to "1) Basis of calculation" and "2) Background to calculation" in "(4) Basis for calculation of price of tender offer, etc." under "2. Summary of Purchase, etc." described hereunder.

2) The Target Company's obtainment of an equity valuation report from an independent third-party appraisal institution

In order to ensure the fairness of the Tender Offer Price, the Target Company requested, in forming its opinion regarding the Tender Offer, a third-party appraisal institution Houlihan Lokey, who are independent of the Tender Offeror, DeSC, and the Target Company, to appraise the equity value of the Target Company Shares, and received the Valuation Report for the Target Company Shares dated June 28, 2022 from Houlihan Lokey. It should be noted that as described in "(4) Measures to ensure the fairness of the Transactions including the Tender Offer, such as measures to ensure the fairness of

purchase price, etc. as well as the measures to avoid conflicts of interest, etc.” the Target Company has not obtained from Houlihan Lokey, a fairness opinion for the Tender Offer Price, because the Tender Offeror and the Target Company have taken measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest, and the interests of the Target Company's minority shareholders are considered to be sufficiently considered. Houlihan Lokey is not a related party to the Tender Offeror, the Target Company, or DeSC, and has no material interest in the Transactions. Houlihan Lokey received information and explanations from the Target Company's management regarding the current status and future prospects of the Target Company's business in order to gather and review the information necessary for the calculation of the value of the Target Company's shares. Houlihan Lokey considered the calculation method to be adopted in valuing the Target Company's shares from among several share value calculation methods, and adopted the market price method because the Target Company's shares are listed on the Growth Market of the Tokyo Stock Exchange, and the DCF method to reflect the intrinsic value of the Target Company Shares based on the future business activities of the Target Company. The per share value of the Target Company's shares calculated by Houlihan Lokey based using each of the above methods is as follows.

Market price method:	From 1,508 yen to 1,819 yen
DCF method:	From 1,242 yen to 1,969 yen

In the analysis using the market price method, the equity value per Target Company Share was calculated to be within the range between 1,508 yen and 1,819 yen, based the closing price on the reference date set at June 28, 2022 of ordinary transaction of the Target Company Shares on the Tokyo Stock Exchange Growth Market of 1,686 yen, the simple average of its closing prices for the one month immediately prior to the reference date at 1,508 yen, the simple average of its closing prices for the three months immediately prior to the reference date at 1,819 yen, and the simple average of its closing prices for the six months immediately prior to the reference date at 1,692 yen.

In the analysis using the DCF method, the equity value per Target Company Share was calculated to be within the range between 1,242 yen and 1,969 yen, derived from the analysis of corporate value and equity value of the Target Company, based on the present value calculated by using certain discount rate, of the free cash flows predicted to be generated by the Target Company with reference to its Business Plan from the fiscal year ending June 30, 2022 to the fiscal year ending June 30, 2026, along with the most recent trend of its business performance.

It is also reported that the business plan of the Target Company used for analysis using the DCF method covers the fiscal year in which profits are expected to increase or decrease significantly. Specifically, in the fiscal year ending June 30, 2022, sales and operating income is expected to fall, as described in the Target Company disclosure of April 25, 2022 titled “Notice Regarding the Revision of the Consolidated Earnings Forecast,” as adversely affected by local municipalities’ budget cuts and suspension of projects, apart from the restricted sales activities due to further spread of the COVID-19 pandemic. On the other hand, the national budget started to include 100.0 billion yen plus project expenses each year, for the health insurance providers support scheme, whereby market size is expected to remain largely the same for the foreseeable future. Accordingly, the Target Company is reported to be forecasting increase in sales driven by the share increase in the market related to the aforementioned scheme. While there remains risk associated with the restriction on sales activities due to the impact of the COVID-19 pandemic, the Target Company is reported to be projecting increase in its market share and sales per customer, while maintaining the existing customer retention ratio, by enhancing product added value through improving existing services and commercializing new services such as frailty prevention project, along with the business expansion focusing on medical receipt clarifying technologies which is the Target Company’s original strength

and the business for preventing aggravation of diabetic nephropathy, whereby approximately 20% annual increase in sales is expected each year from the fiscal year ending June 30, 2023. On the basis of the aforementioned factors, the Target Company reportedly forecasts sizable increase in operating income, ordinary income, income before income taxes and others, and net income in the fiscal year ending June 30, 2023, the fiscal year ending June 30, 2024, and the fiscal year ending June 30, 2026. Specifically, while the Target Company reportedly forecasts an operating loss in the fiscal year ending June 30, 2022, it forecasts and operating profit in the fiscal year ending March 31, 2023. Also, the Target Company reportedly forecasts a 100% or more increase year-on-year in operating profit in the fiscal year ending June 30, 2024, and a 40% or more increase year-on-year in operating profit in the fiscal year ending June 30, 2026. In addition, since it was difficult to estimate the specific impact of the Tender Offer, the Business Plan was not premised on the Tender Offer.

3) Advisory opinion for the Target Company from an independent law firm

The Target Company reportedly selected a law firm Nagashima Ohno & Tsunematsu as legal advisor independent of the Tender Offeror, DeSC, and the Target Company in late February, 2022, with a view to obtaining professional advice on the fairness and legality of the procedures in the decision-making process involved in the Transactions, and currently is receiving legal advice therefrom as appropriate on the points to be noted concerning the decision-making regarding the Transactions, including method and procedures for decision-making at the Board of Directors of the Target Company.

4) Approval of all Directors (including Directors serving as the Audit and Supervisory Committee Members) who have no interest in the Target Company

As described in “2) The decision-making process of and the reason behind the Target Company’s consent to the Tender Offer” in “(2) Background, purpose and decision-making process that led to the decision to implement the Transactions, and the management policy after the Transactions,” the Target Company reportedly expressed its consent to the Tender Offer, while adopting resolution to leave the decision whether to accept the Tender Offer up to shareholders of the Target Company, as the Tender Offer was believed to contribute to enhancing the Target Company’s corporate value by making DeSC a subsidiary of the Target Company while the Target Company becomes a consolidated subsidiary of the Tender Offeror, which will maintain its listing, the cooperation between the two companies can be further strengthened while the Target Company can ensure a certain degree of management independence, based on the consensus of the eight Directors in attendance at the Board of Directors’ meeting held on June 29, 2022, not including Mr. Utsumi, Representative Director of the Target Company and one of the Accepting Shareholders, who has already expressed his intention to accept the Tender Offer with respect to part of the Target Company Shares he owned given that the Tender Offeror has set a maximum number of shares to be purchased in the Tender Offer and that the Tender Offeror intends to continue to maintain the listing of the Target Company’s shares after the Tender Offer, and Mr. Segawa who is an employee of the Tender Offeror and concurrently serves as Representative Director of DeSC, a consolidated subsidiary of the Tender Offeror, out of all 10 Directors of the Target Company (including Directors serving as the Audit and Supervisory Committee Members). As described in “2) The decision-making process of and the reason behind the Target Company’s consent to the Tender Offer” in “(2) Background, purpose and decision-making process that led to the decision to implement the Transactions, and the management policy after the Transactions,” the Tender Offer has set a maximum number of shares to be purchased and the Target Company’s shares will remain listed after the Tender Offer, and while shareholders of the Target Company who do not wish to sell their shares have the choice to continue to hold their shares after the Tender Offer, the Target Company reportedly believes it necessary to set the Tender Offer Price at

a premium to the market price to ensure that shareholders of the Target Company who wish to sell their shares have an opportunity to do so at a reasonable price. The Target Company reportedly believes that the Tender Offer Price is considered to be sufficient to protect the interests of minority shareholders of the Target Company, since the Tender Offeror intends to continue to maintain the listing of the Target Company's shares after the Transaction, and shareholders of the Target Company who do not wish to sell their shares will have the option to continue to own the Target Company's shares after the Transactions. The Target Company has conducted the Third-Party Allotment in compliance with the regulations prescribed in the Companies Act regarding favorable issuance, and as described in "5) Opinion on Necessity and Reasonableness of the Third-Party Allotment" below, the Target Company has obtained a written opinion from an audit committee member regarding the necessity and reasonableness of the Third-Party Allotment. In addition, with respect to the DeSC Share Transfer, G-FAS Corporation, a financial and tax advisor independent of the Tender Offeror, DeSC and the Target Company, and Nagashima Ohno & Tsunematsu, a legal advisor independent of the Tender Offeror, DeSC, and the Target Company, were retained to perform due diligence. The Target Company believes that the DeSC Shares purchase price is appropriate and there is no deficiency in the protection of the interests of the Target Company's minority shareholders because the terms of the transaction have been agreed upon after conducting due diligence and obtaining a valuation report from Houlihan Lokey, a financial advisor, regarding the value of DeSC's shares. Mr. Utsumi is scheduled to enter into a tender agreement for the Tender Offer because he was requested by the Tender Offeror to do so to better ensure that the number of tendered shares exceeds the minimum number of shares to be purchased. It has been determined that he does not have any interests different from those of minority shareholders in the negotiations with the Tender Offeror regarding the Transactions, and has participated in the discussions with the Tender Offeror regarding the Tender Offer from the standpoint of the Target Company. In addition, Mr. Segawa, who concurrently serves as an employee of the Tender Offeror and a representative director of DeSC, a consolidated subsidiary of the Tender Offeror, has participated in the discussions regarding the Transactions from the standpoint of the Tender Offeror and DeSC, and therefore has not participated in the discussions regarding the Transactions from the standpoint of the Target Company.

5) Opinion on the Necessity and Reasonableness of the Third-Party Allotment

In the Third-Party Allotment, in light of the fact that, although the dilution ratio of the shares of the Target Company is not expected to be 25% or more, a substantial dilution close to such ratio is expected and that the Tender Offeror will become the controlling shareholder of the Target Company by combining the Third-Party Allotment and the Tender Offer, in accordance with Rule 432, Item 1 of the Securities Listing Regulations of the Tokyo Stock Exchange, for the purpose of obtaining an opinion on the necessity and reasonableness of the Third-Party Allotment from a person who is independent of the Target Company's management to a certain degree, the Target Company obtained a written opinion on the necessity and reasonableness of the Third-Party Allotment from Mr. Hiroshi Noma, Mr. Tsugiyoshi Jinde, and Mr. Tetsuro Takeshima, outside directors and members of the Audit and Supervisory Committee, who are independent directors of the Target Company. The summary of the written opinion is as follows.

(A) Conclusion

The opinion is that the Third-Party Allotment is necessary and reasonable.

(B) Reason

A. Necessity of the Third-Party Allotment

The Target Company and Tender Offeror entered into a business alliance agreement in April 2020

between DeSC and the Target Company in the data health-related business, and since then, the Target Company and Tender Offeror have supported health promotion for people and accelerated support for efforts to rationalize healthcare costs in Japan. Furthermore, in August 2020, the Target Company and the Tender Offeror entered into a Capital & Business Alliance Agreement to further advance the collaboration and leverage the strengths of the two companies to accelerate health-related businesses for local governments and health insurance societies in order to support the health promotion of consumers and jointly work on the data business to contribute to achieving a zero primary balance for medical costs.

According to the Target Company, in the environment surrounding the healthcare industry to which the Tender Offeror and the Target Company belong, the Japanese government is currently aiming to rationalize healthcare costs by maintaining people's health and preventing the worsening of condition through strengthening the functions of health insurance societies based on the data health plan it is promoting. On the other hand, local governments are facing various challenges in specific health guidance and prevention of worsening condition as they promote the spread of data health based on the foundation of the National Health Insurance. In particular, reportedly the prevention of serious illnesses among the early-stage elderly, aged 65 to 74, has become an urgent issue in the National Health Insurance systems of local governments throughout Japan. In response, the effective utilization of health data such as receipts (medical fee statements), medical examinations, life logs, medical records, and laboratory test values held by insurers and medical institutions is expected to support the improvement of the nation's health and as a means to rationalize the primary balance of medical costs. The market for the operation of health promotion support services using ICT (information and communications technology) and services related to the utilization of healthcare data provided by the Tender Offeror and the Target Company is expected to continue to expand.

The Tender Offeror and the Target Company have reached the conclusion that, in light of the business environment in the healthcare industry in which both companies are operating, it is necessary to strengthen the alliance between the two companies, including strengthening the capital relationship, in order to further promote the business of both companies. Reportedly the companies began discussing detailed measures to enhance the capital relationship from early January 2022. Tender Offeror has strengths in the operation of services that users enjoy and continue to use and that support the improvement of health in their daily lives, and in data analysis based on such services, which it has cultivated through the provision of healthcare services for the public, such as the healthcare entertainment application "kencom". Meanwhile, the Target Company reportedly has strengths in standardization of municipal healthcare big data, data analysis, and diabetic nephropathy severity prevention and management projects, according to the company. The Tender Offeror and the Target Company have reportedly come to the conclusion that the two companies' goal of extending healthy lifespans and achieving a zero primary balance can be further accelerated by strengthening cooperation between the two companies even more than before and by establishing a smooth and prompt cooperative relationship between the two companies.

Therefore, in order to make the collaboration with the Target Company effective, the Tender Offeror considered it necessary to make DeSC a subsidiary of the Target Company while making the Target Company a consolidated subsidiary of the Tender Offeror through the Third-Party Allotment and the Tender Offer to be conducted in connection therewith, in order to promote the business of the Two Groups together in order to increase corporate value for both companies.

There is nothing unreasonable in the above explanation, and both the capital & business alliance between the Target Company and the Tender Offeror and the conversion of DeSC into a subsidiary will contribute to the improvement of the Target Company's corporate value, and thus this opinion

is that the use of the funds from the Third-Party Allotment to make DeSC a subsidiary is reasonable. In addition, the Target Company, after conducting due diligence through its financial and tax advisor, G-FAS Corporation, and its legal advisor, Nagashima Ohno & Tsunematsu, obtained a valuation report from Houlihan Lokey regarding the value of DeSC's shares, and received a valuation report with ranges of the value for DeSC Shares of 2.6 to 4.0 billion yen using the DCF method, and of 3.7 to 3.9 billion yen using the comparable company comparison method. According to the report that Houlihan Lokey submitted to the outside directors and Audit and Supervisory Committee members, Houlihan Lokey has calculated the value of DeSC's shares based on the business plan submitted by DeSC on March 7, 2022, and has used DCF to reflect DeSC's future business activities in the calculation. This opinion is that the calculation method and results are reasonable. Therefore, the need to raise 3.4 billion yen through this Third-Party Allotment to acquire the DeSC Shares held by the Tender Offeror (95% of issued DeSC Shares) is also considered reasonable.

In light of the above, this opinion is that the Third-Party Allotment is necessary.

B. Reasonableness of the Third-Party Allotment

(a) Reasonableness of the Third-Party Allotment as a method

When considering this Third-Party Allotment, it is reasonable to consider the Third-Party Allotment to the Tender Offeror as the first option as a method of raising funds to enhance corporate value by promoting the Capital & Business Alliance with the Tender Offeror Group, as it is a part of said alliance. In addition, from the perspective of how to protect existing shareholders and, at the same time, how to efficiently and reliably achieve financing at the timing necessary to enhance the Target Company's corporate value, it has been determined that the Third-Party Allotment is the best option at this time after considering several other financing methods. This opinion is that the Third-Party Allotment is reasonable as a method.

Specifically, with respect to the contrast with other means of fundraising, first, with respect to the issuance of common stock through a public offering, it is recognized that it is difficult to raise funds of the necessary scale after selecting a lead managing underwriter under the unstable stock market conditions such as inflation against the backdrop of the Russian invasion of Ukraine. Nevertheless, if an amount equivalent to the amount raised this time is raised through a public offering or other means, there is a risk that such issuance may adversely affect the interests of existing shareholders. In addition, it is recognized that it will not be easy to issue or borrow funds on terms that are reasonable for the Target Company and the Target Company's shareholders, since the issuance of straight bonds, borrowing from financial institutions, and other debt financing will result in increased interest costs and other costs. Also, with respect to stock acquisition rights, including so-called MS warrants, the timing and amount of funding are uncertain, and are not considered appropriate as a financing method for the use of funds for the acquisition of DeSC. Furthermore, for so-called MSCB not only does the number of dilutive shares fluctuate with the change in the company stock price, but the scale of dilution cannot be forecasted and it is uncertain how many of the shares held by the Tender Offeror will be converted, so it is not considered appropriate as a method of raising funds to enhance the corporate value of the company by promoting the capital and business alliance with the Tender Offeror Group as it would be conducted as a part of the Capital & Business Alliance with the Tender Offeror Group. In addition, a rights offering is not an appropriate method of raising funds given the circumstances of the Target Company, which should place a high priority on the certainty of raising funds.

In light of the above, in comparison with other fundraising methods, this opinion is that the Third-Party Allotment method for fundraising is reasonable.

(b) Issuance conditions

The "Guidelines Concerning Handling of Third-Party Allotments" of the Japan Securities Dealers Association (JSDA) stipulates that "the amount to be paid in shall be not less than the amount obtained by multiplying the price on the day immediately preceding the date of resolution by the Board of Directors regarding the issuance of shares (or, if there is no trading on the immediately preceding date, the price on the most recent date prior to the immediately preceding date) by 0.9." In this regard, the amount to be paid for the new shares (1,686 yen) is equivalent to the closing price of the Target Company's shares on the Tokyo Stock Exchange on June 28, 2022, the trading day immediately preceding the date of the Board of Directors' resolution on the Third-Party Allotment (June 29, 2022). Therefore, it can be said that the amount to be paid in is in accordance with the said guidelines, so this opinion is that the amount to be paid is reasonable and is not a favorable issue.

Regarding the fact that the amount to be paid for the Third-Party Allotment is lower than the Tender Offer Price: (1) the Tender Offer Price was determined based on discussions with the Tender Offeror regarding the distribution of the control premium, whereas the amount to be paid for the Third-Party Allotment was determined based on discussions between the Target Company and the Tender Offeror from the perspective of achieving the Target Company's fundraising objectives, and given that the need to pay a control premium to the issuing company, unlike in the case of large shareholders, is low, the nature of the two companies differ; (2) in the case of a Third-Party Allotment involving a corporate tie-up with the allottee or the making of a subsidiary by the allottee, in relation to the regulations on favorable issue under the Companies Act, the dominant opinion is that using the share price without factoring in the effects of such tie-up or making a subsidiary as the basis for the amount to be paid would mean that synergies are distributed between the two parties in proportion to the shareholding ratio after the shares offered are issued, etc., and is therefore fair, and in light of the above, even if the Tender Offeror sets the Tender Offer Price at an amount different from the amount to be paid in for the Third-Party Allotment for the purpose of the Capital & Business Alliance between the Target Company and the Tender Offeror and making the Target Company a subsidiary of the Tender Offeror, it is reasonable to consider that the said amount to be paid in, which is based on the share price and does not incorporate the effects of the Capital & Business Alliance between the Target Company and the Tender Offeror and the making of the Target Company a subsidiary of the Tender Offeror, does not constitute "an amount particularly favorable to subscribers for the offered shares;" and (3) it is considered that the fact that the issue price is lower than the Tender Offeror's price does not affect the conclusion that the issue does not constitute a favorable issuance, since the Target Company is evaluated to have discussed with the Tender Offeror in good faith regarding the determination of the issue price. In light of the above, this opinion is that the Third-Party Allotment issuance conditions are reasonable.

(c) Scheduled allottee

As a result of the discussions, the Target Company and the Tender Offeror have reached the conclusion that it is very important to maintain the Target Company's unique corporate culture and management autonomy in order to enhance corporate value through the Target Company's sustainable development, and that in strengthening the capital relationship between the two companies, it is desirable to deepen cooperation between the two companies while respecting the Target Company's independent management. In strengthening the capital relationship between the two companies, the Target Company has decided that it is desirable to make the

Target Company a consolidated subsidiary while maintaining the Target Company's listing, as this will enable the two companies to deepen their cooperation while respecting the Target Company's independent management. In addition, as a specific method to make DeSC a consolidated subsidiary, since the Target Company will be able to meet its financing needs for making DeSC a subsidiary by raising funds, which will contribute to the expansion of the Target Company's earnings and ultimately to the enhancement of the corporate value of both companies, the Target Company concluded that it would be desirable to combine not only the Tender Offer but also the Third-Party Allotment. In addition, in order to further enhance the corporate value of both groups, the Tender Offeror and the Target Company intend to (i) further strengthen collaboration and synergy creation between the Tender Offeror's healthcare business, the Target Company, and DeSC, and (ii) further strengthen the business relationship between the Tender Offeror's healthcare business and DeSC through collaboration and asset utilization with the Target Company's businesses other than the healthcare business. These explanations are sufficiently reasonable.

With regard to the existence of assets required for the payment by the Tender Offeror, the Annual Securities Report for the fiscal year ended March 31, 2022 (filed on June 27, 2022) submitted by the Tender Offeror to the Director-General of the Kanto Finance Bureau confirms that the Tender Offeror Group has sufficient cash and cash equivalents (78,296 million yen) to make the payment for the Third-Party Allotment. There are no circumstances that give rise to concern that the company's financial condition has deteriorated significantly since then, and it was determined that there is no problem with the certainty of the payment for the Third-Party Allotment.

In addition, the Tender Offeror is listed on the Prime Market of the Tokyo Stock Exchange, and the Target Company has confirmed on the website of the Tokyo Stock Exchange its basic policy toward the elimination of anti-social forces and the status of the maintenance of such policy, as stated in the Corporate Governance Report (last updated on April 1, 2022) submitted by the Tender Offeror to the Exchange. The Target Company has determined that the Tender Offeror and its officers and major shareholders have no relationship with anti-social forces, and there is nothing unreasonable in this determination.

In light of the above, this opinion is that the selection of the Tender Offeror as the scheduled allottee for the Third-Party Allotment is reasonable.

(d) Reasonableness of the amount

The amount of funds required to make DeSC a subsidiary, to repay loans, and to provide working capital is 3,400 million yen, and the amount to be raised through the Third-Party Allotment is the same as the amount of funds required. Therefore, the amount to be procured through the Third-Party Allotment can be regarded as an investment in accordance with the need, and is not expected to cause any dilution of the shares of existing shareholders.

(e) Impact on existing shareholders

The number of new shares to be issued by the Third-Party Allotment is 2,016,600 shares (20,166 voting rights), representing 18.86% of the total number of issued shares of the Target Company as of December 31, 2021 (10,695,180 shares) and 18.99% of the total number of voting rights of the Target Company as of the same date (106,190 voting rights), which have a risk of causing a certain amount of dilution and a decline in stock price.

However, such dilution is limited to the extent necessary for the Tender Offeror to finance the Target Company's acquisition of a portion of the Target Company's shares necessary to make the Target Company a consolidated subsidiary of DeSC through the Tender Offer. The degree

of risk of dilution and decline in the share price that could occur is smaller than if the allottee acquires all of the Target Company shares necessary to make the Target Company a consolidated subsidiary through a Third-Party Allotment. In addition, as stated above, the Target Company intends to use the funds raised through the Third-Party Allotment to fund the acquisition required to make DeSC a subsidiary of the Target Company, and as stated above, by raising funds through the Third-Party Allotment, the financial strength of the Target Company will be further strengthened, and the Tender Offer and The Target Company will become a consolidated subsidiary of the Tender Offeror through the Third-Party Allotment, which will contribute to the enhancement of the Target Company's corporate value and shareholder value in the mid to long term, exceeding the dilution described above. Therefore, even taking into account the risk of dilution and a decline in the share price that may result from the Third-Party Allotment, the Target Company's shareholders will be able to benefit from even greater synergies resulting from the enhancement of the Target Company's corporate value and shareholder value.

In light of the above, this opinion is that the number of shares to be issued related to the Third-Party Allotment and the degree of dilution are reasonable.

(g) Relationship between the Tender Offer and the DeSC Share Acquisition

Although the Third-Party Allotment is a formally separate transaction from the Tender Offer and is not the direct subject of this opinion, for the avoidance of doubt, this opinion considered the Tender Offer as described in “(4) Measures to ensure the fairness of the Transactions including the Tender Offer, such as measures to ensure the fairness of purchase price, etc. as well as the measures to avoid conflicts of interest, etc.,” and this opinion is that measures were taken to ensure reasonable fairness, and there was nothing unreasonable.

(h) Summary

Based on the above, the opinion is that the Third-Party Allotment is reasonable.

(5) Whether or not the Tender Offeror is scheduled to additionally acquire share certificate, etc. of the Target Company after the Transactions

Since the Transactions shall be carried out with a view primarily to converting the Target Company into a consolidated subsidiary of the Tender Offeror without involving the delisting of the Target Company Shares, the Tender Offeror as of today is not scheduled to additionally acquire the Target Company Shares after the Transactions.

(6) Prospects and reasons for delisting

As of today, the Target Company Shares are listed on the Growth Market of the Tokyo Stock Exchange, and the Transactions do not envisage delisting of the Target Company Shares, as the policy to maintain the listing of the Target Company Shares after the Transactions is upheld by both the Tender Offeror and the Target Company. As the Tender Offer is scheduled to be conducted setting the upper limit to the number of shares to be purchased at 3,148,600 shares (equivalent to ownership ratio after reflecting the potentially dilutive shares after capital increase at 24.56%), while the number of the Target Company Shares to be acquired by the Tender Offeror through the Third Party Allotment is scheduled to be 2,016,600 shares (equivalent to ownership ratio after reflecting the potentially dilutive shares after capital increase at 15.73%). As a result, ownership ratio for the Target Company Shares owned by the Tender Offeror after reflecting the potentially dilutive shares after capital increase following the Transactions, shall be 50.97% at the maximum, whereby listing of the Target Company Shares is likely to be maintained.

2. Summary of Purchase, etc.

(1) Summary of Target Company

1)	Company name	DATA HORIZON CO., LTD.	
2)	Address	Hiroshima Mikushisu Building, 1-21-35 Kusatsushinmachi, Nishi-ku, City of Hiroshima, Hiroshima	
3)	Name and title of representative	Yoshio Utsumi, Representative Director & President	
4)	Description of business	Development & provision of medical-related information services <ul style="list-style-type: none"> • Data health related services • Generic drug notification services • Health business support systems 	
5)	Stated capital	456,600 thousand yen (as of March 31, 2022)	
6)	Established	March 25, 1982	
7)	Shareholding percentage of major shareholders* (as of December 31, 2021)	Yoshio Utsumi DeNA Co., Ltd. MSIP CLIENT SECURITIES (Standing proxy Morgan Stanley MUFG Securities Co., Ltd.) Benefit One Inc.	19.98% 12.90% 8.19% 7.06%
8)	Relationship between Target Company and DeNA		
	Capital relationship	DeNA owns 1,370,100 of the Target Company Shares (as of March 31, 2022).	
	Personnel relationship	DeNA has dispatched Mr. Sho Segawa as a director to the Target Company. DeNA has also seconded three employees to the Target Company.	
	Transactional relationship	DeNA and the Target Company have concluded a capital & business alliance agreement. Furthermore, DeSC Healthcare Inc., a subsidiary of DeNA, has concluded a business alliance agreement with the Target Company and is conducting transactions related to the outsourcing of data cleansing and other services.	
	Applicability to related parties	No applicable items.	

*The shareholding percentage stated in “Shareholding percentage of major shareholders (as of December 31, 2021) is the percentage of the number of shares held to the total number of shares issued by the Target Company (rounded to two decimal places).

(2) Schedule, etc.

1) Schedule

Date of board of directors resolution	June 29, 2022 (Wednesday)
Date of public notice for commencement of tender offer	June 30, 2022 (Thursday)
Name of the newspaper in which public notice will be published	Public notice will be made electronically, and notice to that effect will be published in the Nihon Keizai Shimbun. (URL for electronic public notice: http://disclosure.edinet-fsa.go.jp/)
Filing date of tender offer registration statement	June 30, 2022 (Thursday)

2) Initial period of tender offer, etc. in the statement

From June 30, 2022 (Thursday) to July 28, 2022 (Thursday) (20 business days)

3) Possibility of extension at the Target Company’s request

If the Target Company submits a position statement requesting an extension of the tender offer period

pursuant to Article 27-10, paragraph 3 of the Act, the tender offer period will be extended to August 12, 2022 (Friday) (30 business days).

(3) Price of tender offer, etc.

Common shares: 2,200 yen per share

(4) Basis for calculation of price of tender offer, etc.

1) Basis of calculation

In determining the Tender Offer Price, the Tender Offeror requested KPMG, a financial advisor acting as a third-party appraiser independent of the Tender Offeror, the Target Company, and DeSC, to calculate the value of the Target Company Shares. KPMG is not a related party to the Tender Offeror or the Target Company, and has no material interest in the Transactions.

After reviewing the calculation method to be adopted in calculating the share value of the Target Company Shares from among multiple share value calculation methods, and given that the Target Company Shares are listed on the Tokyo Stock Exchange's Growth Market, KPMG used the market price method and the DCF method in order to reflect the future state of the company's activities to calculate the share value of the Target Company Shares and the Tender Offeror obtained a Tender Offeror Share Valuation Report dated June 28, 2022 from KPMG. The Tender Offeror has not obtained a written opinion (fairness opinion) from KPMG concerning the appropriateness of the Tender Offer Price, because as described in "(4) Measures to ensure the fairness of the Transactions including the Tender Offer, such as measures to ensure the fairness of purchase price, etc. as well as the measures to avoid conflicts of interest, etc.," under "1. Purpose of Purchase, etc." since the Tender Offeror and the Target Company have taken measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest, and the interests of the Target Company's minority shareholders are considered to have been adequately taken into consideration.

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

Market price method: From 1,508 yen to 1,819 yen

DCF method: From 1,350 yen to 2,273 yen

In the market price method, with June 28, 2022, the Pre-Announcement Day of the Tender Offer, as the reference date, the closing price of the Target Company Shares on the Tokyo Stock Exchange's Growth Market on the reference date was 1,686 yen, the simple average closing price over the one-month period up to the reference date was 1,508 yen (a number less than 1 is rounded off to the nearest whole number, and the same applies hereinafter to calculations of simple average closing prices), the simple average closing price over the three-month period up to the reference date was 1,819 yen, and the simple average closing price over the six-month period up to the reference date was 1,692 yen, and based on these values, the share value range per Target Company Share is calculated as being from 1,508 yen to 1,819 yen.

In the DCF method, the value of the Target Company's shares was calculated by discounting the free cash flow that the Target Company is expected to generate from January 2022 onward at a certain rate to determine the present value based on the earnings and investment plans in the five-year business plan of the Target Company for the period from the fiscal year ending June 30, 2022 to the fiscal year ending June 30, 2026, as well as various other factors such as publicly disclosed information, and the share value range per Target Company Share was calculated as being from 1,350 yen to 2,273 yen. The Business Plan of the Target Company which was used as the basis of the DCF method includes business years in which significant increases in earnings are anticipated. Specifically,

in the fiscal year ending June 30, 2022, revenue and operating profit are expected to decrease due to budget cuts, cancellation of projects by local governments and other reasons, in addition to restrictions on sales activities caused by the spread of the COVID-19 pandemic, as described in the disclosure “Notice Regarding the Revision of the Consolidated Earnings Forecast” made available on April 25, 2022. However, the national government’s budget allocates 100.0 billion yen or more expenses for the health insurance providers support scheme, the same market size is expected to be maintained in the future, and revenue is expected to increase due to the expansion of the Target Company’s market share in the market related to this program. While there is a risk that sales activities will continue to be restricted in the future due to the impact of the COVID-19 pandemic, business expansion by focusing on the Target Company’s strengths in medical receipt clarifying technology and the prevention of diabetic nephropathy aggravation, as well as by improving existing services to add value to products and commercializing new services such as frailty prevention, will help increase market shares, maintain the retention rate of existing customers, and increase the unit price per customer, and revenue is expected to increase by approximately 20% each year from the fiscal year ending June 30, 2023. Based on these factors, significant increases in operating profit, ordinary income, profit before tax, and profit for the period are expected for the period from the fiscal year ending June 30, 2023 to the fiscal year ending June 30, 2026. Also, the Target Company reportedly forecasts a 100% or more increase year-on-year in operating profit in the fiscal year ending June 30, 2024, and a 40% or more increase year-on-year in operating profit in the fiscal year ending June 30, 2026. In addition, since it was difficult to estimate the specific impact of the Tender Offer, the Business Plan was not premised on the Tender Offer.

In addition to the calculation results in the Tender Offeror Share Valuation Report obtained from KPMG, the Tender Offeror comprehensively considered factors including the changes in the market price of the Target Company Shares, the level of premiums granted at the time of determining the purchase price in 26 cases of tender offers for the purpose of making a company a consolidated subsidiary by persons other than the issuer since January 2019 (the average of premiums was 15.42% for the business day prior to the announcement, 17.99% for the last one month, 19.72% for the last three months, and 19.23% for the past six months; meanwhile the median premium was 14.69% for the business day prior to the announcement, 14.33% for the past month, 20.29% for the past three months, and 21.80% for the past six months), the results of the due diligence of the Target Company conducted by the Tender Offeror from early March 2022 to mid-April 2022, the results of discussions and negotiations with the Target Company and the Accepting Shareholders, the likelihood of obtaining the approval of the Target Company’s board of directors for the Tender Offer, and the prospect for subscriptions to the Tender Offer, and decided at a meeting of the board of directors on June 29, 2022, to set the Tender Offer Price at 2,200 yen per share.

The Tender Offer Price of 2,200 yen includes a premium of 30.49% (rounded off to two decimal places, and the same applies hereinafter to premium calculations) on 1,686 yen, the closing price for the Target Company Shares on the Tokyo Stock Exchange’s Growth Market on June 28, 2022, the Pre-Announcement Day of the Tender Offer, a premium of 45.90% on 1,508 yen, the simple average closing price over the one-month period up to the same date, a premium of 20.98% on 1,819 yen, the simple average closing price over the three-month period up to the same date, and a premium of 30.03% on 1,692 yen, the simple average closing price over the six-month period up to the same date, respectively.

The Tender Offeror purchased 920,100 shares of the Target Company's stock from Mr. Utsumi and other individual shareholders of the Target Company in August 2020 and 450,000 shares of the Target Company's stock from individual shareholders of the Target Company in June 2021, respectively, for 1,666 yen per share (after taking into account the effect of the three-for-one stock split of Target Company shares on October 1, 2021, rounded down to the nearest whole share). The Target Company

acquired these shares through off-market transactions.

The difference of 534 yen compared to the Tender Offer Price of 2,200 yen is due to the difference in the market price of the Target Company's shares is due to the difference in the timing of the determination of the respective prices of the Transaction Price and the Tender Offer Price (i.e. the closing price of 1,686 yen on June 28, 2022, the business date before the Tender Offer, is 181% up from the closing price of 660 yen on August 13, 2020, and 22% up from the closing price of 1,387 yen on June 2, 2021). In addition, the transaction price was determined as a result of negotiations with the Target Company's individual shareholders. Meanwhile, as described above, the Tender Offer Price was determined with consideration for the results of the valuation of the Tender Offeror's shares obtained from KPMG, the trend of the market price of the Target Company's shares, examples of premiums added at the time of determining the Tender Offer Price in past examples of tender offers for the purpose of making the target company a consolidated subsidiary by entities other than the issuer, the results of due diligence on the Target Company conducted by the Tender Offeror, the results of discussions and negotiations with the Target Company and its prospective tendering shareholders, whether or not the Target Company's Board of Directors endorses the Tender Offer, and the results of the Tender Offer. This determination of the Tender Offer Price is also due to the fact that there is a premium of 30.49% over the closing price for the Target Company's shares on the Growth Market of the Tokyo Stock Exchange on June 28, 2022, the business day prior to the announcement of the Tender Offer, which was 1,686 yen.

2) Background to calculation

The Tender Offeror and Target Company initiated discussions regarding the Tender Offer in early January 2022. In early February 2022, KPMG was appointed as the financial advisor and third-party appraiser, and Mori Hamada & Matsumoto was appointed as the legal advisor, independent of the Tender Offeror, DeSC, and the Target Company, and in late February 2022, the Target Company appointed Houlihan Lokey as its financial advisor and third-party appraiser, and Nagashima Ohno & Tsunematsu as its legal advisor, independent of the Tender Offeror, DeSC, and the Target Company, and a system was established to discuss and negotiate regarding the Transactions.

Thereafter, both parties discussed the details of the capital & business alliance, in order to examine the feasibility of the Tender Offer, the Tender Offeror conducted due diligence on the Target Company from the beginning of March 2022 to mid-April 2022. On April 6, 2022, the Tender Offeror made an initial proposal to the Target Company to set the Tender Offer Price at a certain premium to the market price of the Target Company's shares. On April 16, 2022, the Target Company replied that as there was a limit to the number of shares to be purchased in the Tender Offer and that the shares of the Target Company would continue to be listed, for shareholders who did not wish to sell their Target Company Shares there would be the option to continue to hold the Target Company Shares; but for shareholders who did wish to sell their Target Company Shares it was necessary to ensure that they would receive a reasonable price. For this reason, the Target Company stated that the Tender Offer price should be a premium of approximately 30% over the simple average of the closing price on June 28, 2022, which would be the business day prior to the announcement day (hereinafter the "Pre-Announcement Business Day"), as this level of premium was higher than in 18 cases of tender offers since January 2017 conducted by a party other than the issuer with the objective of changing a company into a consolidated subsidiary with a set maximum for the shares to be purchased in the Tender Offer (The average amount of the premium for the business day before announcement was 27.79%, for the past month was 29.19%, for the past three months was 29.35%, and for the past six months was 28.67%; meanwhile the median for the business day before announcement was 21.75%, for the past month was 25.47%, for the past three months was 27.31%, and for the past six months was 25.36%).

The Tender Offeror considered the Tender Offer price again based on the response of the Target Company. However, on April 25, 2022 the Target Company announced a downward revision of the consolidated earnings forecast for the fiscal year ending June 30, 2022, per the disclosure “Notice Regarding the Revision of the Consolidated Earnings Forecast,” and on the same day the Target Company communicated to the Tender Offeror that the Target Company would create a revised Business Plan updated to reflect the content of the earnings forecast revision and the recent business environment. The Tender Offeror felt that sufficient time would be needed to consider the Tender Offer price based on the Business Plan, and so on April 26, 2022 communicated to the Target Company that the Tender Offer, which was originally scheduled for early May 2022, would be postponed, and this communication was acknowledged by the Target Company on the same day. Subsequently the Tender Offeror received the Business Plan from the Target Company on May 12, 2022, and continued deliberations and negotiations while checking the content of the Business Plan. Thereafter, on June 11, 2022, the Tender Offeror proposed to the Target Company that the Tender Offer Price be set at a premium of approximately 20% over the simple average closing price of the Target Company's shares on the Growth Market of the Tokyo Stock Exchange on the business day preceding the announcement of the Tender Offer in order to smooth out the impact of share price fluctuations until the announcement of the Tender Offer. In response, on June 15, 2022 the Target Company responded that their wish was to set the Tender Offer Price at 2,200 yen, due to the need to secure appropriate selling opportunities for Target Company shareholders who wished to sell their Target Company Shares. To this, the Tender Offeror replied that it was important to increase the certainty that the necessary number of shares from Target Company shareholders would be offered in order to make the Target Company a consolidated subsidiary, and for that the Tender Offeror thought it was necessary to attach a sufficient premium to the market stock price. The proposed price of 2,200 yen would be a 43.98% premium on the closing price of 1,528 yen for Target Company Shares on June 21, 2022, and in comparison to observed premium levels in similar cases to the Tender Offer (26 target offer cases from January 2019 conducted by a party other than the issuer with the objective of changing a company into a consolidated subsidiary with a set maximum for the number of shares to be purchased in the Tender Offer (The average amount of the premium for the business day before announcement was 15.42%, for the past month was 17.99%, for the past three months was 19.72%, and for the past six months was 19.23%; meanwhile the median for the business day before announcement was 14.69%, for the past month was 14.33%, for the past three months was 20.29%, and for the past six months was 21.80%)). On June 21, 2022 the Tender Offer and Target Company agreed to a Tender Offer Price of 2,200 yen.

On the other hand, the Tender Offeror also started discussions with Mr. Utsumi and the Accepting Shareholders other than Mr. Utsumi regarding the Transactions, including the Tender Offer, from early March, 2022, and made a proposal regarding the acquisition of the Target Company shares held by the Accepting Shareholders, to which the Tender Offeror received a response from the Accepting Shareholders that they would consider tendering their shares in the Tender Offer. In mid-April 2022, the Tender Offeror made an initial proposal to the Accepting Shareholders to the effect that the Tender Offer price would be a certain premium over the market price of the Target Company Shares, and continued discussions and negotiations regarding the Tender Offer price and the number of shares to be tendered. The Tender Offeror made an initial proposal on June 28, 2022 to the Accepting Shareholders that the Tender Offer Price be set at 2,200 yen per share, and the Accepting Shareholders agreed to this proposal. The Tender Offeror has entered into the Acceptance Agreement as of June 29, 2022 with each of the tendering shareholders respectively.

After such discussions, the Tender Offeror entered into the Capital & Business Alliance Agreement with the Target Company and the Tender Offer Agreement with the Accepting Shareholders, respectively, and agreed on the Tender Offer Price, and therefore, the Board of Directors of the Tender

Offeror, at its meeting held on June 29, 2022, passed a resolution to implement the Tender Offer. For further details regarding the background for how the Tender Offeror determined to make the Tender Offer, please refer to “(1) Outline of the Tender Offer” and “(2) Background, purpose and decision-making process that led to the decision to implement the Transactions, and the management policy after the Transactions” under “1. Purpose of Purchase, etc.” above.

(i) Name of the third parties from whom opinions were obtained on calculation

In order to ensure the fairness of the Tender Offer Price, in determining the Tender Offer Price, the Tender Offeror requested KPMG, a financial advisor acting as a third-party appraiser independent of the Tender Offeror and the Target Company, to calculate the value of the Target Company’s shares. KPMG is not a related party to the Tender Offeror or the Target Company, and has no material interest in the Transactions. The Tender Offeror has not obtained a written opinion (fairness opinion) from KPMG concerning the appropriateness of the Tender Offer Price, because as described in “(4) Measures to ensure the fairness of the Transactions including the Tender Offer, such as measures to ensure the fairness of purchase price, etc. as well as the measures to avoid conflicts of interest, etc.,” under “1. Purpose of Purchase, etc.” since the Tender Offeror and the Target Company have taken measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest, and the interests of the Target Company’s minority shareholders are considered to have been adequately taken into consideration.

(ii) Outline of advice

KPMG calculated the value of the Target Company’s shares using the market price method and the DCF method, and the share value range per Target Company Share calculated using each method are as follows:

Market price method: From 1,508 yen to 1,819 yen

DCF method: From 1,350 yen to 2,273 yen

(iii) Reason for the decision on the Tender Offer Price in consideration of the advice

In addition to the calculation results in the Tender Offeror Share Valuation Report obtained from KPMG, the Tender Offeror comprehensively considered factors including the market trend of the Target Company Shares, examples of premiums granted when deciding the price of tender offer, etc. in examples of tender offers with the aim of making a target company a consolidated subsidiary by persons other than the issuer that took place in the past, the results of the due diligence of the Target Company conducted by the Tender Offeror, the results of discussions and negotiations with the Target Company and the Accepting Shareholders, the likelihood of obtaining the approval of the Target Company’s board of directors for the Tender Offer, and the prospect for subscriptions to the Tender Offer, and decided at a meeting of the board of directors on June 29, 2022, to set the Tender Offer Price at 2,200 yen per share. The Tender Offer Price is above the range of the results of the valuation based on the stock market price method and within the range of the results of the DCF method in the valuation report obtained from KPMG.

3) Relationship with third-party appraiser

KPMG and Houlihan Lokey are not a related party to DeNA, DeSC or the Target Company, and have no material interest in the Tender Offer.

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

Number of share certificates, etc. to be purchased	Minimum number of share certificates, etc. to be purchased	Maximum number of share certificates, etc. to be purchased
3,148,600 shares	3,148,600 shares	3,148,600 shares

(Note 1) If the total number of the tendered share certificates, etc. falls short of the minimum number of share certificates, etc. to be purchased (3,148,600 shares), none of the tendered share certificates, etc. will be purchased. If the total number of tendered share certificates, etc. exceeds the maximum number of share certificates, etc. to be purchased (3,148,600 shares), the excess will not be purchased in whole or in part, and delivery and other settlement procedures relating to the purchase, etc. of the share certificates, etc. will be conducted through the pro rata method prescribed in Article 27-13, paragraph 5 of the Act and Article 32 of the Cabinet Office Ordinance.

(Note 2) Shares less than one unit are also subject to the Tender Offer. If the right to demand purchase of shares less than one unit is exercised by a shareholder in accordance with the Companies Act, the Target Company may purchase its own shares during the tender offer period in accordance with the procedures prescribed by laws and regulations.

(Note 3) DeNA does not intend to acquire the treasury shares held by the Target Company through the Tender Offer.

(Note 4) The Stock Acquisition Rights may be exercised on or before the last day of the tender offer period. In such case, the Target Company Shares issued upon such exercise will be subject to the Tender Offer.

(6) Changes in ownership ratio of share certificates, etc. as a result of the tender offer, etc.

Number of voting rights represented by share certificates, etc. held by DeNA before the tender offer, etc.	13,701	(Ownership ratio of share certificates, etc. before the tender offer, etc.: 12.68%)
Number of voting rights represented by share certificates, etc. held by special related parties before the tender offer, etc.	—	(Ownership ratio of share certificates, etc. before the tender offer, etc.: —%)
Number of voting rights represented by share certificates, etc. held by DeNA after the tender offer, etc.	45,187	(Ownership ratio of share certificates, etc. after the tender offer, etc.: 41.82%)
Number of voting rights represented by share certificates, etc. held by special related parties after the tender offer, etc.	—	(Ownership ratio of share certificates, etc. after the tender offer, etc.: —%)
Number of voting rights of all shareholders, etc. of the Target Company	106,190	

(Note 1) The “Number of voting rights represented by the share certificates, etc. held by DeNA after the tender offer, etc.” is the number of voting rights (13,701 rights) represented by the number of share certificates, etc. held by DeNA before the tender offer, etc. (1,370,100 shares), plus the number of voting rights (31,486 rights) represented by the number of share certificates, etc. to be purchased in the Tender Offer (3,148,600 shares).

(Note 2) The “Number of voting rights of all shareholders, etc. of the Target Company” is the number of voting rights of all shareholders as of March 31, 2022, as stated in the report for the third quarter of the 42nd fiscal year filed by the Target Company on May 13, 2022 (the number of shares per unit is stated as 100 shares, which takes into account the effect of a three-for-one stock split of Target Company Shares on

October 1, 2021). However, since shares less than one unit and Target Company Shares that may be issued upon exercise of the Stock Acquisition Rights are also subject to the Tender Offer, in the “ownership ratio of share certificates, etc. before the tender offer, etc.” calculation, the denominator is 108,046 voting rights, which is the number of voting rights for the total number of Target Company Shares after reflecting the potentially dilutive shares before capital increase (10,804,629 shares).

(Note 3) “Ownership ratio of share certificates, etc. before the tender offer, etc.” and “Ownership ratio of share certificates, etc. after the tender offer, etc.” have been rounded off to two decimal places.

(7) Purchase price: 6,926,920,000 yen

*The “purchase price” is the number of share certificates, etc. to be purchased in the Tender Offer (3,148,600 shares) multiplied by the Tender Offer Price (2,200 yen).

(8) Settlement method

1) Name and main office location of the financial instruments business operator and bank, etc. conducting settlement of purchase, etc.

Daiwa Securities Co. Ltd. 9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

2) Commencement date of settlement

August 4, 2022 (Thursday)

(Note) If the Target Company submits a Opinion Report requesting an extension of the Tender Offer Period pursuant to Article 27-10, Paragraph 3 of the Act, the settlement commencement date will be August 19, 2022 (Friday).

3) Settlement method

Promptly after the expiration of the tender offer period, notice of purchase, etc. through the Tender Offer will be mailed to the address or location of the tendering shareholder, etc. (or the address of the standing proxy in the case of a foreign shareholder, etc.).

Purchase will be made in cash. Based on instructions from a tendering shareholder, etc., the proceeds from the sale related to share certificates, etc. which were purchased, etc. will be remitted (remittance fees may be incurred) by a tender offer agent to the location designated by the tendering shareholder, etc. (or a standing proxy in the case of a foreign shareholder, etc.) or will be paid into the account of a tendering shareholder, etc. regarding whom a tender offer agent has accepted tendering, etc., promptly on or after the date of commencement of payment.

4) Method of returning share certificates, etc.

In the event that share certificates, etc. are not purchased, etc. in whole or in part pursuant to the conditions set forth in “1) Conditions set forth in the items of Article 27-13, paragraph 4 of the Act and details thereof” and “2) Conditions of withdrawal, etc. of tender offer, details thereof, and method of disclosure of withdrawal, etc.” under “(9) Other conditions and methods of purchase, etc.” below, the share certificates, etc. necessary to be returned will be returned by restoring the status of the tendering shareholder’s account opened with the tender offer agent at the time the application was made, promptly after the second business day following the last day of the tender offer period (or, in the event of withdrawal, etc. of the tender offer, the date of such withdrawal, etc.).

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

1) Conditions set forth in the items of Article 27-13, paragraph 4 of the Act and details thereof

If the total number of the tendered share certificates, etc. falls short of the minimum number of share certificates, etc. to be purchased (3,148,600 shares), none of the tendered share certificates, etc. will

be purchased, etc. If the total number of tendered share certificates, etc. exceeds the maximum number of share certificates, etc. to be purchased (3,148,600 shares), the excess will not be purchased, etc. in whole or in part, and delivery and other settlement procedures relating to the purchase, etc. of the share certificates, etc. will be conducted through the pro rata method prescribed in Article 27-13, paragraph 5 of the Act and Article 32 of the Cabinet Office Ordinance.

2) Conditions of withdrawal, etc. of tender offer, details thereof, and method of disclosure of withdrawal, etc.

If any of the circumstances set forth in Article 14, paragraph 1, item (i), (a) through (j) and (m) through (s), Item (iii), (a) through (h) and (j), or paragraph 2, items (iii) through (vi) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended thereafter; the “Cabinet Order”) arises, the Tender Offer may be withdrawn, etc. The term “facts equivalent to those set forth in (a) to (i)” as referred to in Article 14, paragraph 1, item (iii), (j) of the Cabinet Order means 1) cases where any of the statutory disclosure documents submitted by the Target Company in the past is found to contain false statements on important matters or to lack statements on important matters to be contained, and 2) cases where the facts set forth in (a) to (g) of item (iii) have occurred at a material subsidiary of the Target Company.

If intending to withdraw, etc., an electronic public notice will be issued, and notice to such effect will be published in the Nihon Keizai Shimbun. However, if it is difficult to issue a public notice no later than the last day of the tender offer period, a public announcement will be issued by the method set forth in Article 20 of the Cabinet Office Ordinance, followed immediately by a public notice.

3) Conditions of reduction of the offer price, etc., details thereof, and method of disclosure of reduction

Pursuant to the provisions of Article 27-6, paragraph 1, item (i) of the Act, if the Target Company engages in any of the acts specified in Article 13, paragraph 1 of the Cabinet Order during the tender offer period, the offer price, etc. may be reduced in accordance with the standards set forth in the provisions of Article 19, paragraph 1 of the Cabinet Office Ordinance. If intending to reduce the offer price, etc., an electronic public notice will be issued, and notice to such effect will be published in the Nihon Keizai Shimbun. However, if it is difficult to issue a public notice no later than the last day of the tender offer period, a public announcement will be issued by the method set forth in Article 20 of the Cabinet Office Ordinance, followed immediately by a public notice. If the offer price, etc., has been reduced, all tendered share certificates, etc., including those tendered prior to the date of such public notice, will be purchased, etc. at the reduced offer price, etc.

4) Matters concerning the right of tendering shareholders, etc. to terminate contracts

A tendering shareholder, etc. may terminate contracts pertaining to the Tender Offer at any time during the tender offer period. A tendering shareholder, etc. who wishes to terminate a contract must deliver or send, no later than 4:00 p.m. on the last day of the tender offer period, a written statement of termination (the acceptance form of applications for the tender offer and a document stating that contracts pertaining to the tender offer will be terminated) to the main office or any branch in Japan of the tender offer agent that accepted the application for the tender offer. However, if sent by post, the written statement of termination must arrive no later than 4:00 p.m. on the last day of the tender offer period.

Entity authorized to receive written statements of termination

Daiwa Securities Co. Ltd. 9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
(or any branch of Daiwa Securities in Japan)

Even if a tendering shareholder, etc. terminates contracts, DeNA will not claim payment of damage or a penalty from the tendering shareholder, etc. All expenses incurred in returning the tendered share

certificates, etc. will be borne by DeNA. If termination has been proposed, the tendered share certificates, etc. will be returned by the method stated in “4) Method of returning share certificates, etc.” under “(8) Settlement method” above, promptly following completion of procedures relating to such termination.

5) Method of disclosure of changes to conditions, etc. of tender offer

During the tender offer period, DeNA may change the conditions, etc. of the tender offer, unless prohibited by Article 27-6, paragraph 1 of the Act and Article 13 of the Cabinet Order. If DeNA intends to change the conditions, etc. of the tender offer, an electronic public notice containing the details, etc. of such change will be issued, and notice to such effect will be published in the Nihon Keizai Shimbun. However, if it is difficult to issue a public notice no later than the last day of the tender offer period, a public announcement will be issued by the method set forth in Article 20 of the Cabinet Office Ordinance, followed immediately by a public notice. If the conditions, etc. of the tender offer are changed, all tendered share certificates, etc., including those tendered prior to the date of such public notice, will be purchased, etc. according to the conditions, etc. of the tender offer after such change.

6) Method of disclosure in case of submission of amendment

If DeNA submits an amendment to the tender offer registration statement to the Director-General of the Kanto Finance Bureau (except where specified in the proviso to paragraph 11 of Article 27-8 of the Act), DeNA will immediately issue a public announcement of such information contained in the amendment as it relates to the content of the public notice of commencement of the tender offer, according to the method set forth in Article 20 of the Cabinet Office Ordinance. DeNA will also immediately amend the tender offer explanatory statement and will deliver the amended tender offer explanatory statement to tendering shareholders, etc. who have already received the tender offer explanatory statement. However, if the amendments are limited to minor sections of the tender offer explanatory statement, DeNA will make such amendments by preparing a document stating the reasons for such amendments, the items amended, and the contents after amendments, and delivering such document to the tendering shareholders, etc.

7) Method of disclosure of results of tender offer

The results of the Tender Offer will be publicly announced by the method set forth in Article 9-4 of the Cabinet Order and Article 30-2 of the Cabinet Office Ordinance on the date immediately following the last day of the tender offer period.

8) Other matters

The Tender Offer is not, either directly or indirectly, made in or to the U.S., or made by U.S. mail or any other method or means of interstate or international commerce (including, without limitation, telephone, telex, facsimile, e-mail, or internet communication), or made through any stock exchange facility in the U.S. No application for the Tender Offer may be made by the aforementioned method or means, or through the aforementioned facility, or from within the U.S. Further, neither this release nor any related tender offer documents are or can be sent or distributed by mail or any other method in, to, or from within, the U.S. No application for the Tender Offer that directly or indirectly breaches any of the above restrictions will be accepted.

No solicitations for acceptance of securities or other assets are being made to or within the United States, and no such offers will be accepted by residents of the United States, or even if they send such offers to the Company from the United States. In addition, this press release is not intended to solicit any indication of intent to accept the Tender Offer.

When making an application for the Tender Offer, the tendering shareholder, etc. (or a standing proxy in the case of a foreign shareholder) may be requested to make the following representations and warranties to the tendering offer agent: that the tendering shareholder, etc. is not located in the U.S. both at the time of making the application and at the time of sending a tender offer application form etc.; that the tendering shareholder, etc. has not directly or indirectly received or sent any information on the Tender Offer (including any copy of such information) in, to, or from within, the U.S.; that the tendering shareholder, etc. has not directly or indirectly used any U.S. mail or other method or means of interstate or international commerce (including, without limitation, facsimile, e-mail, internet communication, telex, or telephone) or any stock exchange facility in the U.S. in connection with the purchase, etc. or the signature and submission of the tender offer application form; and that the tendering shareholder, etc. is not acting on behalf of another entity as its proxy, trustee or delegate without discretion (unless such other entity has given all instructions concerning the purchase, etc. from outside the U.S.).

(10) Date of public notice for commencement of tender offer

June 30, 2022 (Thursday)

(11) Tender offer agent

Daiwa Securities Co. Ltd. 9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

3. Policies, etc. after the Tender Offer and Future Prospects

For the policies, etc. after the Tender Offer and future prospects, please see “(2) Background, purpose and decision-making process that led to the decision to implement the Transactions, and the management policy after the Transactions” and “(6) Prospects and reasons for delisting” under “1. Purpose of Purchase, etc.” above.

Please also refer to the Target Company’s previous fiscal year’s results included at the end of this press release.

4. Other Matters

(1) Transactions between the Tender Offeror and the Target Company or its officers and the details of such transactions

1) Transactions between the Tender Offeror and the Target Company

The Tender Offeror and Target Company entered into the Original Capital & Business Alliance Agreement on August 14, 2020, to jointly support the improvement of the nation's health by accelerating health services for local governments and health insurance societies, and to jointly conduct a data utilization business to contribute to the zero primary balance of medical expenses. The Tender Offeror and the Target Company entered into the Capital & Business Alliance Agreement on June 29, 2022, and in the Capital & Business Alliance Agreement, it is agreed that the Original Capital & Business Alliance Agreement shall be terminated as of the settlement commencement date of the Tender Offer, subject to a condition precedent that the Payment Amount has been paid. For a summary of the Capital & Business Alliance Agreement, see “1) Capital & Business Alliance Agreement” in “(3) Significant agreements, etc. in respect of the Transactions” under “1. Purpose of Purchase, etc.” above.

DeSC, a subsidiary of the Tender Offeror, entered into a Basic Business Alliance Agreement with the Target Company on April 2, 2020, which includes the following:

DeSC and the Target Company shall (i) engage in the business of providing health promotion services commissioned by or jointly with health insurance societies, other insurers, local governments, etc., the establishment and pursuit of the related business for a data platform to create new value on the

basis of evidence in the healthcare space, and the discussions of said businesses (hereinafter the “Business Alliance”); (ii) execute individual agreements for each business regarding the content of the individual business related to the Business Alliance and the roles and responsibilities, etc. to be performed by DeSC and the Target Company; (iii) DeSC may have the Tender Offeror or DeNA Life Science, a consolidated subsidiary of the Tender Offeror, participate in the examination of the Business Alliance, discussions between the Target Company and DeSC, and the execution of business, etc.; and (iv) The Target Company has agreed that DPP Health Partners, Inc., a consolidated subsidiary of the Target Company, may participate in the examination of the Business Alliance, discussion between the Target Company and DeSC, and the execution of business, etc.

2) Transactions between the Tender Offeror and the Target Company’s officers

On August 14, 2020, the Tender Offeror acquired from Mr. Utsumi 764,100 shares of Target Company Shares held by Mr. Utsumi (ownership ratio after reflecting the potentially dilutive shares before capital increase: 7.07%). In connection with such acquisition, the Tender Offeror had entered into an original shareholder agreement with Mr. Utsumi on August 14, 2020, but the original shareholder agreement was terminated upon the execution of the Tender Agreement (Mr. Utsumi).

(2) Agreements between the Tender Offeror and the Target Company or its officers and the details of such agreements

1) Consent to the Tender Offer

Through the Transactions, DeSC will become a subsidiary of the Target Company while the Target Company will become a consolidated subsidiary of the Tender Offeror, which will remain listed on the Tokyo Stock Exchange, thereby further strengthening the cooperative relationship between the two companies while ensuring a certain degree of management independence of the Target Company. Therefore, the Target Company believes that the Transactions will contribute to improving the Target Company’s corporate value. For this reason at its board of directors meeting held on June 29, 2022, of all ten Target Company directors (including directors who are audit & supervisory board members), eight directors, excluding Mr. Utsumi one of the Accepting Shareholders, who has already expressed his intention to accept the Tender Offer with respect to the part of the Target Company Shares he owns, and who is Representative Director of the Target Company, and Mr. Segawa, who concurrently serves as an employee of the Tender Offeror and a Representative Director of DeSC, a consolidated subsidiary of the Tender Offeror, unanimously expressed an opinion to support the Tender Offer and the Target Company adopted a resolution to leave the decision as to whether to accept the Tender Offer to the discretion of the shareholders of the Target Company, given the fact that the Tender Offeror intends to continue to maintain the listing of the Target Company Shares after the Tender Offer.

For details, please see “(4) Approval of all Directors (including Directors serving as the Audit and Supervisory Committee Members) who have no interest in the Target Company” under “(4) Measures to ensure the fairness of the Transactions including the Tender Offer, such as measures to ensure the fairness of purchase price, etc. as well as the measures to avoid conflicts of interest, etc.” under “1. Purpose of Purchase, etc.” above.

2) Agreements between the Tender Offeror and the Target Company’s officers

The Tender Offeror has concluded a tender offer acceptance agreement with Mr. Utsumi, the Representative Director & President of the Target Company. Please refer to “(2) The Acceptance Agreement with Mr. Utsumi” under “(3) Significant agreements, etc. in respect of the Transactions” under “1. Purpose of Purchase, etc.” above for an outline of the agreement

3) Capital & Business Alliance Agreement

The Tender Offeror concluded a Capital & Business Alliance Agreement with the Target Company on June 29, 2022. Please refer to “(3) Significant agreements, etc. in respect of the Transactions” under “1. Purpose of Purchase, etc.” above for an outline of the Capital & Business Alliance Agreement.

4) DeSC Share Transfer Agreement

The Tender Offeror concluded an agreement to transfer DeSC shares with the Target Company on June 29, 2022. Please refer to “(5) DeSC Share Transfer Agreement” in “(3) Significant agreements, etc. in respect of the Transactions” under “1. Purpose of Purchase, etc.” above for an outline of the DeSC Share Transfer Agreement.

(3) Other information deemed necessary for investors to decide whether to apply for the tender offer, etc.

No applicable items.

(Reference) DeNA’s consolidated results for the fiscal year ended March 31, 2022

	Revenue	Operating profit	Profit before tax	Profit for the period	Profit for the period attributable to owners of the parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Consolidated results (Fiscal year ended March 31, 2022)	130,868	11,462	29,419	30,651	30,532	256.45

(Reference) DATA HORIZON’s consolidated results for the fiscal year ended June 30, 2021

	Revenue	Operating profit	Ordinary income	Net income for the period attributable to owners of the parent	Net income for the period per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Consolidated results (Fiscal year ended June 30, 2021)	3,330	348	363	283	80.20

For inquiries please contact:
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 DeNA Co., Ltd. (https://dena.com)

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