

August 10, 2023

Company name: RAKSUL INC.
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(TSE Prime Market Code No. 4384)
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Notice Regarding Commencement of Tender Offer for Shares of AmidA Holdings Co., Ltd.
(Securities Code:7671)

RAKSUL INC. (hereinafter referred to as the “Tender Offeror”) hereby announces that, as of today, it has decided to acquire common stock (the “Target Company Shares”) of AmidA Holdings Co., Ltd. (Securities Code: 7671, listed on the Growth Market of Tokyo Stock Exchange, Inc. (“TSE”); the “Target Company”) through a tender offer (the “Tender Offer”) under the Financial Instruments and Exchange Law (Act No. 25 of 1948, as amended; the “Act”) by a written resolution in lieu of a resolution of the Board of Directors pursuant to Article 370 of the Companies Act (Act No. 86 of 2005, as amended; the “Companies Act”) and Article 24 of the Tender Offeror's Articles of Incorporation.

1. Purpose of the Purchase

(1) Overview of the Tender Offer

The Tender Offeror decided, as of today, by a written resolution in lieu of the resolution of the Board of Directors pursuant to Article 370 of the Companies Act and Article 24 of the Tender Offeror's Articles of Incorporation, to conduct the Tender Offer as part of a transaction (the “Transaction”) intended to make the Target Company a wholly-owned subsidiary of the Tender Offeror by acquiring all of the Target Company Shares listed on the Growth Market of the Tokyo Stock Exchange (excluding treasury shares owned by the Target Company). As of today, the Tender Offeror does not own any Target Company Share.

To implement the Tender Offer, the Tender Offeror today entered into a tender agreement (hereinafter referred to as the “Tender Agreement” and the Target Company shareholders who have executed the Tender Agreement are collectively referred to as the “Tendering Shareholders”) regarding all the shares owned by the Tendering Shareholders (total number of shares held: 3,065,200 shares, the total ownership ratio: 72.84%) with (i) Masaru Fujita, Representative Director and CEO, major and the largest shareholder (as of June 30, 2023) of the Target Company (2,005,200 shares, ownership ratio*: 47.65%), (ii) Hideto Fujita, Senior Managing Director and COO, major and the second largest shareholder (as of June 30, 2023) of the Target Company (460,000 shares, ownership ratio: 10.93%), (iii) Egg, Inc., (“Egg”) the third largest shareholder (as of June 30, 2023) of the Target Company; an asset management company in which Mr. Masaru Fujita and his family members own all of its outstanding shares (400,000 shares, ownership ratio: 9.51%), and (iv) Chizuru Fujita, a spouse of Masaru Fujita and the fourth largest shareholder (as of June 30, 2023) of the Target Company (200,000 shares, ownership ratio: 4.75%). For the details on the Tender Agreement, please refer to “a. Tender Agreement” in “(6) Matters Concerning Material Agreements Related to the Tender Offer” below.

* “Ownership ratio” means the ratio (any fraction to be rounded off to two decimal places; the same shall apply to any ownership ratio calculation) of the number of shares owned to the “Reference Number of Shares” (4,207,846 shares), which is obtained by deducting the number of treasury shares owned by the Target Company as of June 30, 2023 (354 shares), as stated in the “Consolidated Financial Summary for the Fiscal Year ending June 30, 2023 (based on the Japanese Standards)” disclosed today by Target Company (the “Target Company’s Financial Summary”), from the total number of outstanding shares as of June 30, 2023 (4,208,200 shares).

The Tender Offeror has set the minimum number of share certificates, etc. to be purchased in the Tender Offer at 2,805,200 shares (ownership ratio: 66.67%). If the total number of share certificates, etc. tendered to the Tender Offer (the “Tendered Share Certificates, etc.”) falls short of the minimum number of share certificates, etc. to be purchased

(2,805,200 shares), the Tender Offeror will purchase none of the Tendered Share Certificates, etc. On the other hand, the Tender Offeror has set no maximum number of share certificates, etc. to be purchased in the Tender Offer since the Tender Offeror intends to make the Target Company its wholly owned subsidiary by acquiring all of the Target Company Shares (excluding treasury shares owned by the Target Company) as described above. If the total number of the Tendered Share Certificates, etc. is equal to or greater than the minimum number of share certificates, etc. to be purchased (2,805,200 shares), the Tender Offeror will purchase all of the Tendered Share Certificates, etc. The minimum number of share certificates, etc. to be purchased (2,805,200 shares) is obtained as follows: (i) the number of voting rights (42,078 voting rights) that corresponds to the Reference Number of Shares (4,207,846 shares) is multiplied by a factor of two-thirds (the result is 28,052 voting rights); then the number obtained in calculation (i) is multiplied by 100, which is the number of Target Company Shares per one unit (the result is 2,805,200 shares). The Tender Offeror has set the above-mentioned minimum number as the Tender Offeror intends to make the Target Company its wholly owned subsidiary through the Transaction. In order to implement the reverse share split procedures described in “(4) Policies for Reorganization After the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)” below, a special resolution is required to be passed at a shareholders’ meeting as stipulated in Article 309, Paragraph 2 of the Companies Act. Therefore, to ensure the implementation of the Transaction, the Tender Offeror has set the minimum number as described above so that it will be able to satisfy the requirement by holding at least two-thirds of the total number of voting rights of all of the shareholders of the Target Company after the Tender Offer. The Tender Offeror plans to contribute all funds required for the settlement of the Tender Offer from deposits in a bank account in its own name.

In addition, if the Tender Offeror fails to acquire all of the Target Company Shares (excluding treasury shares owned by the Target Company) through the Tender Offer, after the successful execution of the Tender Offer, the Tender Offeror plans to implement a series of procedures to make itself the sole shareholder of the Target Company and make the Target Company its wholly owned subsidiary (hereinafter referred to as the “Squeeze-Out Procedures”) as described in “(4) Policies for Reorganization After the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)” below.

According to the “Announcement of Opinion in Support of the Tender Offer for Shares in AmidA Holdings Co., Ltd. by RAKSUL INC. and Recommendation to Tender” published today by the Target Company (the “Target Company Press Release”), the Target Company resolved at its board of directors meeting held today to express its opinion to support the Tender Offer and to recommend that the Target Company’s shareholders tender their shares in the Tender Offer. For the details on the decision-making process at the board of directors of the Target Company, please refer to the Target Company Press Release and “f. Approval by All Directors without Conflicts of Interest and No Objection by All Auditors without Conflicts of Interest at the Target Company” in “(3) Measures to Ensure Fairness of the Tender Offer including Measures to Ensure Fairness of the Tender Offer Price and Avoid Conflicts of Interest” below.

(2) Background, Purpose and Decision-making Process leading to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer

a. Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer

In September 2009, the Tender Offeror incorporated as Tectonics Corporation for the purpose of building a new sales order system for printing and changed its name to the current RAKSUL INC. in January 2010. The Tender Offeror’s shares were listed on the Mothers market of the Tokyo Stock Exchange in May 2018, changed its listing market to the First Section of the TSE in August 2019, and as of today are listed on the Prime Market of the TSE due to the revision of market classification by the TSE in April 2022.

Under the vision of “BETTER SYSTEMS, BETTER WORLD,” the Tender Offeror aims to make the world a better place by bringing the Internet into traditional industries that have not been digitized and by transforming the industry structures. By creating new systems and changing the existing business norms, the Tender Offeror is working to improve the transactional/operational efficiency of supply and demand, smoothen the inefficient structure of the industry, and improve the productivity and empowerment of both customers and suppliers through DX (Digital Transformation).

As of today, the corporate group of the Tender Offeror consists of the Tender Offeror, two consolidated subsidiaries and two equity method affiliates (collectively, the "Tender Offeror Group") and operates business in two segments, "RAKSUL" (sharing platform for printing and customer attraction support) and "Novasell" (advertising platform). The specific businesses of each segment are as follows.

(I) RAKSUL Business Segment

We operate “RAKSUL,” a printing and customer attraction support platform. We develop and provide a system that uses the Internet to collect printing orders from customers throughout Japan and place the orders with printing companies within our network, utilizing non-operating hours of the printing presses to print the orders.

(II) Novasell Business Segment

We operate “Novasell,” an advertising platform that allows customers to purchase TV commercial slots and videos in small lots. Although TV commercials are a medium that can deliver information to a large audience at a low reach cost, we believe that for many companies it is not an advertising method that can be easily introduced due to its high price range. Under the vision of “Democratize TV Commercials,” we defy the notion that TV commercials are only accessible for large companies” and provide a platform that enables more customers to utilize TV commercials.

Under the above-mentioned vision, the Tender Offeror Group is taking on the following challenges in the business in order to streamline existing industries that have not yet been digitized through the Internet and to update the industrial structure established through vertical integration centered on large corporations to a platform-centered industrial structure with horizontal division of labor.

(i) Expansion of Japanese Printing E-commerce Market

The Japanese printing e-commerce market, which the Tender Offeror’s core business RAKSUL business segment belongs to, is growing year over year and its most recent market size is estimated to have exceeded 100 billion yen*. In this fast-growing Japanese printing e-commerce market, with the background of continuous increase of e-commerce rate, we consider it to be crucial for the growth of the Target Offeror Group as well to continue being in a position to lead the market as one of the leading companies.

*Calculated based on the market size of “commercial printing” and “office printing” the Tender Offeror estimated based on "2022 Survey on the Domestic Online Printing Market" (Yano Research Institute, February 2023), “Summary of the Economic Census of Activities by industry (manufacturing industry, summary version)” and “Current Production Statistics: Printing” (METI)

(ii) Improvement of Service Awareness, Acquisition of New Users

In order for the Tender Offeror Group to sustain its high growth rate in the coming future, it is essential to acquire new users by increasing the awareness of the service the Tender Offeror Group provides. We have been taking steps to increase awareness through marketing/advertising activities utilizing the Internet and collaborations with major corporations in addition to proactive PR activities; we will strengthen and promote these activities even more in the coming future.

(iii) Expansion of Product Lineup to Meet Customer Needs

With the expansion of the customer base of the Target Offeror Group, customer needs have also diversified. It is important for the business to capture diversifying customer needs, promote expansion of the product lineup, including the so-called long tail products with low purchase frequency, expand into new categories, and connect to further expansion of customer base. In addition to starting a specialized service for promotional/novelty product printing, the RAKSUL business segment has been continuously adding to the product lineup, such as quick delivery products mainly in customer attraction support services. With the addition of DANBALL ONE. Inc. into the Tender Offeror Group, packaging materials have now been added to the lineup. At Novasell business segment, by providing together with a software service that makes the customers’ marketing efficient, we are contributing to shrinking the operation costs of our customers.

(iv) Business Management with Business Expansion and Improved Profitability

One of the features of the Tender Offeror Group’s business model is that it has adopted a fabless production system by partnering with printing companies nationwide without owning its own printing plant and utilizing the non-operating hours of the printing presses at each company. As the business base expands, the number of printing partner companies and the volume of orders per company will increase. However, through close communication and collaboration with affiliated

printing partners, we will continue to provide products with stable quality at low prices even as our business expands.

(v) Reinforcement of Transaction Data Accumulation and Analysis System

Transaction information in the Tender Offeror Group's business is accumulated daily in the Tender Offeror Group's database. Although we have established a system that enables it to grasp user movements, such as order information and product compositions, and to run the PDCA cycle at high speed, we believe it is necessary to make even more sophisticated use of data. For example, we believe it is essential for future service expansion to improve the service level and user loyalty by accumulating and independently analyzing big data, information unique to e-commerce websites, such as what kind of customers ordered what kind of products and at what unit price. To this end, we will work on streamlining data acquired through transactions and building a system for analyzing this data on our own accord.

In addition, the Tender Offeror has determined its strategy for the direction of future growth in line with the following concepts.

- To target the indirect cost market, which has a large TAM (Total Addressable Market, "the total market size that a business could potentially acquire"), and to transform the industry by providing various services centered on e-commerce, the Tender Offeror's core business
- TAM in adjacent areas of each industry is also large, with significant room for expansion
- To possess strengths in business development in a market with a fragmented supply-side structure (with many operators and high intermediate costs) and room for e-commerce growth

Furthermore, in addition to improving profitability through business expansion, we also position climate change and environmental initiatives, which have become increasingly important as social responsibility in corporate management, as well as measures to enhance our governance system and disclosure as our priorities, and are working diligently to improve our corporate value.

According to the Target Company's Press Release, Mr. Masaru Fujita, President and CEO of the Target Company, founded the business in 1998 as an e-commerce website, Hankoya.com, for the purpose of selling Japanese business stamps online. With the spread of the Internet, the company was founded as Hankoya.com, Inc. (hereinafter referred to as the "old Hankoya.com") in March 2000, with the aim of launching a full-fledged business of selling Japanese business stamps on the Internet. In September 2014, the trade name was changed to AmidA Co., Ltd., and at the same time, an incorporation-type company split was carried out, making AmidA Co., Ltd. and Hankoya.com, Inc. (hereinafter referred to as "Hankoya.com"). In July 2016, the trade name was changed to the current AmidA Holdings Co., Ltd., the e-commerce business portion was transferred to Hankoya.com, and the digital marketing business was transferred to Officesquare Co., Ltd. (established in November 2005 as a wholly owned subsidiary of the old Hankoya.com and the trade name was changed to AmidA Co., Ltd. [hereinafter referred to as "AmidA"] in July 2016) through an absorption-type company split, resulting in the transition to a holding company structure. In addition, the shares of the Target Company were listed on the Mothers market of the Tokyo Stock Exchange in December 2018, and as of today, they are listed on the Growth market of the Tokyo Stock Exchange due to the revision of the market classification on the Tokyo Stock Exchange in April 2022.

The Target Company's group consists of the Target Company and its two consolidated subsidiaries (hereinafter collectively referred to as the "Target Group"). It is its management philosophy to pursue the material and moral well-being of all its employees while at the same time contributing to the progress and development of humankind and peace and developing proactive management that is ahead of its time. The group's management policy is to pursue the possibilities of Internet business, to convey its convenience, enjoyment, and cultural richness to as many people as possible, and to engage in global management. The Target Group not only operates its core business in e-commerce centered around Japanese business stamps operated by its subsidiary, Hankoya.com, but also runs a digital marketing business at AmidA, utilizing their web marketing expertise, that provides one-stop service for the entire process of web marketing from acquiring/serving e-commerce customers, data analysis/improvement to system development/maintenance. The specifics of the Target Group's core business are as follows.

(I) E-commerce Business

The e-commerce business offers a product lineup that meets a wide range of customer needs, centering on Japanese business stamps and stamps, as well as personalized towels, personalized calendars, business cards, envelopes, nameplates, mailboxes, stationery, and novelty products, which are sold on the Target Group's online store and other Internet shopping websites. In this business, the Target Company takes care of the entire process from order receipt to manufacturing and sales, and promotes manufacturing of Japanese business stamps and stamps within the Target Group (Osaka) and their subcontractor sites (one each in Osaka and Tokyo), resulting not only in reduction of the cost ratio but also establishing a system that enables same-day or next-day shipment. Of the items categorized as Seal Carving in the table below, all but one of the Japanese business stamps are manufactured by the Target Group or by subcontractors, and the percentage of Japanese business stamps sold on the Target Group's online store that are manufactured in-house (based on the number of units sold) is 99.1% (excluding seal cases and mats) as of the fiscal year ending June 30, 2023. Furthermore, the Target Group has established a manufacturing capacity for Shachihata products within the Target Group by purchasing a machine from one of their partners for stamp products, Shachihata Co., Ltd., and 74.5% of the stamps sold on the Target Group's online store are manufactured in-house as of the fiscal year ending June 30, 2023. Although there are various values based on the quality and ranking of the materials (metal, horns and tasks, wooden etc.), there is no established product brand for Japanese business stamps in the market. Therefore, the Target Group is working to improve its name recognition and gain customer trust by branding the company name (online store name) "Hankoya.com" through web advertising and other means. In addition, by utilizing its know-how in web marketing to attract customers to the Target Group's e-commerce website, many of its customers are purchasing products via the Target Group's online store (e-commerce website), and as a result, the Target Group's sales through its own e-commerce account for 94.8% of the Target Group's total sales (as of the fiscal year ending June 30, 2023).

The following is a breakdown of the Target Company's main products by product category.

Product Categories	Products
Seal Carving	Metal-type (titanium, silver, etc.) Horns and tasks (black water buffalo, horns, etc.) Resin-type (amber etc.), Wooden-type (Satsuma-Hontsuge [boxwood], Genbu, Saika infused-birch, maple, etc.) Plastic-type (fashion Japanese business stamps, "lacto" Japanese business stamps) Cases (clasp-type, seal cases, corporate storage cases, etc.) Others (seal "Atari", gems, etc.) *Atari: marks to distinguish top and bottom sides of the seal
Stamps	Self-inking stamps (name stamps, Xstamper stamps, stamp pens, name and date stamps, rubber stamps, ink refills, stamp pads, etc.) Sanby products (name stamps, date stamps, address stamps, etc.) Taiyotomah (stampers etc.) Hikari Stamp (golf ball stamps etc.), Beverly products, Address stamps, Rubber stamps, Changeable rubber stamps, Children name stamps, etc.
Printing	Personalized calendars, Personalized towels, Business cards, Envelops, Name stickers, etc.
Nameplates	Natural stone nameplates, Natural wooden nameplates, Glass nameplates, Metal nameplates, Tile nameplates, Plastic nameplates, Corporate signs, Nameplate related products, Mailboxes, etc.
Others	Stationary, Novelty items, etc.

(II) Digital Marketing Business

The services in web marketing are as follows. As of the year ending on June 30th, 2023, the services are provided to the Target Company and Hankoya.com.

(i) Ecommerce Website Customer Acquisition

Advertising agency business, including optimization proposals for Internet advertising (Yahoo! promotion ads, Google ads, and online shopping mall ads) and TV commercials, as well as promotions for new products and services to be featured in the media. Furthermore, the Target Company offers proposals for improving display rankings in search engines to attract customers to its e-commerce websites as part of the SEO measures (Note 1).

(Note 1) SEO stands for "Search Engine Optimization," and refers to a series of efforts implemented to increase the number of visitors to a web page by making it appear higher in search results.

(ii) Data Analysis/Improvement Consultation

Data analysis on how customers are attracted to e-commerce businesses' websites and proposals for improvements that can be quickly implemented in website management.

(iii) System Development/Maintenance

Services in system development to maintenance.

In order to build the above two pillars of business and develop the business for the future, the Target Group is seeking to improve its corporate value by securing human resources with expertise in various specialized fields and excellent management skills such as management strategy and organizational management, enhancing the organization by building a foundation for human resources growth, and creating a structure to change the company in the hands of people.

Since its foundation in 2009, in addition to starting up in-house businesses, the Tender Offeror has been actively expanding its business domain through M&A and investments, including the October 2020 acquisition of shares in Peraichi Inc., making it an affiliate, the December 2020 acquisition of shares in DANBALL ONE. Inc., making it an affiliate, the February 2022 acquisition of additional shares in DANBALL ONE. Inc., making it a wholly owned subsidiary, and the August 2023 acquisition of shares in RAKSUL FACTORY INC., making it a wholly owned subsidiary. In particular, the Tender Offeror believes that the customer base of over 2 million users held by the RAKSUL business segment (a sharing platform for printing and customer acquisition support), the technology infrastructure that supports it, and the recognition that has been achieved through cumulative advertising investments of over 10 billion yen are unique assets of the Tender Offeror, and will focus on business expansion utilizing these assets at the center of its growth strategy.

In addition, the business has entered a phase in which it can generate stable profits while making investments within the RAKSUL business. Adjusted EBITDA (the amount obtained by adding back the stock compensation expenses, depreciation and amortization of goodwill to the operating income in financial accounting), an indicator the Tender Offeror places particular on, has expanded to around 3 billion yen for the Tender Offeror Group as a whole and 5 billion yen for the RAKSUL business, allowing the company to continue obtaining the necessary funds for business investments.

Based on the above situation, the Tender Offeror has been managing its business aiming at both organic growth (strong growth of existing businesses) and inorganic growth (utilization of external resources, mainly M&A) within the Tender Offeror Group, and has continuously discussed investment policies and high-synergy industries and business models at the Executive Committee and SVP meetings. While considering multiple industries and companies as candidates in these discussions, in mid-July 2022, the Tender Offeror came to the initial impression that there are categories with high synergy between the Target Company's core e-commerce business and the Tender Offeror Group's RAKSUL business, as well as potential for cross-selling in these categories. From mid-September, based on the public information, including the Target Company's Securities Report and timely disclosure at the Tokyo Stock Exchange, the Tender Offeror continued to consider further specifics on the acquisition of the Target Company shares, business partnership with the Target Group, as well as the feasibility of achieving the business synergies between the Tender Offeror Group and the Target Group (hereinafter referred to as "Both Groups"). In the course of these considerations, the Tender Offeror came to the hypothesis in late November 2022 that a high degree of synergy between Both Groups could be expected in the following respects.

(i) Since the business is asset-light and highly profitable, and Both Groups have similar business models, utilizing the Tender

Offeror Group's know-how in customer acquisition, investment recovery management, etc. can contribute to the growth of the Target Company

(ii) The recognition and brand power of the Tender Offeror Group can be expected to generate further impacts in attracting new customers for the Target Group

(iii) The potential for cross-selling of office printing materials handled by the Tender Offeror Group and Japanese business stamps handled by the Target Group to the customers of Both Groups

Based on this hypothesis, the Tender Offeror continued further analysis of the Target Group's business, as well as requesting a meeting with Mr. Masaru Fujita, Representative Director and CEO of the Target Company, in early December 2022, in order to deepen the understanding of the business and the business environment of the Target Group, resulting in the first meeting with Mr. Masaru Fujita in the late December 2022, where we introduced the Tender Offeror Group and had discussed the business conditions of the Target Group. Subsequently, in mid-January 2023, with the aim of clarifying the method of collaboration through combining products and business models of Both Groups, we held discussions with the Target Company regarding business alliance without capital transfer, capital and business alliance, and making the Target Company a subsidiary of the Tender Offeror. In mid-February 2023, the Target Company and the Tender Offeror discussed the Tender Offeror's growth strategy and the business plan based on the business alliance with the Target Group. Based on these discussions, in mid-March 2023, the Tender Offeror reached the decision that making the Target Company a wholly owned subsidiary through the Transaction is the best measure to contribute to the sustainable enhancement of corporate values of both companies, especially with regard to new customer acquisition in the Target Group and cross-selling to customers in Both Groups. In making this decision, the Tender Offeror also considered other options besides making the Target Company a wholly owned subsidiary, such as acquiring a portion of the Target Company's shares or making the Target Company a consolidated subsidiary to the extent that it would not make the Target Company private. However, if the listing of the Target Company's shares is maintained, the Tender Offeror believes that (i) since the interests of various shareholders, including shareholders seeking to enhance short-term profits and shareholder returns, must be taken into consideration, the Tender Offeror may have to be cautious about making upfront investments that contribute to the enhancement of corporate value in the medium to long term but are not necessarily in line with the interests of shareholders in the short term, such as large-scale advertising investments, which temporarily creates inefficiency, and the renewal of existing systems; (ii) according to the "Plan for Compliance with Listing Maintenance Standards" released by the Target Company on September 22, 2022, the Target Company does not meet the criteria for maintaining its listing on the Growth Market of the Tokyo Stock Exchange with respect to the total market capitalization of tradable shares and the ratio of tradable shares (total market capitalization of tradable shares: 500 million yen or more, ratio of tradable shares: 25% or more) as of June 30, 2022. The Target Company has been requested to establish and implement plans to meet such listing maintenance criteria, and the possibility cannot be denied that the capital policy to deal with these issues may become a burden on the Target Company's management.; (iii) The Tender Offeror believes that the presence of minority shareholders other than the Tender Offeror among the Target Company's shareholders would make it difficult for the Target Company to fully enjoy the expected increase in corporate value by the Tender Offeror's investment of management resources in the Target Company Group's business, and may in fact hinder the efficient investment of management resources and prompt decision making. Therefore, in order to maximize the synergies and benefits described below, we considered it essential to establish a decision-making structure that enables prompt implementation of necessary measures under a consistent management policy by making the Target Company a wholly owned subsidiary of the Tender Offeror.

Based on the above decision, on May 18, 2023, the Tender Offeror made an initial proposal to the Target Company based on publicly available information, evaluating the value of the Target Company's shares at between 2.7 billion yen and 3.3 billion yen, which is the market capitalization (1.82 billion yen to 2.2 billion yen) based on the closing price of the Target Company's shares (433 yen to 525 yen per share) on the Growth Market of the Tokyo Stock Exchange for the period from May 1, 2022 to April 30, 2023, plus a premium of approximately 50%. The Tender Offeror submitted a non-legally binding letter of intent stating its desires to make the Target Company its wholly owned subsidiary through the Tender Offer and a series of subsequent procedures, and also proposed to conduct due diligence on the Target Company in order to fully consider

the Transaction. In late May 2023, the Tender Offeror received a communication from the Target Company stating that it would accept the Tender Offeror's due diligence and that it would proceed with discussions toward the implementation of the Transaction. In response, in late May 2023, the Tender Offeror appointed KPMG FAS Co., Ltd. ("KPMG") as a third-party valuation institution and KENSEI LAW OFFICES as a legal advisor, both independent of the Tender Offeror, the Target Company and the Tendering Shareholders, on the basis that the Tender Offeror would commence discussions with the Target Company regarding the Transaction. During the period from early June 2023 to late June 2023, the Tender Offeror conducted due diligence on the Target Group concerning business, financial, tax, and legal matters and, in parallel, discussed and examined with the Target Company the significance and purpose of the Transaction, and further analyzed and examined specific measures to create business synergies between the Tender Offeror Group and the Target Group, and management policies after the Transaction, etc.

As a result of such considerations, in early July 2023, the Tender Offeror came to the conclusion that the following specific synergies could be expected from the Transaction.

(i) Enhanced Customer Values for the E-Commerce Business and Promotion of Cross-Selling

Although Japanese business stamps and printed materials (business cards, envelopes, novelty items, etc.) have high customer affinity and potential for cross-selling, it is necessary to build a strong supply chain in order to realize highly competitive prices and delivery times for each, and simply starting sales is not enough to become the service of choice for customers. By combining the Target Group's supply chain for Japanese business stamps with the Target Offeror Group's supply chain for printed materials, it will be possible to create an e-commerce group website with a competitive advantage in both categories, creating customer value of "various products available cheaply, quickly, and conveniently in one place," and as a result, business growth through cross-selling can be expected.

(ii) Improvement of Customer Attraction and Profitability through sharing of Data and Know-how held by Both Groups

By utilizing more detailed user trends and characteristics obtained by sharing the traffic data (number of visits to the e-commerce websites, number of views, inflow routes, etc.) owned and accumulated by the e-commerce websites of Both Groups, the ability to attract customers and profitability per customer can be expected to increase.

Subsequently, the Tender Offeror comprehensively considered KPMG's consideration of the terms of the Transaction based on its initial valuation analysis of the Target Shares (hereinafter referred to as the "Initial Valuation Analysis") based on the progress of the due diligence, the Target Company's financial condition, the market share price trend of the Target Shares, and the business plan submitted by the Target Company for the period from the fiscal year ending June 2024 to the fiscal year ending June 2026 (the "Business Plan"), as well as the likelihood of obtaining the Target Company's approval for the Tender Offer by the Board of Directors and the prospect of the Target Shares being tendered to the Tender Offer, among other factors. On July 4, 2023, the Tender Offeror submitted to the Target Company a proposal for a tender offer price per share of the Target Stock (the "Tender Offer Price") of 784 yen (the price obtained by dividing 3.3 billion yen, the maximum value of the range of the Target Share value as stated in the letter of intent submitted by the Tender Offeror to the Target Company on May 18, 2023, by 4,208,200 shares, the total number of outstanding Target Shares as of the proposal date. 61.98% premium [rounded to two decimal places; the same applies hereinafter in the calculation of the premium rate] has been added to 484 yen, the closing price of the Target Shares on the Growth Market of the TSE on July 3, 2023, which is one business day prior to the date of submission of the proposal). In response, on July 7, 2023, the Tender Offeror received a request from the Target Company to re-propose the Tender Offer Price on the grounds that the proposed price could not be evaluated as sufficient for the Target Company's minority shareholders considering the Target Company's intrinsic value based on the Target Company's business plan. On July 12, 2023, the Tender Offeror submitted a proposal to set the Tender Offer Price at 903 yen (premium of 90.51% on the closing price of 474 yen of the Target Shares on the Growth Market of the TSE on July 11, 2023, one business day prior to the date of submission of the proposal). In response to the proposal, on July 13, 2023, the Tender Offeror received a request from the Target Company to re-propose the Tender Offer Price on the grounds that the proposed price could not be evaluated as sufficient for the Target Company's minority shareholders considering the Target Company's intrinsic value based on the Target Company's business plan. On July 18, 2023, the Tender Offeror submitted a proposal to

set the Tender Offer Price at 939 yen (premium of 98.52% on the closing price of 473 yen of the Target Shares on the Growth Market of the TSE on July 14, 2023, one business day prior to the date of submission of the proposal). In response to the proposal, on July 19, 2023, the Tender Offeror received a request from the Target Company to re-propose the Tender Offer Price on the grounds that the proposed price could not be evaluated as sufficient for the Target Company's minority shareholders considering the market share price. On July 25, 2023, the Tender Offeror submitted a proposal to set the Tender Offer Price at 951 yen (premium of 101.91% on the closing price of 471 yen of the Target Shares on the Growth Market of the TSE on July 24, 2023, one business day prior to the date of submission of the proposal). On August 2, 2023, as a result of the above discussions and negotiations, the Tender Offeror and the Target Company reached an agreement on the Tender Offer Price of 951 yen.

In parallel with the discussions and negotiations with the Target Company, the Tender Offeror has conducted the following discussions and negotiations regarding the Tender Agreement (including discussions and negotiations regarding the Tender Offer Price) with the Tendering Shareholders since June 29, 2023. Specifically, on June 29, 2023, upon explaining the details of the discussions to date with the Target Company regarding the enhancement of corporate value and the history of negotiations with the Target Company, the Tender Offeror requested Mr. Masaru Fujita, who represents the Tendering Shareholders, that the Target Shares be valued at around the upper end of the range of the Target Share value as stated in the letter of intent submitted by the Tender Offeror to the Target Company on May 18, 2023, and that the Target Company tender its shares in the Tender Offer and execute the Tendering Agreement. Subsequently, on July 5, 2023, the Tender Offeror made a proposal to Mr. Masaru Fujita to set the Tender Offer Price at 784 yen (premium of 60.33% on the closing price of 489 yen of the Target Shares on the Growth Market of the TSE on July 5, 2023, one business day prior to the date of submission of the proposal) and presented a draft of the Tender Agreement. In response, Mr. Masaru Fujita urged the Tender Offeror to continue to discuss and negotiate with the Target Company regarding the Tender Offer Price as he did not find the proposed price to be sufficient. After discussion and negotiation with the Target Company, the Tender Offeror made a proposal to Mr. Masaru Fujita on July 18, 2023, with the Tender Offer Price of 939 yen (premium of 98.52% on the closing price of 473 yen of the Target Shares on the Growth Market of the TSE on July 14, 2023, one business day prior to the date of submission of the proposal). The Tender Offeror received a request from Mr. Masaru Fujita to re-propose the Tender Offer Price as it was less than the amount desired by the Tendering Shareholders, although the proposal could be evaluated to a certain extent. On July 25, 2023, the Tender Offeror made a proposal to Mr. Masaru Fujita with the Tender Offer Price at 951 yen (premium of 101.91% on the closing price of 471 yen of the Target Shares on the Growth Market of the TSE on July 24, 2023, one business day prior to the date of submission of the proposal). As a result of the above discussions and negotiations, the Tender Offeror and the Tendering Shareholders reached an agreement on August 3, 2023, to set the Tender Offer Price at 951 yen. The Tender Offeror concurrently discussed and negotiated the details of the Tender Agreement with the Tendering Shareholders. As a result of such discussions and negotiations, the Tender Offeror and the Tendering Shareholders reached an agreement on August 10, 2023, regarding the Tender Agreement, including that the Tender Offer Price will be 951 yen.

Based on the above considerations, discussions and negotiations, the Tender Offeror resolved today, by written resolution in lieu of a resolution of the Board of Directors pursuant to Article 370 of the Companies Act and Article 24 of the Tender Offeror's Articles of Incorporation, to execute the Tender Offer with the Tender Offer Price of 951 yen as part of the Transaction, and to execute the Tender Agreement with the Tendering Shareholders. For the details on the Tender Agreement, please refer to "a. Tender Agreement" in "(6) Matters Concerning Material Agreements Related to the Tender Offer" below.

b. Decision-Making Process and Reasons Leading to the Target Company's Support of the Tender Offer

According to the Target Company Press Release, the Target Company received an initial letter of intent regarding the Transaction from the Tender Offeror on May 18, 2023, which triggered the Target Company's decision to appoint PLUTUS CONSULTING Co., Ltd ("PLUTUS") as its financial advisor and third-party valuation agency and Oh-Ebashi & Partners as its legal advisor on May 24, 2023. If the Tender Offeror becomes the controlling shareholder of the Target Company as a result of the Tender Offer, the Squeeze-Out Procedures scheduled after the Tender Offer would fall under the category of acquisition of a subordinate company by a controlling shareholder, which could cause a structural conflict of interest between the Tender Offeror and the minority shareholders. Considering that the Transaction is to be conducted as a series of such

transactions, the Tender Offeror will ensure the fairness of the Transaction, eliminate arbitrariness in the decision-making process regarding the Transaction, and ensure fairness, transparency and objectivity in the decision-making process of the Target Company; and in order to avoid conflicts of interest, based on the advice of Oh-Ebashi & Partners, the Tender Offeror immediately began to establish a system to examine, negotiate, and make decisions regarding the Transaction from a standpoint independent of the Tender Offeror and from the perspective of enhancing the corporate value of the Target Company and securing the interests of the Target Company's minority shareholders.

Specifically, as mentioned in "b. Establishment of an Independent Special Committee at the Target Company and Acquisition of a Report from the Committee" in "(3) Measures to Ensure Fairness of the Tender Offer including Measures to Ensure Fairness of the Tender Offer Price and Avoid Conflicts of Interest" below, the Target Company resolved at a meeting of its Board of Directors held on May 30, 2023, to set up a special committee consisting of the following three members: Mr. Tomokuni Tsuno (Independent Outside Director of the Target Company; Certified Public Accountant and Representative Partner at IZANAMI Audit Corporation; Tax Accountant and Representative Partner at IZANAMI Tax Co.; Representative Director IZANAMI Institute of Research Ltd.), Mr. Takuhiro Homma (Independent Outside Director of the Target Company; Lawyer at HT Partnership), and Ms. Ayako Miyamoto (Independent Outside Corporate Auditor of the Target Company; Certified Public Accountant, Tax Accountant, and Representative at Ayako Nakamura Certified Public Accountant Office; Representative at Sakura GK; Director at Sanki Co., Ltd.).

The Target Company has commissioned the Special Committee to advise, taking into consideration (i) reasonableness of the purpose of the Transaction (including whether the Transaction will contribute to enhancing the corporate value of the Target Company), (ii) appropriateness of the terms and conditions of the Transaction (including the consideration for the Transaction) and (iii) fairness of the negotiation process and other procedures leading to the Transaction, (iv) base on the above (i) to (iii), whether it is appropriate for the Target Company's Board of Directors to make a decision to enter into the Transaction (to express an opinion in favor of the Tender Offer and recommend that the shareholders of the Target Company tender their shares in the Tender Offer, and to take the procedures necessary to make the Target Company a wholly owned subsidiary of the Tender Offeror as described in "(4) Policy on matters including organizational restructuring after the Tender Offer [matters concerning the so-called two-step acquisition]" below) and to express its opinion as to whether the Transaction is disadvantageous to the Target Company's minority shareholders (hereinafter referred to as "advisory items:), and to compile the recommendation into a report (the "Report") and submit it to the Target Company's Board of Directors. In establishing the Special Committee, the Target Company's Board of Directors has resolved to respect the judgment of the Special Committee to the maximum extent when making decisions regarding the Transaction, and that if the Special Committee determines that the terms of the Transaction are not appropriate, it shall not approve the Transaction under such terms. In addition, the Target Company's Board of Directors has granted the Special Committee (i) the authority to receive information necessary to consider and determine the Transaction from the Target Company's officers and employees, (ii) the authority to express opinions to the Target Company regarding negotiations concerning the terms of the Transaction, (iii) the authority to approve (or ratify) the Target Company's external expert advisors appointed by the Target Company, and (iv) the authority to seek advice from the Target Company's external expert advisors at the Target Company's expense.

In addition, as described in "b. Establishment of an Independent Special Committee at the Target Company and Acquisition of a Report from the Committee" in "(3) Measures to Ensure Fairness of the Tender Offer including Measures to Ensure Fairness of the Tender Offer Price and Avoid Conflicts of Interest" below, the Special Committee confirmed no problem with the independence and expertise of the Target Company's financial advisor and third-party valuation agency, PLUTUS, and the Target Company's legal advisor, Oh-Ebashi LPC & Partners, and approved their appointments.

Furthermore, the Target Company has established a system within the Target Company to examine, negotiate, and make decisions regarding the Transaction from a standpoint independent of the Tender Offeror, and has received confirmation from the Special Committee that there is no problem with such examination system from the perspective of independence and fairness (for the details of the review system, please refer to "e. Establishment of Independent Review System in the Target Company" in "(3) Measures to Ensure Fairness of the Tender Offer including Measures to Ensure Fairness of the Tender Offer Price and Avoid Conflicts of Interest" below).

Based on an overview of the Tender Offer including the purpose of the Transaction, the impact of the Transaction on the Target Company, the details of the management policy after the Transaction and the current share price trend of the Target Company, the Target Company received a report from PLUTUS regarding the results of the valuation of the Target Shares, advice regarding the negotiation policy with the Tender Offeror and other advice from a financial standpoint. In addition, while receiving guidance and other legal advice from Oh-Ebashi LPC & Partners regarding measures to ensure the fairness of the procedures in the Transaction and other legal advice, the Company has carefully considered the merits of the Transaction and the appropriateness of the terms of the Transaction after multiple rounds of discussions and deliberations with the Tender Offeror.

Specifically, on July 4, 2023, the Target Company received from the Tender Offeror a report on the progress of the due diligence conducted from the beginning of June 2023 until late in the same month, the Target Company's financial condition, the market share price trend of the Target Shares, and the results of consideration of the terms of the Transaction based on KPMG's initial valuation analysis of the Target Shares based on this business plan. The Tender Offer Price of 784 yen (the maximum of the range of the value of the Target Shares as stated in the letter of intent submitted by the Tender Offeror to the Target Company on May 18, 2023), taking into consideration the results of the review of conditions, the likelihood of support for the Tender Offer by the Target Company's Board of Directors, and the prospect of the Target Company's shares being tendered in the Tender Offer. The Tender Offeror received a proposal to set the Tender Offer Price at 784 yen, which is the price obtained by dividing 3.3 billion yen by 4,208,200 shares, which is the total number of issued shares of the Target Company as of the same date, plus a 61.98% premium over the closing price of 484 yen of the Target Company's shares on the TSE Growth Market on the business day preceding the submission date of the proposal. In response, on July 7, 2023, based on the results of the calculation of the value of the Target Shares as of that date by PLUTUS, the Target Company's financial advisor and third-party appraiser, and the opinion of the Special Committee based on the results of that calculation, the Target Company concluded that the proposed price was not sufficient from the perspective of the intrinsic value of the Target Company based on this business plan. The Target Company requested that the Tender Offeror re-propose the Tender Offer Price, as it could not be evaluated as sufficient for the Target Company's minority shareholders. Subsequently, on July 12, 2023, the Target Company received a re-proposal from the Offeror setting the Tender Offer Price at 903 yen (a premium of 90.51% on the closing price of 474 yen of the Target Company's shares on the Growth Market of the TSE on the business day immediately preceding the submission date of the proposal). In response to the Tender Offeror's re-proposal, on July 13, 2023, the Target Company requested the re-proposal of the Tender Offer Price on the grounds that the said re-proposed price still cannot be evaluated as sufficient for the Target Company's minority shareholders in terms of the Target Company's intrinsic value under the Business Plan for the same reasons stated above. In response, on July 18, 2023, the Target Company received a re-proposal from the Tender Offeror setting the Tender Offer Price at 939 yen (a premium of 98.52% on the closing price of 473 yen of the Target Company's shares on the Growth Market of the TSE on the business day immediately preceding the submission date of the proposal). In response to such re-proposal from the Offeror, on July 19, 2023, the Target Company stated that, although the re-proposed price could be evaluated to a certain extent from the viewpoint of the market share price, it still could not be evaluated as sufficient for the Target Company's minority shareholders in terms of the Target Company's intrinsic value under the Business Plan for the same reason as stated above. However, for the same reason as above, the Target Company requested the Tender Offeror to re-propose the Tender Offer Price as it was not sufficient for the Target Company's minority shareholders from the viewpoint of the intrinsic value of the Target Company under the Business Plan. Subsequently, on July 25, 2023, the Target Company received a re-proposal from the Tender Offeror setting the Tender Offer Price at 951 yen (a premium of 101.91% on the closing price of 471 yen of the Target Company's shares on the Growth Market of the TSE on the business day immediately preceding the date of submission of the proposal). On August 2, 2023, the Target Company responded to the Tender Offeror's proposal, stating that it would accept the Tender Offeror's proposal, and the Target Company and the Tender Offeror reached an agreement to set the Tender Offer Price at 951 yen.

In addition, the Target Company was informed by the Special Committee that, in an interview with the Tender Offeror conducted by the Special Committee on June 22, 2023, the Tender Offeror responded that it expects to execute the Tender Agreement with the Tendering Shareholders. In the course of subsequent negotiations with the Tender Offeror, the Target Company has confirmed the status of discussions and negotiations regarding the Tender Agreement between the Tender

Offeror and the Tendering Shareholders, and has confirmed that the Tendering Shareholders intend to execute the Tender Agreement.

In light of the above, the Target Company resolved at its Board of Directors meeting held on August 10, 2023, to accept the legal advice from Oh-Ebashi LPC & Partners, the financial advice from PLUTUS. The Target Company has carefully discussed and examined whether or not the Transaction, including the Tender Offer, would contribute to the enhancement of the Target Company's corporate value and whether or not the terms and conditions of the Transaction, including the Tender Offer Price, are appropriate, while taking into account the content of the share valuation report (the "Target Company Valuation Report") submitted on August 9, 2023 (the "Target Company Valuation Report"), and with maximum respect for the Special Committee's judgments as set forth in the Report.

As a result, as described below, the Target Company has come to the conclusion that becoming a wholly owned subsidiary of the Tender Offeror can create synergies and contribute to the improvement of the Target Company's corporate value.

As background, regarding the business environment surrounding the Target Company, although the e-commerce market, which is the main business of the Target Company, is expanding due to the increase in the e-commerce conversion rate (the ratio of e-commerce transactions to all commercial transactions) (according to "Size of the BtoC e-commerce market in the field of goods sales" in the "FY2021 Market Survey on Electronic Commerce Transactions," Information Economy Division, Commerce and Information Policy Bureau, Ministry of Economy, Trade and Industry, August 2022). The Target Company Group believes that the overall market size of the seal industry is on a declining trend, and that competition among companies will continue to intensify. In addition, based on its own analysis of data, the Target Group believes that the flow of customers to its e-commerce website will change, and that the inflow of customers from smartphones, which have a high proportion of advertisements, will increase the click rate on advertisements, and that advertising costs (e.g., web advertisements that charge for clicks on advertisements) will increase. The impact on corporate earnings is therefore expected to increase.

Furthermore, the increase in electronic transactions such as electronic contracts due to the revision of the Electronic Bookkeeping Law to be implemented from January 2024 has increased uncertainty about the growth potential of the seal market, and the Target Group recognizes that further growth will be difficult unless it can respond to various customer needs in a shorter period of time than before.

In this business environment, the Target Group believes that in order to achieve further growth in the future, it is imperative to create a foundation for sustainable growth by strengthening its organizational functions, including strengthening its sales capabilities, securing human resources, and strengthening its organizational structure, while taking advantage of its industry-leading market share and brand power (based on the Target Group's own research), which are the Target Company's strengths. The Target Company has been considering all options, including capital and business alliances with other companies, because it believes that it is urgently needed to build a foundation that will enable it to grow sustainably.

Under such circumstances, the Target Company received a proposal for the Transaction from the Tender Offeror via submission of a letter of intent on May 18, 2023, and have been considering it as described above. As a result, in order to resolve the above issues and maximize synergy effects between the two companies in such an uncertain business environment, they considered it necessary for the two companies to share a medium to long term vision and develop their businesses in unison.

The specific synergies that the Target Company believes can be realized by becoming a wholly owned subsidiary of the Tender Offeror through the Transaction are as follows.

(i) Strengthening of existing business sales through utilization of the Tender Offeror's know-how

The Target Company and the Tender Offeror have close business models in the e-commerce business, and the following effects are expected by utilizing the Tender Offeror's accumulated know-how in customer acquisition and investment recovery management, etc.

(a) The Target Company's existing customers are expected to increase their re-purchase rate by receiving a shared repeat strategy that the Tender Offeror has built up to date.

(b) The utilization of mutual links, etc. will bring about a synergistic effect on the search engine measures of the Target Company and the Tender Offeror, and stabilization of search rankings is expected.

(c) By sharing the Tender Offeror's know-how on investment in advertising to attract customers, it is expected to further strengthen the brand and attract more customers.

(ii) Realization of cross-selling

The two companies have high customer affinity, such as the fact that the purchase and use of the Tender Offeror's commercial products are expected to occur before and after the purchase and use of the Target Company's main product, Japanese business stamps, and by introducing each other's customers, an increase in customers through cross-selling of commercial products is anticipated.

(iii) Securing human resources and strengthening the structure

Further human resources are expected to be secured by utilizing the knowledge and brand power of the Tender Offeror in recruiting and retaining human resources for the Target Company, and the organizational structure is expected to be strengthened by increasing opportunities to utilize the Target Company's human resources through business collaboration with the Tender Offeror, which is achieving aggressive growth.

(iv) Reduction of expenses related to maintaining the listing

The Target Company is listed on the Growth Market of the TSE. However, due to the recent revision of the Corporate Governance Code and the tightening of regulations on capital markets, the costs required to maintain the listing of its shares, such as fees to audit firms and stock transfer agency fees, in addition to the costs required for continuous disclosure of securities reports and other documents under the Financial Instruments and Exchange Law, have increased annually. The costs required to maintain the listing of the Target Company's shares, such as fees to audit firms and stock transfer agency fees, have been increasing year by year, and these costs are expected to be reduced as a result of the delisting of the Target Company. According to the Target Company, if the Target Company becomes a wholly owned subsidiary of the Tender Offeror and is delisted, one of the disadvantages of going private in general is that it will be unable to raise funds through equity financing from the capital market and will lose the advantages of being a listed company, such as name recognition and social credibility as a listed company. However, considering the Target Company's current financial situation and the recent low interest rate environment for indirect financing, there is no great need for equity finance in the immediate future, and the Target Company can maintain its name recognition and social credibility by sincerely continuing its business as a listed company, and by becoming a part of the Tender Offeror's group. The Company believes that the need to continue to maintain the listing of the Target Company's shares is limited, given the fact that the Target Company will also gain the name recognition and social credibility that the Tender Offeror possesses by becoming a subsidiary of the Tender Offeror.

Based on the above, the Target Company has determined that becoming a wholly-owned subsidiary of the Tender Offeror is the best way for the Target Company to improve the corporate value of the Target Company Group, even though the Target Company has just been listed on the Mothers market of the TSE (currently the Growth Market) in December 2018.

In addition, based on the following points, the Target Company has determined that the Tender Offer Price of 951 yen per share is a reasonable price that ensures the benefits to be enjoyed by the minority shareholders of the Target Company, and that the Tender Offer provides the minority shareholders of the Target Company with a reasonable opportunity to sell their shares at a price with an appropriate premium.

(i) Such price was agreed upon as a result of sufficient negotiations with the Tender Offeror with substantial involvement of the Special Committee, after sufficient measures were taken by the Target Company to ensure the fairness of the terms and conditions of the Transaction including the Tender Offer Price as described in "(3) Measures to Ensure Fairness of the Tender Offer including Measures to Ensure Fairness of the Tender Offer Price and Avoid Conflicts of Interest" below.

(ii) Such price exceeds the results of the calculation of the value of the Target Shares by PLUTUS, based on the market share price method, in the Valuation Report for the Target Company as described in "d. Obtaining share valuation reports from independent financial advisors and third-party appraisers in the Target Company " of "(3) Measures to Ensure Fairness of the Tender Offer including Measures to Ensure Fairness of the Tender Offer Price and Avoid Conflicts of Interest" below, and is also within the results of the calculation based on the discounted cash flow method (hereinafter referred to as the "DCF

method").

(iii) Such price is 108.55% of the closing price of the Target Company's shares on the Growth Market of the TSE on August 9, 2023, the business day before the announcement of the Tender Offer, which was 456 yen; 102.34% for the simple average closing price of 470 yen (rounded to the nearest yen; the same applies hereinafter) for the last one month until that date; 92.51% on the simple average closing price of 494 yen for the last three months; 94.88% on the simple average closing price of 488 yen for the last six months; and 61.19% on the simple average of closing prices since listing of 590 yen. In addition, the price is considered to have a premium level that is comparable to other similar cases, as it exceeds the median premiums in all of the 81 cases of tender offers between companies with no control relationship and for the purpose of making them wholly owned subsidiaries that were announced between June 28, 2019 and June 30, 2023, when the Ministry of Economy, Trade and Industry published "Guidelines Concerning Fair M&A Practices" (27.33% of the closing price on the business day prior to the announcement date, 31.49% of the simple average closing price for the most recent one month, 33.40% of the simple average closing price for the most recent three months and 34.45% of the simple average closing price for the most recent six months)..

(iv) Such price has been determined to be reasonable in the written report obtained from the Special Committee, as described in "b. Establishment of an Independent Special Committee at the Target Company and Obtaining a Written report from the Special Committee" of "(3) Measures to Ensure Fairness of the Tender Offer including Measures to Ensure Fairness of the Tender Offer Price and Avoid Conflicts of Interest" below.

Based on the above, the Target Company has determined that the Transaction will contribute to the improvement of the Target Company's corporate value and that the terms and conditions of the Transaction, including the Tender Offer Price, are reasonable. The Board of Directors of the Target Company resolved at its meeting held today to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Target Company tender their shares in the Tender Offer. For the method of the resolution at the relevant Board of Directors meeting, please refer to "f. Approval of All Non-interested Directors and No Objection from All Corporate Auditors of the Target Company " in "(3) Measures to Ensure Fairness of the Tender Offer including Measures to Ensure Fairness of the Tender Offer Price and Avoid Conflicts of Interest" below.

c. Management Policy after the Tender Offer

With respect to the management policy after the Tender Offer, the Tender Offeror plans to steadily create synergies as described above in "a. Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer." The details of the management structure of the Target Company, including the executive structure after the completion of the Tender Offer, will be determined through discussions with the directors of the Target Company and based on the governance structure of the Target Company Group as a whole, although the Tender Offeror plans to dispatch directors to the Target Company so that the directors appointed by the Tender Offeror will constitute a majority of the directors of the Target Company. The specific number, timing, and candidates for such directors have not yet been determined at this time. Based on discussions with Mr. Masaru Fujita, Representative Director and CEO of the Target Company, and Mr. Hideto Fujita, Senior Managing Director and COO of the Target Company, the Tender Offeror plans to have Mr. Masaru Fujita continue in his current position as Representative Director and CEO for a certain period and have Mr. Hideto Fujita resign as Director. The Tender Offeror has received verbal approval from Mr. Masaru Fujita and Mr. Hideto Fujita for this plan. No agreement has been made with the other directors of the Target Company regarding their appointment as directors after the Tender Offer. However, at this moment, the Tender Offeror, through discussions with the Target Company and based on the approach described in "a. Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer" above, intends to, after the completion of the Transaction, strengthen the Target Group's business by fully utilizing the characteristics and strengths of the Target Company Group's business and establish a management structure and business operations to realize maximum synergies with the Tender Offeror Group. Decisions have yet to be made at this time regarding measures to materialize these management structures and business operation frameworks, and the policies will be determined considering the Target Company's intentions as well. Since the Tender Offeror considers the knowledge and experience possessed by the employees of the Target Group to be essential for the operation of the Target Group, the Tender Offeror

plans, in principle, to maintain the current employment conditions for the employees of the Target Group after the Tender Offer. In principle, the Tender Offeror plans to maintain the trade names and service/brand names of the Target Group after the Tender Offer. However, the Tender Offeror may consider integrating and organizing the trade names and service/brand names of Both Groups if it is advantageous to use the trade names and service/brand names of the Tender Offeror Group in the future from a branding and marketing perspective.

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

As of today, the Tender Offeror does not own any Target Shares, and the Tender Offer does not fall under a tender offer by a controlling shareholder. In addition, the Transaction including the Tender Offer does not fall under a so-called management buy-out (MBO) transaction as equity contribution by all or some of the senior management members of the Target Company directly or indirectly in the Tender Offeror is not contemplated. That said, in light of the fact that the Transaction is made as a series of such transactions, the Tender Offeror and the Target Company have taken the measures described below to ensure the fairness of the Transaction, eliminate arbitrariness in decision-making regarding the Transaction, ensure fairness, transparency and objectivity in the decision-making process, and avoid conflicts of interest, in consideration of the fact that the Tender Offeror has entered into a Tender Agreement with Mr. Masaru Fujita, Representative Director and CEO of the Target Company, Mr. Hideto Fujita, Senior Managing Director and COO of the Target Company, and Egg, of which Mr. Masaru Fujita is a Representative Director, and the fact that if the Tender Offeror becomes the controlling shareholder of the Target Company as a result of the Tender Offer, the Squeeze-Out Procedures (please refer to “(4) Policies for Reorganization After the Tender Offer [Matters Concerning So-Called Two-Step Acquisition] below) scheduled after the Tender Offer will fall under an acquisition of a subordinate company by the controlling shareholder. The Tender Offeror has not set the minimum number of shares to be purchased in the Tender Offer that corresponds to the level of a so-called “majority of minority” (“MOM”) based on the understanding that setting such minimum number may be detrimental to the interest of minority shareholders who wish to tender the Tender Offer by increasing the uncertainty of the execution of the Tender Offer. That said, the Tender Offeror believes that sufficient consideration has been given to the interest of minority shareholders of the Target Company as the Tender Offeror and the Target Company have taken the measures described below. In addition, the Special Committee expressed in the report that it believes that the fact that the MOM conditions have not been established does not pose any particular problem in relation to the fairness guarantee measures, in light of the fact that other fairness guarantee measures are considered to be sufficiently in place in this report; the Target Company agrees with the judgment.

In the following description, the description of measures taken by the Target Company is based on the Target Company Press Release and explanations received from the Target Company.

a. Acquisition of a Share Valuation Report by the Tender Offeror from an Independent Third-Party Valuation Agency

In determining the Tender Offer Price, the Tender Offeror requested KPMG, a third-party valuation agency independent from the Tender Offeror, Target Company, and Tendering Shareholders, that it perform share valuation of the Target Company. KPMG does not fall under a related party of the Tender Offeror, Target Company, and Tendering Shareholders, and KPMG does not have any significant interest in the Transaction including the Tender Offer. The Tender Offeror did not obtain an opinion letter on the fairness of the Tender Offer Price (a fairness opinion) from KPMG since the Tender Offeror assessed and determined the Tender Offer Price through discussions and negotiations with the Target Company and Tendering Shareholders, comprehensively taking into consideration the various factors described in “a. Background, purpose and decision-making process which led to the decision to implement the Tender Offer” under “(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer As Well As the Management Policy After the Tender Offer” above. For the outline of the stock valuation report on stock valuation of the Target Company acquired by the Tender Offeror from KPMG, see “b. Basis for Calculation” and “b. Background of Calculation” of “(5) Basis for Calculation of the Tender Offer Price” of “2. Outline of the Tender Offer” below.

b. Establishment of an Independent Special Committee at the Target Company and Acquisition of a Report from the

Committee

According to the Target Company Press Release, as mentioned in “a. Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer” in “(2) Background, Purpose and Decision-making Process leading to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer” above, the Target Company resolved at a meeting of its Board of Directors held on May 30, 2023, to set up a special committee. Prior to the establishment of the Special Committee, from May 18, 2023, when the Target Company received a proposal from the Tender Offeror to make the Target Company its wholly-owned subsidiary, the Target Company has been receiving advice from Oh-Ebashi LPC & Partners in order to establish a system to examine, negotiate, and make decisions regarding the Transaction, independent from the Tender Offeror, and from the perspective of improving the Target Company's corporate value and securing the interests of minority shareholders of the Target Company. In addition, the Target Company individually explained to all the Independent Outside Directors and Independent Corporate Auditors of the Target Company, the fact that it received a proposal regarding the Transaction from the Tender Offeror, the fact that the Tender Offeror is planning on executing the Tender Agreement with Mr. Masaru Fujita, Representative Director and CEO of the Target Company, Mr. Hideto Fujita, Senior Managing Director and COO of the Target Company, and Egg, of which Mr. Masaru Fujita is a Representative Director, and the fact that if the Tender Offeror becomes the controlling shareholder of the Target Company as a result of the Tender Offer, the Squeeze-Out Procedures scheduled after the Tender Offer will fall under an acquisition of a subordinate company by the controlling shareholder, and for that reason, in considering and negotiating the Transaction, it is necessary to take sufficient measures to ensure the appropriateness of the terms and conditions of the Transaction, including the establishment of a special committee. In parallel, the Target Company has also confirmed the independence and qualifications of its Independent Outside Directors who are candidates for the Special Committee member, while obtaining advice from Oh-Ebashi LPC & Partners. Upon confirming independence from the Tender Offeror (it has been confirmed that there are no material interests between Mr. Tomokuni Tsuno, Mr. Takuhiro Homma and Ms. Ayako Miyamoto and the Tender Offeror or the Target Company) and that they do not have any material interests different from those of minority shareholders in the success or failure of the Transaction, and based on advice from Oh-Ebashi LPC & Partners, the Target Company selected Mr. Tomokuni Tsuno (Independent Outside Director of the Target Company; Certified Public Accountant and Representative Partner at IZANAMI Audit Corporation; Tax Accountant and Representative Partner at IZANAMI Tax Co.; Representative Director IZANAMI Institute of Research Ltd.), Mr. Takuhiro Homma (Independent Outside Director of the Target Company; Lawyer at HT Partnership), and Ms. Ayako Miyamoto (Independent Outside Corporate Auditor of the Target Company; Certified Public Accountant, Tax Accountant, and Representative at Ayako Nakamura Certified Public Accountant Office; Representative at Sakura GK; Director at Sanki Co., Ltd.) as candidates for the Special Committee members (the members of the Special Committee have not been changed since its establishment.).

As described in “a. Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer” in “(2) Background, Purpose and Decision-making Process leading to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer” above, the Target Company resolved at a meeting of its Board of Directors held on May 30, 2023, to set up the Special Committee and also consulted the Special Committee on the matters for consultation. In establishing the Special Committee, the Target Company's Board of Directors resolved that, in making decisions regarding the Transaction, it will respect the judgment of the Special Committee to the maximum extent possible, and if the Special Committee determines that the terms of the Transaction are not appropriate, it will not approve the Transaction under such terms. In addition, the Target Company's Board of Directors has granted the Special Committee (i) the authority to receive information necessary to consider and determine the Transaction from the Target Company's officers and employees, (ii) the authority to express opinions to the Target Company regarding negotiations concerning the terms of the Transaction, (iii) the authority to approve (or ratify) the Target Company's external expert advisors appointed by the Target Company, and (iv) the authority to seek advice from the Target Company's external expert advisors at the Target Company's expense.

In the above-mentioned meetings of the Target Company's Board of Directors, Mr. Masaru Fujita, Representative Director and CEO of the Target Company, and Mr. Hideto Fujita, Senior Managing Director and COO of the Target Company, did not participate in the deliberations and resolutions at such meetings, nor did they participate in the discussions and negotiations

with the Tender Offeror on behalf of the Target Company, in order to avoid any suspicion of conflict of interest and ensure fairness in this Transaction since they are Tendering Shareholders and Mr. Masaru Fujita is a Representative Director of Egg, which is Tendering Shareholder. All the non-interested directors in the Target Company, excluding the said two directors, have unanimously passed the above resolution after deliberation.

In addition, each member of the Special Committee is to be paid a fixed amount of compensation for his/her service, regardless of the content of the report.

The Special Committee met a total of 10 times between May 30, 2023, and August 9, 2023, for a total of approximately 9 hours, and in between the meeting days, the Special Committee also frequently reports, shares information, deliberates and makes decisions, etc. via e-mails and web conferences to perform its duties related to the consultation matters.

Specifically, the Special Committee confirmed no problem with the independence and expertise of the Target Company's financial advisor and third-party valuation agency, PLUTUS, and the Target Company's legal advisor, Oh-Ebashi LPC & Partners, and approved their appointments. The Special Committee has also confirmed that it has no objection to receiving professional advice from these advisors.

The Special Committee is then considering the measures that should be taken to ensure the fairness of the procedures in the Transaction, based on the opinions obtained from Oh-Ebashi LPC & Partners.

The Special Committee sent written questions to the Tender Offeror regarding significance, purpose and reasons, etc. of the Transaction, management policy, etc. of the Target Company after the Transaction, disadvantages of the Transaction, and the procedures and conditions of the Transaction. The Special Committee has received direct explanations of these matters from Mr. Kozo Fukushima (then Senior Executive Officer, COO, SVP of Raksul) and Mr. Shinnosuke Nishida (then Senior Executive Officer, CAO, VP of Corporate) of the Tender Offeror, based on their written responses, and held a Q&A session.

In addition, the Special Committee sent written questions to Mr. Masaru Fujita, Representative Director and CEO of the Target Company, regarding the significance of the Transaction, the management policy of the Target Company after the Transaction, and the terms of the Transaction. The Special Committee received a direct explanation from him regarding these matters based on his written responses and had a Q&A session.

In addition, while taking into account the advice from a financial perspective received from PLUTUS, the Special Committee confirmed and approved the reasonableness of the business plan prepared by the Target Company and its preparation process.

Based on the confirmation and approval of the business plan by the Special Committee, the Target Company resolved the details of the business plan at its Board of Directors meeting held on June 13, 2023, and presented it to the Tender Offeror and KPMG on the same day. On that basis, as described in “d. Acquisition of a Share Valuation Report by the Financial Advisor and Third-Party Valuation Agency Independent from the Target Company” below, PLUTUS conducted its valuation of the Target Shares based on the Business Plan. The Special Committee received explanations from PLUTUS regarding the calculation methods used to calculate the value of the Target Shares, the reasons for adopting such calculation methods, the details of the calculations based on each calculation method, and the material assumptions underlying such calculations, as well as a Q&A session, and examined the differences in the calculation results and confirmed the reasonableness of these matters.

In addition, since the Target Company received the first proposal from the Tender Offeror on July 4, 2023, setting the Tender Offer Price at 784 yen per share (premium of 61.98% on the closing price of 484 yen of the Target Shares on the Growth Market of the TSE on July 4, 2023, one business day prior to the date of submission of the proposal), the Special Committee has received reports on the content and progress of negotiations from the Target Company and PLUTUS, who is in charge of negotiations at the Target Company, each time the Target Company received a proposal from the Tender Offeror regarding the Tender Offer Price. The Special Committee discussed and examined the content of such proposal, taking into account the opinions from a financial perspective received from PLUTUS. The Special Committee was also substantially involved in the negotiation process regarding the terms and conditions of the Transaction, including receiving explanations in advance from PLUTUS regarding its negotiation policy and written responses to the Tender Offeror, expressing opinions as necessary, approving them after Q&A sessions, and giving instructions and requests to PLUTUS. As a result, on July 4, 2023, the Target Company received a proposal from the Tender Offeror with a Tender Offer Price of 784 yen per share, and

on August 2, 2023, the Target Company responded that it accepted the Tender Offeror's proposal and reached an agreement with the Tender Offeror that the Tender Offer Price would be 951 yen. As a result, there was a total of three price increases, resulting in a price increase of 21.30% (rounded to two decimal places) from the initial price proposal.

Furthermore, the Special Committee has been briefed on the contents of the draft of the Target Company press release multiple times by Oh-Ebashi LPC & Partners and has confirmed that a full disclosure is being planned.

Based on the above background, the Special Committee carefully discussed and examined the matters for consultation, taking into account the advice from a financial viewpoint received from PLUTUS and the Target Company Valuation Report submitted on August 9, 2023, and as a result, on August 9th of the same year, the Special Committee submitted to the Target Company Board of Directors a written report with the following contents in summary, unanimously agreed by all committee members.

(a) Contents of the Report

- i. The Transaction will contribute to improving the corporate value of the Target Company and the purpose of the Transaction is considered reasonable.
- ii. The terms and conditions of the Transaction (including the consideration in the Transaction) are considered to be reasonable.
- iii. It is considered that sufficient consideration has been given to the interests of minority shareholders of the Target Company through fair procedures in the Transaction.
- iv. It is considered appropriate for the Target Company's Board of Directors to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Target Company tender their shares in the Tender Offer and to make a decision to take procedures to make the Target Company a wholly owned subsidiary after the Tender Offer. In addition, it is not considered to be disadvantageous to the minority shareholders of the Target Company.

(b) Reasons for the Proposals Made in the Report

- i. Based on the following points, the Transaction will contribute to the improvement of the Target Company's corporate value, and the purpose of the Transaction is considered reasonable.

- The Special Committee questioned the Target Company and the Tender Offeror regarding the purpose of the Transaction, the specific details of the Target Company's corporate value expected to be enhanced by the Transaction, and the Tender Offeror's views on the management policy of the Target Company after the Transaction is completed; there is nothing unreasonable in the explanation given in the Target Company's press release in “(2) Basis and Rationale for the Opinion Concerning the Tender Offer” under “3. Opinion on the Tender Offer, Basis and Reasons for the Opinion” as well as in “d. Background and Reasons for the Company's Decision to Support the Tender Offer” and “c. Management Policy After Tender Offer” and “d. Background and Reasons for the Company's Decision to Endorse the Tender Offer.”

- In light of the business environment surrounding the Target Company, the Target Company's business challenges, and the future prospects in the Target Company's business, the Transaction is expected to help the Target Company overcome its business challenges by obtaining each synergy impact described in “d. Background and Reasons for the Company's Decision to Support the Tender Offer” under “(2) Basis and Rationale for the Opinion Concerning the Tender Offer” under “3. Opinion on the Tender Offer, Basis and Reasons for the Opinion.” Even if certain dis-synergies expected from the Transaction as described in “d. Background and Reasons for the Company's Decision to Support the Tender Offer” under “(2) Basis and Rationale for the Opinion Concerning the Tender Offer” under “3. Opinion on the Tender Offer, Basis and Reasons for the Opinion” of the Target Company's press release are taken into account, the Transaction is expected to contribute to the improvement of the Target Company's corporate value for all stakeholders, including employees.

- ii. Based on the following points, the terms and conditions of the Transaction (including the consideration in the Transaction) are considered reasonable.

- The Special Committee received a detailed explanation of calculation methods used for the Target Company Evaluation Report and conducted a Q&A session with PLUTUS regarding the selection of valuation methods, market share

price/volume analysis using the market share price method, Business Plan as the basis for the calculation under the DCF method, financial forecasts based on the Business Plan, calculation method for going-concern value and the basis for calculating the discount rate. As a result of considering the valuation result, no unreasonable points were found in light of general valuation affairs, and no unreasonable points were found in the preparation process of the financial forecasts of the Target Company on which the said calculation was premised.

- The Tender Offer Price (951 yen) represents a premium of 108.55% over 456 yen, the closing price of the Target Shares on the Growth Market of the TSE on August 9, 2023, a premium of 102.34% over 470 yen, the simple average closing price for the recent one-month, a premium of 92.51% over 494 yen, the simple average closing price for the recent 3 months, and a premium of 94.88% over 488 yen, the simple average closing price for the recent 6 months, and a premium of 61.19% on the simple average closing price since listing of 590 yen. All of these prices exceeded the median premiums (27.33% of the closing price on the business day prior to the announcement date, 31.49% of the simple average closing price for the most recent one month, 33.40% of the simple average closing price for the most recent three months and 34.45% of the simple average closing price for the most recent six months) in all of the 81 cases of tender offers between companies without a controlling interest and for the purpose of making them wholly owned subsidiaries that were announced between June 28, 2019 and June 30, 2023, when the Ministry of Economy, Trade and Industry published its "Guidelines Concerning Fair M&A Practices," confirming that the price is comparable to other similar cases and ensures a premium level that is comparable to other similar cases.

- As mentioned in iii. below, the procedures of the negotiation process leading to the Transaction including the Tender Offer, are deemed to be fair, and the Tender Offer Price is deemed to have been determined based on the results of such negotiations.

- The Transaction is planned to be a two-step acquisition, consisting of a cash tender offer by the Tender Offeror followed by the Squeeze-out Procedure (Request for Selling Shares or Reverse Share Split). This is a common method used in cases similar to the Transaction, and both procedures ensure that minority shareholders will have opportunities to object to the consideration.

- Minority shareholders who did not tender their shares in the Tender Offer will ultimately receive money in the Squeeze-Out Procedures, which are scheduled to be implemented after the Tender Offer. The amount of money to be delivered in the Squeeze-Out Procedures will be clearly stated to be calculated to be equal to the Tender Offer Price multiplied by the number of Target Shares held by the shareholders, and thus the Squeeze-Out Procedures are considered reasonable.

iii. Based on the following points, it is considered that sufficient consideration has been given to the interests of minority shareholders of the Target Company through fair procedures in the Transaction.

- As of August 9, 2023, the Tender Offeror does not own any shares of the Target Company, the Tender Offer does not fall under a tender offer by a controlling shareholder, and all or part of the management of the Target Company is not expected to invest directly or indirectly in the Tender Offeror; the Transaction including the Tender Offer does not constitute a so-called management buyout transaction. However, if the Tender Offeror becomes the controlling shareholder of the Target Company as a result of the Tender Offer, the Squeeze-Out Procedures contemplated after the Tender Offer will constitute a takeover of a subordinate company by the controlling shareholder. From the perspective of ensuring the fairness of the Transaction, in considering the Transaction, the Target Company, while obtaining advice and opinions, etc. from PLUTUS, a financial advisor independent of the Target Company and the Tender Offeror, and Oh-Ebashi LPC & Partners, a legal advisor independent of the Target Company and the Tender Offeror, the Target Company set up the Special Committee independent of the Target Company and the Tender Offeror. The Special Committee carefully examined and discussed the appropriateness of the conditions of the Tender Offer, including the Tender Offer Price, and the fairness of the series of procedures of the Transaction, from the viewpoint of enhancing the corporate value of the Target Company and securing the interests of the minority shareholders of the Target Company. In establishing the Special Committee, the Target Company's Board of Directors has resolved that, in making decisions regarding the Transaction, it will respect the judgment of the Special Committee to the maximum extent possible, and that if the Special Committee determines that the terms of the Transaction are not appropriate, it will not approve the Transaction under

such terms.

- The Special Committee confirmed no problem with the independence and expertise of the Target Company's financial advisor and third-party valuation agency, PLUTUS, and the Target Company's legal advisor, Oh-Ebashi LPC & Partners, and approved their appointments. The Special Committee has also confirmed that it has no objection to receiving professional advice from these advisors.

- In accordance with the negotiation policy approved in advance by the Special Committee, the Target Company had substantial discussions and negotiations with the Tender Offeror multiple times to ensure the fairness of the Tender Offer Price from the perspective of protecting the interests of minority shareholders. Specifically, the Target Company used PLUTUS as a contact point in price negotiation, including presentations of response letters approved by the Special Committee. Until reaching the decision of the Tender Offer Price of 951 yen per share as a result of the negotiations between the Target Company and the Tender Offeror, the price has been raised three times from the Tender Offeror's initial proposal of 784 yen per share of the Target Shares, for a total of 167 yen (21.30% of the increase from the initial proposal; rounded to two decimal places).

- At a Board of Directors meeting of the Target Company, after deliberation by all three non-interested directors, a unanimous vote is planned to express an opinion in favor of the Transaction and to recommend that the Target Company's shareholders tender their shares in the Tender Offer. The said resolution is subject to the opinion of all three auditors of the Target Company participating in the said Board of Directors meeting that they have no objection to the above resolution being adopted.

- Since Mr. Masaru Fujita, Representative Director and CEO of the Target Company, Mr. Hideto Fujita, Senior Managing Director and COO of the Target Company, and Egg, whose Representative Director is Mr. Masaru Fujita, have executed the Tender Agreement with the Tender Offeror, in order to avoid any suspicion of conflict of interest and ensure fairness in this Transaction, Mr. Masaru Fujita and Mr. Hideto Fujita have not participated in such deliberations and discussions at the Board of Directors meeting, nor did they participate in the discussions and negotiations with the Tender Offeror on behalf of the Target Company.

- The Tender Offeror and the Target Company plan on executing a tender offer endorsement agreement (the "Endorsement Agreement") and the Target Company will, in principle, maintain its resolution to approve the Tender Offer and will not withdraw or change such resolution. However, based on the legal opinions from the Target Company's legal counsel, if the Target Company's directors reasonably determine that not withdrawing or changing the resolution of support for the Tender Offer is likely to be a breach of the duty of care by the directors of the Target Company, or if the Target Company receives a report from the Special Committee to the effect that the resolution of support should be withdrawn or changed, the Target Company may withdraw or change the resolution of support for the Tender Offer. Consideration is being given to ensuring the fairness of the Tender Offer by not excessively restricting opportunities for takeover bids by parties other than the Tender Offeror.

- Since the Tender Offeror plans on not adopting any method that does not secure the right to request the Target Company's shareholders to purchase their shares or to petition for the determination of the price, and making sure that the cash to be delivered to the Target Company's shareholders as consideration, in the event of a request for sale of shares or a reverse share split, will be calculated to be equal to the Tender Offer Price multiplied by the number of shares of the Target Company held by each such shareholder (excluding the Tender Offeror and the Target Company), the Target Company's shareholders are given the opportunity to make an appropriate decision as to whether or not to tender their shares in the Tender Offer, and care is taken to ensure that this does not result in coercion.

- The Tender Offeror has set the period for the purchase, etc. in the Tender Offer (the "Tender Offer Period") at 30 business days, whereas the statutory minimum period is 20 business days, and by setting the Tender Offer Period longer than the statutory minimum period, the Tender Offeror ensures that the shareholders of the Target Company will have an appropriate opportunity to make a decision regarding the application for the Tender Offer.

- The Special Committee was briefed on the contents of the Opinion Report and the Target Company Press Release to be submitted by the Target Company and each draft of the Tender Offer Registration Statement to be submitted by the Tender Offeror and was also advised by Oh-Ebashi LPC & Partners in reviewing the contents of these documents.

- There is no plan to set the Majority of Minority condition in the Tender Offer. In this regard, although the Transaction is considered to contribute to the improvement of the corporate value of the Target Company and the terms of the Transaction are reasonable, setting a Majority of Minority condition with respect to such Transaction may make the consummation of the Tender Offer unstable and, in turn, may not contribute to the interests of minority shareholders who wish to tender their shares in the Tender Offer. In addition, the Target Company has taken other sufficient measures to ensure fairness in the Transaction. Considering all these points, the fact that the Majority of Minority condition is not set in the Tender Offer does not impair the fairness of the procedures in the Tender Offer.

- There are no facts that would lead us to infer that the Target Company has been unduly influenced by the Tender Offeror in the course of discussions, examinations and negotiations concerning the Transaction.

iv. As stated above, the purpose of the Transaction is reasonable, the terms of the Transaction are appropriate, and the interests of the Target Company's minority shareholders have been adequately considered through fair procedures in the Transaction. It is considered appropriate for the Target Company's Board of Directors to express its opinion in favour of the Tender Offer and The Board of Directors of the Target Company is of the opinion that it is appropriate for the Board of Directors of the Target Company to express its opinion in favour of the Tender Offer and to recommend that the shareholders of the Target Company accept the Tender Offer and to make a decision to take procedures to make the Target Company a wholly-owned subsidiary after the Tender Offer, and that such decision is not disadvantageous to the minority shareholders of the Target.

c. Obtaining Advice from Independent Legal Advisors at the Target Company

According to the Target Company Press Release, as described in "b. Establishment of an Independent Special Committee at the Target Company and Acquisition of a Report from the Committee" above, the Target Company has appointed Oh-Ebashi LPC & Partners as its legal advisor independent of the Tender Offeror, the Target Company and the Tendering Shareholders, and has received legal advice including advice on measures to be taken to ensure the fairness of the procedures in the Transaction, various procedures of the Transaction and the decision-making methods and processes of the Target Company regarding the Transaction. Oh-Ebashi LPC & Partners is not a related party of either the Tender Offeror, the Target Company, or the Tendering Shareholders, and does not have any material interest in the Transaction, including the Tender Offer.

d. Acquisition of a Share Valuation Report by the Financial Advisor and Third-Party Valuation Agency Independent from the Target Company

According to the Target Company Press Release, as stated in "(ii) Establishment of Independent Special Committee and Receipt of Report from the Special Committee of the Target Company" above, the Target Company appointed PLUTUS as a financial advisor and third-party valuation agency independent of the Tender Offeror, the Target Company and the Tendering Shareholders, and receives PLUTUS' advice and assistance from a financial perspective, including advice on the valuation of the Target Company shares and the negotiation policy with the Tender Offeror, and also obtained the Target Company Valuation Report as of August 9, 2023. PLUTUS is not a related party of either the Tender Offeror, the Target Company or the Tendering Shareholders and does not have any material interest in the Transactions including the Tender Offer.

In determining the Tender Offer Price, the Target Company requested PLUTUS, a financial advisor and third-party valuation agency independent of the Tender Offeror, the Target Company and the Tendering Shareholders, to calculate the value of the Target Company's shares. In addition, at the first meeting of the Special Committee, the Special Committee confirmed PLUTUS as the Target Company's third-party Valuation Agency and the Special Committee has no objection to receiving professional advice from PLUTUS as necessary since there is no problem with PLUTUS' independence and expertise. The Target Company has not obtained an opinion on the fairness of the Tender Offer Price (fairness opinion) from PLUTUS, as the Target Company believes that sufficient consideration has been given to the interests of minority shareholders of the Target Company in light of the other measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest that have been taken in the Transaction. In addition, the remuneration to PLUTUS for the Transaction does not include a contingency fee to be paid on the condition that the Transaction is consummated, etc.

PLUTUS considered the calculation method to be adopted in calculating the value of the Target Company's shares from among several share value calculation methods. As the Target Company is listed on the Growth Market of the TSE and has a market share price, PLUTUS used the market price method and the DCF method to reflect the status of future business activities in its calculation.

The ranges of the per share value of the Target Shares calculated by PLUTUS based on the above methods are as follows.

Average market share price method: 456 yen to 494 yen

DCF Method: 892 yen to 1,291 yen

Under the market price method, using August 9, 2023, the business day before the announcement of the Tender Offer, as the calculation base date, the per-share value of the Target Company's shares was calculated to range from 456 yen to 494 yen based on the closing price of the Target Company's shares on the Tokyo Stock Exchange Growth Market on the base date, 456 yen, the closing price of the Target Shares on the Growth Market of the TSE on August 9, 2023, 470 yen, the simple average closing price for the recent one-month, 494 yen, the simple average closing price for the recent 3 months, and 488 yen, the simple average closing price for the recent 6 months.

Under the DCF method, the corporate value and equity value of the Target Company were calculated by discounting the free cash flows that the Target Company is expected to generate in and after the fiscal year ending June 30, 2024 by a certain discount rate to arrive at a present value, based on this business plan and taking into account various factors such as recent performance trends and publicly available information, and the range of per-share value of the Target Company's shares was calculated to be between 892 yen and 1,291 yen. The business plan assumed in the DCF method does not include any fiscal year in which a significant increase or decrease in profit is expected, although the impact of an increase in depreciation related to the system investment made in the fiscal year ending June 30, 2023 has been factored in. In addition, because it was difficult to estimate the specific impact of the Tender Offer, the Business Plan was not based on the assumption that the Tender Offer would be executed. The synergies expected to be realized from the execution of the Transaction have not been taken into account in this business plan, as it is difficult to estimate them concretely at this time, except for the effect of reduced listing maintenance costs.

e. Establishment of an Independent Review System at the Target

According to the Target Company Press Release, the Target Company has established a system within the Target Company to examine, negotiate, and make decisions regarding the Transaction from a standpoint independent of the Tender Offeror. Specifically, promptly after receiving the initial proposal from the Tender Offeror regarding the Transaction to make the Target Company a wholly-owned subsidiary of the Tender Offeror, the Target Company established a system in which a total of 11 officers and employees (it does not include any person who has an interest in the Tender Offeror) from the Target Company's Director, CFO and General Manager of the Group Corporate Management Division, Corporate Auditors, Internal Audit Office and Group Corporate Management Division (Human Resources Team, General Affairs Team, Accounting and Finance Team) were appointed. The Target Company's Board of Directors, CFO and General Manager of the Group Management Division, Corporate Auditors, Internal Audit Office, and Group Management Division (Human Resources Team, General Affairs Team, and Accounting and Finance Team). Since the formation, the said team has been involved in the negotiation process regarding the terms and conditions of the Transaction between the Target Company and the Tender Offeror, together with the Special Committee, in addition to responding to the due diligence conducted by the Tender Offeror on the Target Company.

Mr. Masaru Fujita, Representative Director and CEO of the Target Company, and Mr. Hideto Fujita, Senior Managing Director and COO of the Target Company, who have interests as Tendering Shareholders, have not interfered in any way with the Tender Offer with respect to the said review team and the 11 officers and employees who comprise it, and the said review team is independent not only from the Tender Offeror, but also from the prospective Tendering Shareholders.

The Business Plan presented to the Tender Offeror and used by PLUTUS as the basis for its calculation of the value of the Target Company's shares was prepared by the Budget Committee, chaired by the Director, CFO and General Manager of the

Group Management Division of the Target Company, which is independent of the Tender Offeror. The committee members do not include Mr. Masaru Fujita, Representative Director and CEO of the Target Company, and Mr. Hideto Fujita, Senior Managing Director and COO of the Target Company. The Director, CFO and General Manager of the Group Management Division of the Target Company explained to the Special Committee the contents of the Business Plan draft and its material assumptions and conditions; they have received the Special Committee's confirmation and approval on the rationality of the contents of the final Business Plan and the process of its preparation. In addition, the system established by the Target Company to examine the Transaction (including the scope of officers and employees of the Target Company involved in the examination, negotiation and decision-making regarding the Transaction and their duties) was established based on the advice of Oh-Ebashi LPC & Partners and its independence and fairness have been confirmed by the Special Committee.

f. Approval of All Non-interested Directors and No Objection from All Corporate Auditors of the Target Company

According to the Target Company Press Release, the Target Company's Board of Directors, as described in "a. Decision-Making Process and Reasons for the Target Company's Support of the Tender Offer" in "(2) Background, Purpose and Decision-Making Process of the Tender Offer, and Management Policy after the Tender Offer" above, while taking into consideration the legal advice from Oh-Ebashi PLC & Partners and financial advice and the Target Company Valuation Report from PLUTUS and, respecting to the maximum extent the content of the Special Committee's judgment as set forth in the Report, they carefully discussed and examined whether the Transaction, including the Tender Offer, would contribute to the enhancement of the Target Company's corporate value and whether the terms of the Transactions, including the Tender Offer Price, are appropriate.

As a result, as described in "b. Background and Reasons for the Target Company's Decision to Endorse the Tender Offer" in "(2) Background, Purpose and Decision-Making Process of the Tender Offer, and Management Policy after the Tender Offer" above, the Target Company has determined that (i) the Transactions including the Tender Offer will contribute to the enhancement of the Target Company's corporate value, and (ii) the terms and conditions of the Transactions including the Tender Offer Price are reasonable and ensure the interests of the Target Company's minority shareholders, and the Tender Offer provides the minority shareholders of the Target Company with an opportunity to sell their shares at a reasonable price with an appropriate premium. At the Target Company's Board of Directors meeting held today, all of the directors who participated in the deliberations and resolution, except for Mr. Masaru Fujita and Mr. Hideto Fujita, who were among the five directors of the Target Company, deliberated and unanimously resolved to express their opinion in favor of the Tender Offer and to recommend that the shareholders of the Target Company accept the Tender Offer.

In addition, three auditors of the Target Company attended the above Board of Directors meeting of the Target Company held today, and all of the auditors who attended stated that they had no objection to the adoption of the above resolution.

Mr. Masaru Fujita, Representative Director and CEO of the Target Company, and Mr. Hideto Fujita, Senior Managing Director and COO of the Target Company are both Tendering Shareholders, and Mr. Masaru Fujita is also a Representative Director of Egg. For these reasons, they did not participate in the deliberations and resolutions at such board meetings, nor did they participate in the discussions and negotiations with the Tender Offeror on behalf of the Target Company, in order to avoid any suspicion of conflict of interest and ensure fairness in this Transaction.

g. Measures to Ensure that Other Purchasers have the Opportunity to Purchase the Company's Shares

As described in "(ii) Endorsement Agreement" in "(6) Material Agreements Regarding the Tender Offer" below, the Target Company resolved today to enter into the Endorsement Agreement with the Tender Offeror to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Target Company tender their shares in the Tender Offer (the "Endorsement Resolution"). The Endorsement Resolution is meant to be maintained and not changed, however, if the Target Company reasonably determines, based on the legal opinion from the Target Company's legal counsel, that not withdrawing or changing the Resolution of Endorsement is likely to constitute a breach of the Target Company's directors' duty of care, or if the Target Company's Special Committee requests the Target Company to withdraw or change the Resolution of Endorsement, the Target Company may withdraw or change the Resolution. The Tender Offeror has thus taken care to ensure the fairness of the Tender Offer by not excessively restricting opportunities for takeover bids by parties other than the Tender

Offeror in the agreement with the Target Company.

As described in "a. Tender Agreement" in "(6) Material Agreements Regarding the Tender Offer" below, the Tendering Shareholders are to tender their shares in the Tender Offer. However, if a Tender Offer for the shares of the Target Company by a third party (the "Competing Tender Offer") is commenced and the Board of Directors of the Target Company resolves to endorse the Competing Tender Offer and recommend that the shareholders of the Target Company tender their shares in the Competing Tender Offer, the Tendering Shareholders may not tender all or part of their shares in the Tender Offer, or cancel the agreement relating to the Tender Offer which was concluded through the tender, or cancel the agreement relating to the Competing Tender Offer.

h. Measures to Ensure that Shareholders of the Target Company have the Opportunity to Make an Appropriate Decision as to whether or not to Tender their Shares in the Tender Offer

As described in "(4) Policy on matters including organizational restructuring after the Tender Offer (matters concerning the so-called two-step acquisition)" below, (i) promptly after the completion of the settlement of the Tender Offer, the Tender Offeror will acquire all of the Target Company's shares (excluding the Target Shares held by the Tender Offeror and treasury shares held by the Target Company) in accordance with the number of shares the Tender Offeror will acquire upon completion of the Tender Offer. The Tender Offeror, promptly after completion of settlement of the Tender Offer, plans to request to hold an extraordinary general meeting of shareholders (the "Extraordinary General Meeting of Shareholders"), which will include an agenda item to propose a partial amendment to the Target Company's articles of incorporation in order to abolish the provision on the Share Unit, subject to effectuation of the Reverse Share Split. Since the Tender Offeror plans on not adopting any method that does not secure the right to request the Target Company's shareholders to purchase their shares or to petition for the determination of the price, and making sure that the cash to be delivered to the Target Company's shareholders as consideration, in the event of a request for sale of shares or a reverse share split, will be calculated to be equal to the Tender Offer Price multiplied by the number of shares of the Target Company held by each such shareholder (excluding the Tender Offeror and the Target Company), the Target Company's shareholders are given the opportunity to make an appropriate decision as to whether or not to tender their shares in the Tender Offer, and care is taken to ensure that this does not result in coercion. Moreover, while the minimum period for the purchase in relation to a Tender Offer stipulated by law is 20 business days, the Tender Offeror has set the Tender Offer Period at 30 business days, which is longer than the statutory minimum period, and by setting the Tender Offer Period longer than the statutory minimum period, the Tender Offeror ensures that the shareholders of the Target Company will have an appropriate opportunity to make a decision regarding the application for the Tender Offer.

(4) Policies for Reorganization After the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)

As stated in "(1) Outline of the Tender Offer" above, in the event that the Tender Offeror fails to acquire all of the Target Shares (excluding treasury shares held by the Target Company), the Tender Offeror plans to implement the Squeeze-Out Procedures in order to acquire all of the Target Shares (excluding treasury shares held by the Target Company) by the following method after the Tender Offer is completed.

a. Request for Selling Shares

In the event that, due to the implementation of the Tender Offer, the total number of voting rights corresponding to the Target Shares held by the Tender Offeror reaches at least 90% of the total number of voting rights held by all shareholders of the Target Company and the Tender Offeror becomes the Special Controlling Shareholder as set forth in Article 179, Paragraph 1 of the Companies Act, the Tender Offeror will, swiftly after the completion of the Transaction of the Tender Offer, request that all shareholders of the Target Company (excluding the Tender Offeror and the Target Company) (hereinafter referred to as "Selling Shareholders") sell all their Target Shares pursuant to Part 2, Chapter 2, 4-2 of the Companies Act ("Request for Selling Shares"). In making a Request for Selling Shares, the Tender Offeror is planning on deciding to deliver to Selling Shareholders an amount identical to the Tender Offer Price as a per-share price of the Target Shares. The Tender Offeror will then inform the Target Company to that effect and ask for its approval of the Request for

Selling Shares. In the event that the Target Company approves the Request for Selling Shares by resolution of its board of directors, the Tender Offeror will acquire from all Selling Shareholders all their Target Shares, on the acquisition date specified in the Request for Selling Shares, without being required to obtain consent from each of the Selling Shareholders, pursuant to procedures stipulated in applicable laws and regulations. In this case, the Tender Offeror plans to deliver to each of the Selling Shareholders an amount identical to the Tender Offer Price as a per-share price of the Target Shares held by the Selling Shareholders. According to the Target Company Press Release, the Target Company plans to approve the request for selling shares at its Board of Directors meeting upon receiving a notice from the Tender Offeror that it intends to make a request for selling shares and the matters set forth in each item of Article 179-2, Paragraph 1 of the Companies Act.

In order to protect the rights of minority shareholders in connection with the Request for Selling Shares, in accordance with Article 179-8 of the Companies Act and other relevant laws and regulations, the shareholders of the Target Company who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Target Company) are allowed to file a petition with a court of law to decide the sale price of their Target Shares. In the event of such petition filing as mentioned above, the sale price of the Target Shares will ultimately be decided by the court of law.

b. Reverse Share Split

After the successful completion of the Tender Offer, if the total number of voting rights corresponding to the Target Shares held by the Tender Offeror is less than 90% of the number of voting rights held by all shareholders of the Target Company, the Tender Offeror, promptly after completion of settlement of the Tender Offer, plans to request to hold the "Extraordinary General Meeting of Shareholders, which will include an agenda item to propose to conduct a reverse share split of the Target Shares (the "Reverse Share Split") pursuant to the provision of Article 180 of the Companies Act and partial amendments to the Target Company's articles of incorporation in order to abolish the provision on the Share Unit, subject to effectuation of the Reverse Share Split (the "Extraordinary Shareholders' Meeting"). The Tender Offeror plans on supporting the above agenda items at the Extraordinary General Meeting of Shareholders. According to the Target Company Press Release, as of today, the Target Company plans to hold the Extraordinary Shareholders' Meeting at the request of the Offeror, and the date of the Extraordinary Shareholders' Meeting is scheduled for late November 2023.

If the agenda item on the Reverse Share Split is approved in the Extraordinary General Meeting of Shareholders, the Target Company's shareholders will hold the number of Target Shares calculated based on the Reverse Share Split ratio approved in the Extraordinary General Meeting of Shareholders as of the effective date of the Reverse Share Split. If a fraction of less than one share arises due to the Reverse Share Split, the proceeds from the sale to the Target Company or the Tender Offeror of the Target Shares equivalent to the sum of such fractions (if the sum includes a fraction less than one share, the fraction is rounded down. The same applies hereinafter.) will be delivered to the Target Company's shareholders for whom the fractions arise, in accordance with the procedures stipulated in Article 235 of the Companies Act and other relevant laws and regulations. With respect to the sale price of the Target Shares corresponding to the sum of such fractions, the Tender Offeror will calculate the amount of money to be delivered, as a result of this sale, to the shareholders of the Target Company (excluding the Tender Offeror and the Target Company) who did not tender their shares in the Tender Offer by ensuring that such amount of money becomes equal to the Tender Offer Price multiplied by the number of Target Shares owned by the shareholders, and then request that the Target Company file a petition with the court for permission for voluntary sale. The Reverse Share Split ratio for the Target Company Shares has not been decided as of today, however, the Tender Offeror plans to request that the Target Company determine the ratio by ensuring that the number of Target Shares owned by the Target Company's shareholders who have not tendered their shares in the Tender Offer (excluding the Tender Offeror and the Target Company) becomes less than one share so that the Tender Offeror holds all the shares in the Target Company (excluding treasury shares owned by the Target Company). According to the Target Company Press Release, the Target Company plans on meeting these requests of the Tender Offeror upon successful completion of the Tender Offer.

As a provision of the Companies Act for the purpose of protecting the rights of minority shareholders in relation to the Reverse Share Split, if a fraction of less than one share arises due to the Reverse Share Split, the shareholders of the Target Company (excluding the Tender Offeror and the Target Company) may file a petition, in accordance with Articles 182-4 and 182-5 of the Companies Act and other applicable laws and regulations, to demand that the Target Company purchase all of

the shares they hold that will result in a fraction of less than one share at a fair price.

As stated above, in the Reverse Share Split, the number of Target Shares owned by the Target Company's shareholders (excluding the Tender Offeror and the Target Company) who have not tendered their shares in the Tender Offer is expected to be less than one share; therefore, the Target Company's shareholders (excluding the Tender Offeror and the Target Company) who oppose the Reverse Share Split will be entitled to file the above petition. In the event that such a petition is filed, the court will ultimately determine the purchase price of the Target Shares.

The method and timing of the procedures for the above Request for Selling Shares and the Reverse Share Split may change depending on the revision, enforcement, authorities' interpretations, etc. of the relevant laws and regulations. However, even in such a case, a method to deliver money to the Target Company's shareholders (excluding the Tender Offeror and the Target Company) who have not tendered their shares in the Tender Offer will be adopted. In such case, the amount of money to be delivered to each shareholder in that case will be calculated by ensuring that it becomes the same as the Tender Offer Price multiplied by the number of Target Shares owned by each shareholder. The specific procedures in the above cases and the timing of their implementation in the above cases are planned to be discussed with the Target Company and will be promptly announced by the Target Company as soon as the decisions are made. The Tender Offer is in no way intended to solicit the support of the Target Company's shareholders in the Extraordinary General Meeting of Shareholders. In addition, the Target Company's shareholders are requested to confirm with tax accountants and other professionals on their own responsibility regarding the tax treatment of tendering shares in the Tender Offer or in each of the above-mentioned procedures.

(5) Possibility of and Reasons for Delisting

The Target Company Shares are listed on the Growth Market of the Tokyo Stock Exchange as of today, however, the Tender Offeror has not set an upper limit on the number of shares to be purchased in the Tender Offer. Therefore, depending on the results of the Tender Offer, the Target Company Shares may be delisted following the prescribed procedures in accordance with the Delisting Standards of the Tokyo Stock Exchange. Even if the Target Company Shares do not satisfy those standards at the time of successful completion of the Tender Offer, if the Squeeze-out Procedures described in "(4) Policies for Reorganization After the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)" above are implemented after successful completion of the Tender Offer, they will satisfy the Delisting Standards of the Tokyo Stock Exchange and the Target Company Shares will be delisted following the prescribed procedures. After delisting, the Target Company Shares cannot be traded in the Growth Market of the Tokyo Stock Exchange.

(6) Matters Concerning Material Agreements Related to the Tender Offer

a. Tender Agreement

As described in "(1) Outline of the Tender Offer" and "(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer As Well As the Management Policy After the Tender Offer" above, to implement the Tender Offer, the Tender Offeror today entered into a Tender Agreement with (i) Masaru Fujita, Representative Director and CEO, major and the largest shareholder (as of June 30, 2023) of the Target Company (2,005,200 shares, ownership ratio: 47.65%), (ii) Hideto Fujita, Senior Managing Director and COO, major and the second largest shareholder of the Target Company (460,000 shares, ownership ratio: 10.93%), (iii) Egg, the third largest shareholder (as of June 30, 2023) of the Target Company; an asset management company in which Mr. Masaru Fujita and his family members own all of its outstanding shares (400,000 shares, ownership ratio: 9.51%), and (iv) Chizuru Fujita, a spouse of Masaru Fujita and the fourth largest shareholder of the Target Company (200,000 shares, ownership ratio: 4.75%), and Tendering Shareholders have agreed to tender their shares (3,065,200 shares, ownership ratio: 72.84%) to the Tender Offer. The outline of the Tender Agreement is as follows. There is no precondition for tendering under the Tendering Agreement. Except for the Tendering Agreement, there is no other agreement executed with the Tendering Shareholders regarding the Transaction, and there are no other benefits to be provided to the Tendering Shareholders in connection with the Transaction except for the payment of the Tender Offer Price.

(i) On the execution date of the Tender Agreement, the Tender Offeror shall pass a resolution at its Board of Directors Meeting to commence the Tender Offer and announce such resolution in accordance with applicable laws and regulations.

(ii) If the Tender Offeror commences the Tender Offer, the tendering shareholders shall, within 15 business days of the commencement date of the Tender Offer, tender all of their tendered shares in the Tender Offer (the "Tender Offer"). The Tender Offeror shall not withdraw the Tender Offer and shall not cancel the agreement concerning the purchase of the shares to be tendered that was concluded through the Tender Offer. However, if a competing tender offer is commenced during the period from the date of execution of the Tendering Agreement to the end of the Tender Offer Period and the Target Company's Board of Directors resolves to endorse the competing tender offer and recommend that the shareholders of the Target Company tender their shares in the competing tender offer, the tendering shareholders shall be required to tender all or part of their shares they plan to tender in the Tender Offer. If the Target Company's board of directors resolves to approve the competing tender offer and recommend that the shareholders of the Target Company tender their shares in the competing tender offer, the tendering shareholders may not tender all or part of their shares in the competing tender offer, or may cancel the agreement relating to the competing tender offer that was concluded through the tender and tender their shares in the competing tender offer.

(iii) The tendering shareholders shall not transfer, create a security interest in, or otherwise dispose of the shares to be tendered, except for this tender.

(iv) The tendering shareholder shall not directly or indirectly propose, solicit, discuss, negotiate, provide information on, or enter into any agreement with any third party regarding any transaction that substantially conflicts, contradicts or conflicts with the Tender Offer or makes the consummation of the Tender Offer difficult (the "Competing Transaction"). If the Company receives a proposal, solicitation, discussion, negotiation, provision of information, or agreement, etc., regarding a Competing Transaction from a third party, the Company shall immediately notify the Tender Offeror of such fact and details, immediately deliver to the Tender Offeror the documents and materials received from such third party, and take measures to respond to such proposal, solicitation, negotiation, provision of information, etc. The Company shall consult with the Tender Offeror in good faith regarding the measures to be taken. However, if a competing tender offer is commenced and the Board of Directors of the Target Company resolves to approve the competing tender offer and recommend that the shareholders of the Target Company tender their shares in the competing tender offer, the tendering shareholders shall, upon giving prior notice to the Tender Offeror, discuss, negotiate and provide information with the third party that has commenced the competing tender offer.

(v) The tendering shareholders shall not exercise their right to request the convocation of a general meeting of shareholders of the Target Company, to propose an agenda or agenda item, or any other shareholder rights without the prior written consent of the Tender Offeror. However, shareholders who exercise their voting rights in favor of the Company's proposal at the Target Company's ordinary general meeting of shareholders for the fiscal year ending June 30, 2023 (the 24th fiscal year) (including voting in accordance with the Chairman's instructions to oppose an amendment or procedural motion by a shareholder). For the avoidance of doubt, under no circumstances shall a shareholder vote in favor of a proposal for the distribution of surplus in excess of 18.50 yen per share.) This shall not apply with respect to the following.

(vi) Tendering shareholders may exercise their rights at a general meeting of shareholders of the Target Company on or before the commencement date of settlement of the Tender Offer (the "Settlement Date") (except for the 24th Ordinary General Meeting of Shareholders of the Target Company). In the event that a general meeting of shareholders of the Target Company (excluding the Target Company's 24th annual general meeting of shareholders) is to be held on or prior to the commencement date of settlement of the Tender Offer (the "Commencement Date of Settlement"), the Tender Offeror may, at its option, either (a) exercise voting rights and any other rights relating to the shares to be tendered at such meeting in accordance with the instructions of the Tender Offeror or (b) grant a comprehensive proxy right to the Tender Offeror or a

person designated by the Tender Offeror, and may not withdraw such proxy right. shall not revoke the grant of the power of representation.

(vii) During the period up to the Settlement Date, the Tendering Shareholders shall cause the Target Group to (a) conduct its business and manage and operate its assets in the ordinary course of business in accordance with its previous practices, and (b) comply with laws and regulations and properly conduct its business.

(viii) If, during the period up to the Settlement Date, the tendering shareholder becomes aware of any fact or specific threat of a breach of the representations and warranties of the tendering shareholder set forth in the Tender Agreement, it shall immediately notify the Tender Offeror of such fact.

(iv) During the period of two (2) years from the Settlement Date, the Prospective Tendering Shareholders shall not, except with the prior consent of the Offeror, directly or indirectly (a) conduct any business that substantially competes with the business conducted by the Target Group on the date of execution of the Tender Agreement, and (b) solicit or encourage any officer or employee of the Target Group to leave the Target Group.

(x) In the event that the other party suffers damages, etc. arising out of or in connection with a breach of its own representations and warranties (Note 1) (Note 2) or a breach of its own obligations (Note 3) (Note 4) under the Tender Agreement, the tendering shareholders and the Tender Offeror shall indemnify the other party for such damages, etc.

(xi) The prospective tendering shareholders shall indemnify the Tender Offeror for any damages, etc. suffered by the Tender Offeror arising out of or in connection with the Target Company Group's failure to pay its officers and employees wages, monetary awards, retirement benefits and other monies (excluding those already provided for) due and payable by the Settlement Date in accordance with laws, internal rules or agreements with such officers and employees, within reasonable cause.

(Note 1) In the Tender Agreement, the Tender Offeror has represented and warranted as of the execution date of the Tender Agreement, the commencement date of the Tender Offer and the commencement date of settlement of the Tender Offer, with respect to the Tender Offeror, (a) rights and powers, etc., (b) enforceability, (c) obtaining permits and approvals, etc., (d) absence of conflict with the Law, (e) absence of bankruptcy proceedings, etc., and (f) absence of relationship with anti-social forces.

(Note 2) In the Tender Agreement, the tendering shareholders have represented and warranted as of the execution date of the Tender Agreement, the commencement date of the Tender Offer and the commencement date of settlement of the Tender Offer that they have (a) no rights, (b) no enforceability, (c) no licenses or approvals, (d) no conflict with laws and regulations, (e) no bankruptcy proceedings, etc., (f) no relationship with antisocial forces, (g) no shareholding, and (h) no insider information. The Target Company has also made representations and warranties regarding the Target Company Group's.

(a) Establishment and continuance, (b) the absence of bankruptcy proceedings, (c) No relationship with antisocial forces, (d) legality and validity of the Target Company's shares, etc., (e) Legality and validity, etc. of the shares of subsidiaries held by the Target Company, (f) Adequacy of financial statements, etc., (g) Absence of subsequent events, (h) Legality and validity of ownership of assets, etc., (i) Legal and valid ownership of intellectual property rights, etc., (j) Legal and valid conclusion of contracts, etc., (k) Absence of unpaid wages, etc., (l) Compliance with laws and regulations, etc., (m) Lawful and effective acquisition or performance of permits and licenses, etc., (n) Fulfillment of tax returns, etc., (o) Absence of lawsuits, etc., (p) Conclusion of insurance contracts at a reasonable level and performance of obligations to pay insurance premiums, (q) Absence of related party transactions, (r) the appropriateness of securities reports, etc.

(Note 3) In addition to the obligations described in (i) above, the Tender Offeror is obligated under the Tendering Agreement to maintain confidentiality and other general terms and conditions.

(Note 4) In addition to the obligations described in (ii) through (ix) above, the prospective tendering shareholders are obligated under confidentiality and other general terms and conditions in this tender agreement.

b. Agreement of Endorsement

The Tender Offeror has entered into a tender offer agreement (the "Tender Offer Agreement") with the Target Company as of today. The outline of the Agreement is as follows. The outline of the Agreement is as follows.

(i) On the date of execution of the Agreement of Endorsement, the Tender Offeror shall pass a resolution at a meeting of its Board of Directors to commence the Tender Offer and shall announce such resolution in accordance with applicable laws and regulations.

(ii) On the date of execution of the Agreement of Endorsement, the Target Company's Board of Directors shall pass the Resolution of Endorsement and announce it in accordance with applicable laws and regulations, and the Target Company shall maintain the Resolution of Endorsement until the last day of the Tender Offer Period and shall not withdraw or change it. However, the Target Company may withdraw or amend the Consenting Resolution if (a) the Target Company reasonably determines that not withdrawing or amending the Consenting Resolution is likely to constitute a breach by the directors of the Target Company of their duty of care as good managers (provided, however, that this is limited to cases where the Target Company has obtained from its legal counsel a legal opinion to the effect that it is highly likely that the failure to rescind or amend the Resolution of Endorsement would constitute a breach of the Target Company's directors' duty of care) or (b) if the Tender Offeror receives a report from the Target Company's Special Committee to the effect that the Consenting Resolution should be withdrawn or changed, the Tender Offeror may withdraw or change the Consenting Resolution upon giving prior notice to the Tender Offeror.

(iii) The Target Company shall not directly or indirectly make any proposal or solicitation regarding a competing transaction to any third party. If the Target Company receives a proposal, solicitation, provision of information or any other offer concerning a competing transaction from a third party, the Target Company shall immediately notify the Tender Offeror of such fact and details, and shall discuss with the Tender Offeror in good faith regarding the response.

(iv) The subject person shall, (a) conduct its business and manage and operate its assets in the ordinary course of business in accordance with its previous practices, (b) comply with laws and regulations and properly manage its business, and (c) without obtaining the prior approval of the Tender Offeror, (A) Amend the Articles of Incorporation or establish or amend any important internal rules and regulations; or (B) Issue or dispose of shares, share acquisition rights, bonds with share acquisition rights or other potential shares (including gratis allotment) (C) share splits or reverse share splits; or (D) reduction of capital or reserves; (E) reorganization, merger, share exchange, share issuance, share transfer, demerger, transfer or acquisition of all or part of its business (F) acquisition of treasury share or distribution of surplus; or (G) Determination or amendment of business plans; (H) Commencement of new business or downsizing, withdrawal from, or material change in existing business; (I) Changes in accounting policies; (J) Acquisition, sale, lease, rental, hypothecation or other disposition of assets of 100 million yen or more; (K) Acquisition of facilities or capital expenditures of 100 million yen or more; or (L) Borrowing, issuance of bonds, or other fund-raising activities, or guarantees, assumption of debt, or other debt obligations (M) Termination of transactions or material changes in the terms and conditions of transactions with important business partners (N) Capital or business alliances with third parties, (O) Appointment, employment, dismissal, or termination of an officer or key employee; (P) Material change in the terms and conditions of appointment or employment of a director, officer or key employee; or (Q) Payment or agreement to pay retirement benefits to officers or key employees; or (R) In addition to those listed in each of the preceding items, not take any action that may adversely affect the financial condition, results of operations, cash flow, business, assets, liabilities, or future earnings plans of the Target or any of its subsidiaries, and shall cause any subsidiary of the Target to comply with the same obligations as set forth in (a) through (c) above.

(v) The agenda for the annual general meeting of shareholders of the Target Company and its subsidiaries for the fiscal year ending June 30, 2023 shall be as disclosed by the Target Company to the Tender Offeror. Other than that, the Target Company shall obtain the prior approval of the Tender Offeror with respect to the agenda and agenda items when the general meeting of shareholders of the Target Company or its subsidiaries is to be held.

(vi) Promptly after the consummation of the Tender Offer, the Target Company (and the Tender Offeror, if the action of the

Tender Offeror is necessary) shall, in accordance with the request of the Tender Offeror, take such procedures as are necessary for the Tender Offeror to acquire all the shares of the Target Company (such procedures shall be as disclosed in the Tender Offer documents, and the Target Company's minority shareholders (Such procedures shall be as disclosed in the Tender Offer documents, and the Tender Offeror shall deliver to the minority shareholders of the Target Company a cash amount equal to the Tender Offer Price multiplied by the number of shares of the Target Company held by such minority shareholders). (ii) The Tender Offeror shall implement the procedures necessary for the appointment of persons nominated by the Tender Offeror as directors of the Target Company (including the appointment of the directors of the Target Company) and shall cooperate with the Tender Offeror in such procedures.

(vii) The Target Company confirms that, as of the date of execution of the Agreement of Endorsement, there are no material facts concerning the Target Company's business, etc. (meaning material facts concerning business, etc. as defined in Article 166, Paragraph 2 of the Act) that have not been publicly announced. (iv) The Target Company shall confirm that, as of the date of execution of the Agreement, there are no material facts (meaning material facts concerning the business, etc. as defined in Article 166, Paragraph 2 of the Act) concerning the Target Company's business, etc. that have not been made public.

(viii) The Tender Offeror and the Target Company shall compensate or indemnify the other party for any damage, loss or expense (Includes reasonable attorney's fees) incurred by the other party arising out of or in connection with a breach of its own obligations (Note 1) (Note 2) stipulated in the Support Agreement, within the scope of reasonable causal relationship. Lost earnings and damages due to special circumstances shall not be included in the scope of compensation or indemnification.

(Note 1) In addition to the obligations described in (i) above, the Offeror is obligated under the Confidentiality Obligation and other general terms and conditions in this Support Agreement.

(Note 2) In addition to the obligations described in (ii) through (vii) above, the Target Company is obligated under the Confidentiality Agreement and other general terms and conditions.

2. Overview of Purchase

(1) Overview of the Target Company

a.	Name	AmidA Holdings Co., Ltd.	
b.	Location	1-13-1 Utsubo hon-machi, Nishi-ku, Osaka	
c.	Title and Name of Representative	Masaru Fujita, Representative Director and CEO	
d.	Description of Business	E-commerce business focusing on Japanese business stamps	
e.	Capital	JPY 79 million (as of March 31, 2023)	
f.	Date of Incorporation	March 9, 2000	
g.	Major Shareholder and Shareholding Ratio (as of December 31, 2022)	Masaru Fujita	47.65%
		Hideto Fujita	10.93%
		Egg, Inc.	9.51%
		Chizuru Fujita	4.75%
		Vision Inc.	4.00%
		Rakuten Securities, Inc.	1.59%
		Motoshige Imazu	1.16%
		Yosuke Nagaoka	0.76%
		AmidA Holdings Employees' Stockholding	0.71%

		Shigeshi Fujita	0.48%
		Aiko Fujita	0.48%
h. Relationships between the Tender Offeror and the Target Company			
	Capital Relationship	N/A	
	Personnel Relationship	N/A	
	Business Relationship	N/A	
	Status as Related Party	N/A	

(Note): “g. Major Shareholders and Shareholding Ratio (as of December 31, 2022)” is based on “Status of Major Shareholder(s)” in the 24th Annual Report for the Second Term submitted by the Target Company on February 10, 2023.

(2) Class of Shares to be Purchased

Common stock

(3) Schedule

a. Schedule

Resolution of the Board of Directors	August 10, 2023 (Thursday)
Date of Public Notice on Commencement of the Tender Offer	August 14, 2023 (Monday) The Tender Offeror will give electronic public notice and then post in the Nihon Keizai Shimbun (“Japanese Economic Newspaper”) that such public notice has been made. (Electronic public notice address: https://disclosure2.edinet-fsa.go.jp/) However, it is a newspaper holiday on the day of the public notice, it will be published on Tuesday, August 15, 2023.
Date of Submission of the Tender Offer Registration Statement	August 14, 2023 (Monday)

b. Period of Purchase in the Registration Statement

From August 14, 2023 (Monday) to September 25, 2023 (Monday) [30 business days]

c. Possibility of Extension Based on Requests by the Target Company

N/A

(4) Purchase Price

951 yen per share of common stock

(5) Basis for Valuation of the Purchase Price

a. Basis for the Valuation

When determining the Tender Offer Price, the Tender Offeror requested that KPMG, a third-party appraiser independent from the Tender Offeror, the Target Company and Tendering Shareholders, calculate the equity value of the Target Company shares. KPMG is not a related party of the Tender Offeror, the Target Company or Tendering Shareholders and does not have any significant interest that should be disclosed in the Transaction including the Tender Offer.

As a result of considerations of multiple valuation methods of calculating the value of the Target Company, KPMG adopted the average market price method since the Target Company is listed on the Growth Market of the Tokyo Stock Exchange and a market share price exists, in addition to the DCF method to reflect the future business activities in the evaluation. The Tender Offeror obtained the Tender Offeror Valuation Report from KPMG on 9 August, 2023. The Tender Offeror did not obtain an opinion letter on the fairness of the Tender Offer Price (a fairness opinion) from KPMG since the Tender Offeror assessed and determined the Tender Offer Price through discussions and negotiations with the Target Company and Tendering Shareholders, comprehensively taking into consideration the various factors described in “(i) Background, purpose and decision-making process which led to the decision to implement the Tender Offer” under “(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer As Well As the Management Policy After the Tender Offer” of “1. Purpose of the Purchase” above.

According to the Tender Offeror Valuation Report, the methods adopted and the ranges of values per Target Company Share evaluated using the methods are as follows:

Average market price method: 456 yen to 494yen

DCF Method: 845yen to 1,074 yen

Under the average market share price method, using August 9, 2023, the business day before the announcement of the Tender Offer, as the calculation base date, the range of the per-share value of the Target Company's shares was calculated to be 456 yen to 494 yen based on the closing price of the Target Company's shares on the Tokyo Stock Exchange Growth Market on the base date of 456 yen, the simple average closing price of 470 yen for the past one month until that date, the simple average closing price of 494 yen for the past three months, and the simple average closing price of 488 yen for the past six months.

The DCF method is based on the business plan presented by the Target Company (four years from the fiscal year ending June 30, 2024 to the fiscal year ending June 30, 2026) and was adjusted by the Tender Offeror, taking into account various factors such as recent business performance trends, the results of due diligence on the Target Company conducted by the Tender Offeror from early June 2023 to late June 2026, and publicly available information. The range of the per-share value of the Target Company's shares was calculated to be between 845 yen and 1,074 yen by discounting the free cash flows that the Target Company is expected to generate in and after the fiscal year ending June 30, 2024 by a certain discount rate to arrive at a present value. The business plan assumed in the DCF method does not include any fiscal year in which operating income is expected to increase or decrease significantly throughout the planning period, although operating income for the fiscal year ending June 30, 2024 is expected to decrease mainly due to an increase in depreciation related to the system investment made in the fiscal year ending June 30, 2023. However, there are no fiscal years in which a significant increase or decrease in profit is expected throughout the planning period. In addition, since it was difficult to estimate the specific impact of the Tender Offer, the business plan was not based on the assumption that the Tender Offer would be executed.

In addition to the valuation results in the Tender Offeror Valuation Report obtained from KPMG, the Tender Offeror took into consideration the results of the due diligence on the Target Company conducted by the Tender Offeror from early June to late June 2023, the results of discussions and negotiations with the prospective tendering shareholders regarding the Tender Offer Price, and other factors, and finally determined the Tender Offer Price to be 951 yen at a meeting of the Board of Directors held on August 10, 2023.

The Tender Offer Price of 951 yen represents a premium of 108.55% on the closing price of 456 yen of the Target Company's shares on the Growth Market of the TSE on August 9, 2023, the business day immediately preceding the announcement of the Tender Offer. This price represents a premium of 108.55% on the closing price of 456 yen of the Target Company's shares on the Growth Market of the Tokyo Stock Exchange, a premium of 102.34% on the simple average of 470 yen of the closing price of the Target Company's shares for the past one month, a premium of 92.51% on the simple average of 494 yen of the closing price for the past three months and a premium of 94.88% on the simple average of 488 yen of the closing price for the past six months.

(Note) In calculating the value of the Target Shares, KPMG assumes that all of the information provided by the

Tender Offeror or the Target Company, information obtained through interviews, publicly available information, and other materials and information it used were accurate and complete, and that there are no facts that could have a material impact on the calculation of the value of the Target Shares that were not disclosed to KPMG. KPMG has not independently verified the accuracy and completeness of such information. KPMG has not conducted any independent evaluation or appraisal of the assets and liabilities (including off-balance-sheet assets and liabilities and other contingent liabilities) of the Target Group, including analysis and evaluation of individual assets and liabilities, and has not requested any third-party institution to evaluate, appraise or assess them. With respect to the Target Company's financial forecasts referenced in such calculations, it is assumed that such forecasts were reasonably prepared based on the best forecasts and judgment currently available to the Tender Offeror, and that such calculations reflect information and economic conditions as of August 9, 2023.

b. Background of Calculation

As mentioned in “a. Background, purpose and decision-making process which led to the decision to implement the Tender Offer” under “(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer As Well As the Management Policy After the Tender Offer” of “1. Purpose of the Purchase” above, on May 18, 2023, the Tender Offeror made an initial proposal to the Target Company based on publicly available information, evaluating the value of the Target Company's shares at between 2.7 billion yen and 3.3 billion yen, which is the market capitalization (1.82 billion yen to 2.2 billion yen) based on the closing price of the Target Company's shares (433 yen to 525 yen per share) on the Growth Market of the TSE for the period from May 1, 2022 to April 30, 2023, plus a premium of approximately 50%. The Tender Offeror submitted a non-legally binding letter of intent stating its desires to make the Target Company its wholly owned subsidiary through the Tender Offer and a series of subsequent procedures.

Subsequently, the Tender Offeror has comprehensively considered the progress of the due diligence, the Target Company's financial condition, the market share price trend of the Target Shares, the results of KPMG's consideration of the terms of the transaction based on its initial valuation analysis of the Target Company's shares based on the Business Plan submitted by the Target Company, the likelihood of support for the Tender Offer by the Target Company's Board of Directors, and the prospect of tenders in the Tender Offer, among other factors. On July 4, 2023, the Tender Offeror made a proposal to the Target Company to set the Tender Offer Price at 784 yen (3.3 billion, which is the maximum of the range of the value of the Target Shares as stated in the letter of intent submitted by the Tender Offeror to the Target Company on 18 May 2023, divided by 4,208,200 shares, the total number of issued shares of the Target Company as of that date; and the premium of 61.98% on the closing price of 484 yen of the Target Shares on the Growth Market of the TSE on July 3, 2023, one business day prior to the date of submission of the proposal). In response, on July 7, 2023, the Tender Offeror received a request from the Target Company to re-propose the Tender Offer Price on the grounds that the proposed price could not be evaluated as sufficient for the Target Company's minority shareholders considering the Target Company's intrinsic value based on the Target Company's business plan. On July 12, 2023, the Tender Offeror submitted a proposal to set the Tender Offer Price at 903 yen (premium of 90.51% on the closing price of 474 yen of the Target Shares on the Growth Market of the TSE on July 11, 2023, one business day prior to the date of submission of the proposal). In response to the proposal, on July 13, 2023, the Tender Offeror received a request from the Target Company to re-propose the Tender Offer Price on the grounds that the proposed price could not be evaluated as sufficient for the Target Company's minority shareholders considering the Target Company's intrinsic value based on the Target Company's business plan. On July 18, 2023, the Tender Offeror submitted a proposal to set the Tender Offer Price at 939 yen (premium of 98.52% on the closing price of 473 yen of the Target Shares on the Growth Market of the TSE on July 14, 2023, one business day prior to the date of submission of the proposal). In response to the proposal, on July 19, 2023, the Tender Offeror received a request from the Target Company to re-propose the Tender Offer Price on the grounds that the proposed price could not be evaluated as sufficient for the Target Company's minority shareholders considering the Target Company's intrinsic value based on the Target Company's business plan. On July 25, 2023, the Tender Offeror made a proposal with the Tender Offer Price at 951 yen (premium of 101.91% on the closing price of 471 yen of the Target Shares on the Growth Market of the TSE on July 24, 2023, one business day prior to the date of submission of the proposal). As a result of the above discussions and negotiations, the Tender Offeror and the Target Company

reached an agreement on August 2, 2023, to set the Tender Offer Price at 951 yen.

The Tender Offeror concurrently started discussions and negotiations regarding this Tender Offer (including discussions and negotiations regarding the Tender Offer Price) with the Tendering Shareholders from June 29, 2023. Specifically, on June 29, 2023, upon explaining the details of the discussions to date with the Target Company regarding the enhancement of corporate value and the history of negotiations with the Target Company, the Tender Offeror requested Mr. Masaru Fujita, who represents the Tendering Shareholders, that the Target Shares be valued at around the upper end of the range of the Target Share value as stated in the letter of intent submitted by the Tender Offeror to the Target Company on May 18, 2023, and that the Target Company tender its shares in the Tender Offer and execute the Tendering Agreement. Subsequently, on July 5, 2023, the Tender Offeror made a proposal to Mr. Masaru Fujita to set the Tender Offer Price at 784 yen (premium of 60.33% on the closing price of 489 yen of the Target Shares on the Growth Market of the TSE on July 5, 2023, one business day prior to the date of submission of the proposal) and presented a draft of the Tender Agreement. In response, Mr. Masaru Fujita urged the Tender Offeror to continue to discuss and negotiate with the Target Company regarding the Tender Offer Price as he did not find the proposed price to be sufficient. After discussion and negotiation with the Target Company, the Tender Offeror made a proposal to Mr. Masaru Fujita on July 18, 2023, with the Tender Offer Price of 939 yen (premium of 98.52% on the closing price of 473 yen of the Target Shares on the Growth Market of the TSE on July 14, 2023, one business day prior to the date of submission of the proposal). The Tender Offeror received a request from Mr. Masaru Fujita to re-propose the Tender Offer Price as it was less than the amount desired by the Tendering Shareholders, although the proposal could be evaluated to a certain extent. On July 25, 2023, the Tender Offeror made a proposal to Mr. Masaru Fujita with the Tender Offer Price at 951 yen (premium of 101.91% on the closing price of 471 yen of the Target Shares on the Growth Market of the TSE on July 24, 2023, one business day prior to the date of submission of the proposal). As a result of the above discussions and negotiations, the Tender Offeror and the Tendering Shareholders reached an agreement on the Tender Agreement, including the Tender Offer Price at 951 yen.

Based on the above process, the Tender Offeror decided today to set the Tender Offer Price at 951 yen.

(i) Name of the Third Party Whose Opinion the Tender Offeror Sought in the Evaluation

In determining the Tender Offer Price, the Tender Offeror referred to the Tender Offeror Valuation Report obtained on August 9, 2023, from KPMG, a third-party appraiser independent from the Tender Offeror, the Target Company and Tendering Shareholders. KPMG is not a related party of the Tender Offeror, the Target Company or Tendering Shareholders and does not have any significant interest in the transaction including the Tender Offer.

The Tender Offeror did not obtain an opinion letter on the fairness of the Tender Offer Price (a fairness opinion) from KPMG since the Tender Offeror assessed and determined the Tender Offer Price through discussions and negotiations with the Target Company and Tendering Shareholders, comprehensively taking into consideration the various factors described in “a. Background, purpose and decision-making process which led to the decision to implement the Tender Offer” under “(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer As Well As the Management Policy After the Tender Offer” of “1. Purpose of the Purchase” above.

(ii) Outline of Advice from KPMG

As described in “a. Basis for Calculation” above, according to the Tender Offeror Valuation Report, the methods adopted and the ranges of values per Target Company Share evaluated using the methods are as follows:

Average market price method: 456 yen to 494 yen

DCF Method: 845 yen to 1,074 yen

(iii) Reasons for the Decision on the Tender Offer Price upon Consideration of the Advice from KPMG

The Tender Offeror ultimately decided, at its board of directors meeting held today, that the Tender Offer Price would be 951 yen after comprehensively taking into consideration the valuation results of the Tender Offeror Valuation Report obtained

from KPMG, the results of the due diligence performed on the Target Company, and the results of the discussions and negotiations regarding the Tender Offer Price with the Target Company and the Tendering Shareholders.

c. Relationship with the Valuation Agency

KPMG, the third-party valuation agency for the Tender Offeror, is not a related party of the Tender Offeror, the Target Company, or the Tendering Shareholders, and does not have any significant interest to be mentioned in relation to the Transaction, including the Tender Offer.

(6) Number of Shares Scheduled to be Purchased

Class of Shares	Number of Shares to be Purchased	Minimum Number of Shares to be Purchased	Maximum Number of Shares to be Purchased
Common Shares	4,207,846 shares	2,805,200 shares	– shares
Total	4,207,846 shares	2,805,200 shares	– shares

(Note 1) If the total number of the Tender Shares falls short of the minimum number of shares to be purchased (2,805,200 shares), the Tender Offeror will purchase none of the Tendered Shares. If the total number of the Tendered Shares is the same or more than the minimum number of shares to be purchased (2,805,200 shares), the Tender Offeror will purchase all of the Tendered Shares.

(Note 2) Since the maximum number of shares to be purchased has not been set in the Tender Offer, the number of shares to be purchased is the Standard Number of Shares (4,207,846 shares), which is the maximum number of Target Shares to be purchased by the Offeror in the Offer.

(Note 3) No treasury shares owned by the Target Company are intended to be acquired through the Tender Offer.

(Note 4) Shares of less than one unit are also subject to the Tender Offer. If shareholders exercise their right to request that the Target Company repurchase its shares of less than one unit in accordance with the Companies Act, the Target Company may purchase such shares during the Tender Offer Period pursuant to the procedures under laws and regulations.

(7) Changes in the Ownership Ratio of Shares as a Result of the Purchase

Number of Voting Rights Pertaining to Shares Owned by the Tender Offeror Before the Purchase	—	(Ownership Ratio of Shares Before the Purchase - %)
Number of Voting Rights Pertaining to Shares Owned by Special Related Parties Before the Purchase	—	(Ownership Ratio of Shares Before the Purchase - %)
Number of Voting Rights Pertaining to Shares Owned by the Tender Offeror After the Purchase	42,078 voting rights	(Ownership Ratio of Shares After the Purchase 100.00%)
Number of Voting Rights Pertaining to Shares Owned by Special Related Parties After the Purchase	—	(Ownership Ratio of Shares After the Purchase - %)
Number of Voting Rights of All Target Company Shareholders	42,051 voting rights	

(Note 1) The “Number of Voting Rights Pertaining to Shares Owned by the Tender Offeror After the Purchase” indicates the number of voting rights pertaining to the number of shares to be purchased for the Tender Offer (4,207,846 shares).

(Note 2) The “Number of Voting Rights Pertaining to Shares Owned by Special Related Parties Before the Purchase” indicates the total number of voting rights pertaining to shares owned by each of special related parties (excluding those who are excluded from special related parties in the calculations of the ownership ratio of shares

under each items of Article 27-2, paragraph 1 of the Act, pursuant to Article 3, paragraph 2, item 1 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Persons Other Than Issuer (Ministry of Finance Order No. 38 of 1990, as amended; the “Cabinet Office Order”). The Tender Offeror will confirm the shares of the Target Company owned by the special related parties as of or after today and, if any correction is necessary, will disclose the details of the correction.

(Note 3) The “Number of Voting Rights of All Target Company Shareholders” indicates the number of voting rights held by all shareholders as of March 31, 2023 as stated in Securities Report for the third quarter of the 24th fiscal year submitted by the Target Company on May 12, 2023 (given that the number of shares of one unit is 100 shares). However, because shares of less than one unit (excluding the treasury shares of less than one unit owned by the Target Company) are also subject to the Tender Offer, in the calculations of the “Ownership Ratio of Shares Before the Purchase” and the “Ownership Ratio of Shares After the Purchase,” the denominator is the number of voting rights (42,078 voting rights) pertaining to the Base Number of Shares (4,207,846 shares).

(Note 4) The “Ownership Ratio of Shares Before the Purchase” and the “Ownership Ratio of Shares After the Purchase” have been rounded off to two decimal places.

(8) Purchase Price 4,001,661,546 yen

(Note) The “purchase price” is the amount obtained by multiplying the Number of Shares to be Purchased (4,207,846 shares) for the Tender Offer by the Tender Offer Price (951 yen).

(9) Method of Settlement

a. Name and Location of the Head Office of the Securities Company, Bank, etc. that Settles the Purchase
Mizuho Securities Co., Ltd. 1-5-1, Ote-machi, Chiyoda-ku, Tokyo

b. Commencement Date of Settlement
October 2, 2023 (Monday)

c. Method of Settlement

After the expiration of the Tender Offer Period, a notice of purchase through the Tender Offer is mailed to the address of the parties who are tendering for the Tender Offer (the “tendering shareholders”) (or the standing proxy in the case of shareholders residing in foreign countries (including corporate shareholders; the “foreign shareholders”)) without delay. The purchase is made for cash. On or after the commencement date of settlement, the Tender Offer Agent shall transfer the sales proceeds for purchased shares to the place designated by the tendering shareholders (or the standing proxy in the case of foreign shareholders) or shall pay to the account of the tendering shareholders who accepted a tender of the Tender Offer Agent without delay in accordance with instructions of the tendering shareholders (or the standing proxy in the case of foreign shareholders).

d. Method of Returning Shares, etc.

If it is decided that none of the Tendered Shares are purchased according to the conditions stated in “(i) Conditions Set Forth in Each Items of Article 27-13, Paragraph 4 of the Act and Details Thereof” or “(ii) Conditions of Withdrawal, etc. of Tender Offer, Details Thereof and Method of Disclosure of Withdrawal, etc.” in “(10) Other Conditions and Procedures of the Tender Offer” below, the shares required to be returned are returned promptly after two business days following the last day of the Tender Offer Period (where the Tender Offer has been withdrawn, the day when the withdrawal was made) by the Tender Offer Agent.

(10) Other Conditions and Methods of Tender Offer

a. Conditions Set Forth in Each Items of Article 27-13, Paragraph 4 of the Act and Details There of

If the total number of Tendered Shares is below the lower limit of shares to be purchased (2,805,200 shares), the Tender Offeror will not purchase any of the Tendered Shares. If the total number of Tendered Shares is or exceeds the lower limit of shares to be purchased (2,805,200 shares), the Tender Offeror will purchase all of the Tendered Shares.

b. Conditions of Withdrawal, etc. of Tender Offer, Details Thereof and Method of Disclosure of Withdrawal, etc.

Other Conditions and Procedures of the Tender Offer If any event listed in Article 14, paragraph 1, items 1(a) through 1(j) and items 1(m) through 1(s), items 3(a) through 3(h) and item 3(j), item 4 and Article 14, paragraph 2, items 3 through 6 of the Order occurs, the Tender Offer may be -39-withdrawn. The “facts equivalent to those set forth in (a) through (i)” set forth in Article 14, paragraph 1, item 3(j) of the Order mean (i) cases where statutory disclosure documents submitted by the Target Company in the past turn out to contain false statements regarding material matters or to omit statements regarding material matters to be stated, and (ii) cases where facts set forth in (a) through (g) of the same item occur in any of the Target Company’s material subsidiaries.

In order to withdraw the Tender Offer, the Tender Offeror will issue an electronic public notice and post the notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to issue a public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method stipulated in Article 20 of the Cabinet Office Ordinance and subsequently issue a public notice as soon as possible.

c. Conditions to Reduce Purchase Price, Details Thereof and Method of Disclosure of Reduction

In accordance with Article 27-6, paragraph 1, item 1 of the Act, if the Target Company conducts any act listed in Article 13, paragraph 1 of the Order during the Tender Offer Period, the purchase price may be reduced pursuant to the standards set forth in Article 19, paragraph 1 of the Cabinet Office Ordinance. In order to reduce the purchase price, the Tender Offeror will issue an electronic public notice and post the notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to issue an public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method stipulated in Article 20 of the Cabinet Office Ordinance and subsequently issue a public notice as soon as possible. If the purchase price is reduced, Tendered Shares that were tendered on or before the date of the public notice are also purchased at the reduced purchase price.

d. Matters Concerning Tendering Shareholders’ Rights to Cancel Their Agreements

The tendering shareholders may cancel their agreements on the Tender Offer at any time during the Tender Offer Period. If a tendering shareholder wishes to cancel the agreement, the tendering shareholder must deliver or mail a written notice stating its intention to cancel the agreement on the Tender Offer (the “Cancellation Notice”) to the head office or nationwide branch offices of the Tender Offer Agent that accepted the tender application by 3 p.m. on the last day of the Tender Offer Period by attaching an acceptance form for tender offer application. Cancellation of agreement comes into effect when the Cancellation Notice is delivered to or reaches the Tender Offer Agent. Therefore, the cancellation is conditional on the Cancellation Notice reaching the Tender Offer Agent by 3 p.m. on the last day of the Tender Offer Period.

The Tender Offeror will not make any claim for damages or a penalty payment to the tendering shareholders due to the cancellation of the agreement by the tendering shareholders. In addition, the Tender Offeror will bear the cost of returning the Tendered Shares to the tendering shareholders. If a cancellation is proposed, the Tendered Shares will be returned in a manner stated in “(iv) Method of Returning Shares, etc.” in “(9) Method of Settlement” above promptly after completion of procedures for the cancellation proposed.

e. Method of Disclosure in Case of Changing Purchase Terms

Excluding cases prohibited by Article 27-6, paragraph 1 of the Act and Article 13 of the Order, the Tender Offeror may change the purchase terms during the Tender Offer Period. If the Tender Offeror wishes to change the purchase terms, it will issue an electronic public notice regarding the details of the change and post the notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to issue an public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method stipulated in Article 20 of the Cabinet Office Ordinance and subsequently

issue a public notice immediately. If the purchase terms have been changed, Tendered Shares that were tendered on or before the date of the public notice are also purchased based on the changed purchase terms.

f. Method of Disclosure in Case of Filing of Amendment Statement

If the Tender Offeror files an amendment statement with the Director-General of the Kanto Local Finance Bureau (excluding the cases set forth in the proviso to Article 27-8, paragraph 11 of the Act), the Tender Offeror will immediately make a public announcement on the details relating to those described in the public notice of the commencement of the Tender Offer among other things in the amendment statement, by the method stipulated in Article 20 of the Cabinet Office Ordinance. The Tender Offeror will also immediately amend the explanatory statement of the Tender Offer and deliver the amended explanatory statement of the Tender Offer to the tendering shareholders to whom the explanatory statement of the Tender Offer has already been delivered. However, if the scope of the amendment is limited to a small range, the amendment may be made by preparing a document stating the reason for amendment and the subject matters before and after the amendment and delivering the document to the tendering shareholders.

g. Method of Disclosure of Results of Tender Offer

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

h. Others

The Tender Offer is not made, directly or indirectly, within the U.S. or for the U.S. or by use of the U.S. post or other interstate commercial or international commercial method/means (including without limitation a facsimile, e-mail, Internet communications, telex and telephone) or through the securities exchange facilities in the U.S. No one can tender for the Tender Offer by the above method/means or through above facilities or from within the U.S.

The tender offer statement associated with the Tender Offer or relevant purchase documents are not sent or distributed within or to the U.S. or from within the U.S. or by post or other means and cannot be sent or distributed in such manner. No application for the Tender Offer directly or indirectly violating the above restriction is acceptable.

In applying for the Tender Offer, the tendering shareholders (or the standing proxy in the case of foreign shareholders) may be required to represent and warrant to the Tender Offer Agent that: they are not located in the U.S. at the time of tender offer application or at the time of sending tender offer application documents; they do not directly or indirectly receive or send any information (including copies thereof) relating to the Tender Offer within or to the U.S. or from within the U.S.; they do not directly or indirectly use the U.S. post or other interstate commercial or international commercial method/means (including without limitation a facsimile, e-mail, Internet communications, telex and telephone) or through the securities exchange facilities in the U.S. with respect to the purchase or the delivery of signature on the tender offer application documents; and they are not a person acting as a proxy, trustee or mandatory of any other party without discretionary power (except a case where they are given by such other party all instructions for purchase from outside the U.S.).

(11) Date of Public Notice of Commencement to the Tender Offer

August 14, 2023 (Monday)

(12) Tender Offer Agent

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

3. Policies After the Tender Offer and Future Outlook

Regarding the policies after the Tender Offer, please refer to “(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer As Well As the Management Policy After the Tender Offer,” “(4) Policies for Reorganization After the Tender Offer (Matters Concerning So- Called Two-Step Acquisition)” and “(5) Possibility of Delisting and Reasons Therefor” in “1. Purpose of the Tender Offer” above.

4. Others

(1) Agreements between Tender Offeror and Target Company or its Officers, and the details thereof

a. Opinion in support of the Tender Offer

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

For the details, please refer to the Target Company Press Release and "f. Approval of All Non-interested Directors and No Objection from All Corporate Auditors of the Target Company" in "(3) Measures to Ensure Fairness of the Tender Offer including Measures to Ensure Fairness of the Tender Offer Price and Avoid Conflicts of Interest" under "1. Purpose of the Purchase" above.

b. Agreement of Endorsement

The Tender Offeror has entered into the Agreement of Endorsement with the Target Company as of today. For an overview of the Agreement, please refer to "(ii) Agreement of Endorsement" in "(6) Matters Concerning Material Agreements Related to the Tender Offer" in "1. Purpose of Purchase."

c. Tender Agreement

The Tender Offeror has entered into the Tender Agreement as of today with the Tendering Shareholders, including Mr. Masaru Fujita, Representative Director and CEO of the Target Company (number of shares held: 2,005,200 shares; shareholding ratio: 47.65%) and Mr. Hideto Fujita, Senior Managing Director and COO of the Target Company (number of shares held: 460,000 shares; shareholding ratio: 10.93%). For an overview of the Tender Agreement, please refer to "a. Tender Agreement" in "(6) Material Agreements Regarding the Tender Offer" in "1. Purpose of Purchase" above.

(2) Other Information Deemed Necessary for Investors to Determine Whether to Tender Their Shares in the Tender Offer

a. Release of the Consolidated Financial Summary of Fiscal Year Ending June 30, 2023 (based on Japanese standards)

Today, the Target Company has released the Consolidated Financial Summary of Fiscal Year Ending June 30, 2023 (based on Japanese standards) on the Tokyo Stock Exchange. Based on this release, the outline of the Target Company's Financial Summary is as follows. The content of this summary has not been reviewed by an auditing firm pursuant to the provisions of Article 193-2, paragraph 1 of the Act. For details, please refer to the contents of this release, as the following summary of the announcement is an excerpt of the contents released by the Target Company.

(i) Profit and loss (consolidated)

Accounting Period	Consolidated Accounting Period (From July 1, 2022 to June 30, 2023)
Revenue	3,011MM
Cost of sales	1,406MM
SG&A expense	1,161MM
Non-operating revenue	0.00MM
Non-operating expense	5.4MM
Net profit attributable to the parent company shareholders	293.6MM

(ii) Figures per share (consolidated)

Accounting Period	Consolidated Accounting Period (From July 1, 2022 to June 30, 2023)
Net profit per share	JPY 69.80

Dividend per share	JPY 18.5
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b. Disclosure of “Notice of Difference between Forecast and Actual of the Consolidated Results for the Fiscal Year Ending June 30, 2023”

The Target Company disclosed today on the TSE the "Notice of Differences between Forecasted and Actual of the Consolidated Results for the Fiscal Year Ending June 30, 2023." Below are the differences between the forecast and the actual consolidated results for the fiscal year ending June 30, 2023 (July 1, 2022 to June 30, 2023) based on the said announcement. For details, please refer to the relevant disclosure.

	Revenue	Operating Profit	Ordinary Profit	Net profit attributable to the parent company shareholders	Earnings per Share
	In JPY MM	In JPY MM	In JPY MM	In JPY MM	In JPY
Previously announced forecast (A)	3,060	348	348	224	53.39
Actual results (B)	3,011	443	439	293	69.80
Difference (B-A)	(48)	95	90	69	—
Percentage increase/decrease (%)	(1.6)	27.3	25.9	30.7	—

c. Disclosure of "Notice Concerning Surplus Dividend”

The Target Company announced "Notice Concerning Surplus Dividend" on the Tokyo Stock Exchange today. According to the said release, the Target Company resolved at its Board of Directors meeting held today to pay a dividend of 18.50 yen per share of surplus with a record date of June 30, 2023. For details, please refer to the said release.

d. Disclosure of “Notice for Abolition of Shareholder Special Benefit Plan”

The Target Company announced today on the TSE the “Notice for Abolition of Shareholder Special Benefit Plan.” According to the said release, the Target Company resolved at its Board of Directors meeting held today to abolish the shareholder special benefit plan after June 2023, on the condition that the Tender Offer is completed. For the details, please refer to the said release.

e. Disclosure of "Withdrawal of ‘Plan for Compliance with Listing Maintenance Criteria’”

The Target Company announced today at the Tokyo Stock Exchange the "Withdrawal of ‘Plan for Compliance with Listing Maintenance Criteria.’” According to the said announcement, the Target Company resolved at its Board of Directors meeting held today to withdraw the "Plan for Compliance with Listing Maintenance Criteria" announced by the Target Company on September 22, 2022, on the condition that the Tender Offer is completed and the Target Company shares are delisted. For the details, please refer to the contents of such release.