



October 31, 2023

Company name: JSP Corporation
Representative: Tomohiko Okubo, President &
Representative Director
Code number: 7942, Tokyo Stock Exchange Prime Market
Contact: Kazuhiro Nakajima
Executive Officer, General Manager of
Corporate Planning Division
Phone: +81-3-6212-6306

Notice Regarding Repurchase of Own Shares, Tender Offer for Repurchase of Own Shares and Dissolution of Capital and Business Alliance Agreement

JSP Corporation (hereinafter, the "Company") hereby announces that the Company resolved at the Board of Directors meeting held today to repurchase its own shares and implement a tender offer (hereinafter, the "Tender Offer") as a specific method specified under the provisions of Article 156, Paragraph 1 of the Companies Act (Act No. 86 of 2005, as amended; hereinafter, the "Companies Act"), as applied pursuant to the provisions of Article 165, Paragraph 3 of the same Act, and the provisions of the Company's Articles of Incorporation.

In addition, the Company announces that in case MITSUBISHI GAS CHEMICAL COMPANY, INC. (hereinafter, "MGC"), the largest shareholder and the parent company of the Company as of today, ceases to be the parent company of the Company after the Tender Offer, the "Basic Agreement on Capital and Business Alliance" (hereinafter, the "Basic Agreement") dated February 4, 2015 between the Company and MGC will be terminated, and the capital and business alliance based on the Basic Agreement will be dissolved.

I. Repurchase of Own Shares and Tender Offer of Own Shares

1. Purpose of the Repurchase

The Company regards the return of profits to shareholders as an important policy. Regarding the distribution of profits, the policy of the Company is to value stable dividends and to make decisions comprehensively, while securing retained earnings for future business development in accordance with the consolidated business results for each fiscal year. The articles of Incorporation stipulate that, in accordance with the provisions of Article 459, Paragraph 1 of the Companies Act, the Company may distribute dividends from surplus by a resolution of the Board of Directors. In accordance with the above policy, the dividend for the year ended March 31, 2023 was set at 50 yen per share (interim dividend : 25 yen, year-end dividend : 25 yen), resulting in a payout ratio (consolidated) of 58.9%.

In addition, it is stipulated in the Company's Articles of Incorporation that the Company may acquire its own shares through market transactions, etc. by a resolution of the Board of Directors instead of a resolution of the General Meeting of Shareholders, in accordance with the provisions of Article 165, Paragraph 2 of the Companies Act.

To date, the Company has repurchased its own shares as part of the implementation of a flexible capital policy. Specifically, as far as the Company is aware, as stated in the press release on share repurchases issued at the time, ①300,000 shares (shareholding ratio at the time of the repurchase (Note 1) : 0.96%) at 167,994,500 yen during the period from October 30, 2008 to December 19, 2008, by means of a market

purchase on Tokyo Stock Exchange, Inc. (hereinafter, "Tokyo Stock Exchange") in accordance with a resolution of the Board of Directors meeting held on October 30, 2008, ②1,234,200 shares (shareholding ratio at the time of the repurchase (Note 2) : 3.97%) at 1,158,913,800 yen on August 10, 2010, by means of off-auction own share repurchase trading (ToSTNeT-3) on Tokyo Stock Exchange in accordance with a resolution of the Board of Directors meeting held on August 9, 2010, were repurchased by the Company respectively.

(Note 1) This is the ratio (rounded to two decimal places) based on the number of shares (31,352,710 shares) obtained by deducting the number of treasury shares (60,763 shares) held by the Company as of September 30, 2008, as stated in the Summary of Financial Statements for the Second Quarter of the 51st term filed on November 12, 2008, from the total number of shares issued (31,413,473 shares) as of September 30, 2008, as stated in the above Summary of Financial Statements for the Second Quarter.

(Note 2) This is the ratio (rounded to two decimal places) based on the number of shares (31,051,222 shares) obtained by deducing the number of treasury shares (362,251 shares) held by the Company as of June 30, 2010, as stated in the summary of financial statements for the first quarter of the 53rd term filed on August 11, 2010, from the total number of shares issued (31,413,473 shares) as of June 30, 2010, as stated in the above summary of financial statements for the first quarter.

In these circumstances, the Company was informed by MGC, the largest shareholder and the parent company of the Company, of its intention to sell a part of the common shares of the Company (number of shares held as of July 26, 2023 and today : 16,020,882 shares, shareholding ratio (Note 3) : 53.75%) on July 26, 2023, based on the judgement that it is desirable for MGC and the Company to consider and promote their own growth strategies in the future to improve the corporate value of the group, as the efforts that can be made by both companies in the current relationship are limited and it is difficult to achieve results sufficient to maintain the Basic Agreement

(Note 3) The "shareholding ratio" means the ratio based on the number of shares (29,808,029 shares) obtained by deducting the number of treasury shares (1,605,444 shares) held by the Company as of September 30, 2023, from the total number of shares issued (31,413,473 shares) as of the same date, as stated in the "Summary of Financial Statements (Consolidated) for the Second Quarter of the Year Ending March 31, 2024 [Japanese GAAP] " (hereinafter, the "Summary of Financial Statements for the Second Quarter of the Year Ending March 31, 2024") disclosed by the Company today, rounded to two decimal place. The same shall be applied hereinafter in the calculation of shareholding ratio.

After being contacted by MGC, the Company has considered comprehensively on the impact on the liquidity and market price of the Company's common shares in the event of temporal release of a large number of shares to the market, as well as the Company's financial situation, and has started specific discussions on the acquisition of the shares as treasury shares from July 31, 2023.

As a result, on August 21, 2023, the Company has concluded that the acquisition of the shares as treasury shares will contribute to improving the Company's capital efficiency including earnings per share (EPS) and return on equity (ROE), and will lead to a return of profit to shareholders. With regard to the specific method of acquiring its own shares, after careful consideration from the perspective such as (i) repurchasing of own shares in excess of a certain large quantity and amount, (ii) equality among shareholders, (iii) transparency of the transaction, (iv) the possibility of resulting in a reduction in the outflow of the Company's assets outside the Company as the common shares of the Company can be repurchased at a certain discount to the market price, (v) ensuring that shareholders are given a certain period for consideration and the opportunity to tender their shares while observing the market price trends, the Company has concluded on September 4, 2023 that the method of a tender offer is appropriate instead of the market purchase method through a financial instruments exchange. In addition, in determining the purchase price in the Tender Offer (hereinafter, the "Tender Offer

Price"), the Company considered a market price of the Company's common shares as the basis, from the perspective of clarity and objectivity of a criteria, by taking into consideration the fact that the Company's common shares are listed on a financial instruments exchange and thus have a market share price. The Company has concluded on September 20, 2023 that it would be desirable to repurchase the shares at a certain discount to a market price in order to limit the outflow of assets outside the Company as much as possible from the perspective of respecting the interests of shareholders who do not tender their shares in the Tender Offer and continue to hold the Company's common shares.

With regard to the discount rate, out of the 61 cases of tender offers for repurchases of own shares announced between January, 2020 and October, 2023 (hereinafter, the "Cases") based on the consideration that it is objective and reasonable to refer to recent similar cases, the 38 Cases out of 61, which were the largest number, set a discount rate of around 10% (from 9% to 11%), and with regard to the price of the Company's common shares, which is the basis for the discount calculation, 50 Cases out of 61, which were the largest number, were based on the closing price of the common shares on the Tokyo Stock Exchange on the business day before the date of the resolution to implement a tender offer or the simple average closing price over the past one month or three months up to the same date. Based on these, on September 29, 2023, the Company approached MGC about the possibility of tendering their shares in the Tender Offer based on the lowest price among the closing price of the Company's common shares on October 30, 2023, which is the business day before the scheduled date of the Company's Board of Directors meeting which was considered to be the date of the resolution regarding the implementation of the Tender Offer (October 31, 2023), or the simple average closing price of the Company's common shares for 1 month up to October 30, 2023, or the simple average closing price of the Company's common shares for 3 months up to October 30, 2023, with a discount of 10% from the lowest price.

On October 3, 2023, the Company received a response from MGC stating that MGC intends to tender 3,600,000 shares (shareholding ratio : 12.08%, hereinafter referred to as the "shares agreed to be tendered") of the Company's common shares held by MGC (number of shares held : 16,020,882 shares, shareholding ratio : 53.75%), if the Company resolves to implement the Tender Offer. On the same day, the Company was requested by MGC to reconsider the Tender Offer Price based on the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer with a discount of 7% from that price. In response, the Company considered that it was still appropriate to set a discount rate of around 10%, which was the most common discount rate in the Cases, and that, with regard to the price of the Company's common shares, which is the basis for the discount calculation, although it is acceptable to exclude the simple average closing price of the Company's common shares for 3 months up to the business day before the date of the resolution to implement the Tender Offer given that the average share price over a three-months period of time is likely to increase the possibility of no longer reflecting the most recent corporate value of the Company and valuation of the Company by the market compared with the average price for 1 month, from the perspective of allowing the Company's common shares to be repurchased at a certain discount to the market price even if the price of the Company's common shares fluctuated, the Company considered it appropriate to take the lower of the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer or the simple average closing price of the Company's common shares for 1 month up to the date of the resolution to implement the Tender Offer.

Based on the above considerations, on October 10, 2023, the Company approached MGC about the possibility of tendering their shares in the Tender Offer with the discount rate of 10%, and with regard to the price of the Company's common shares, which is the basis for the discount calculation, at the lower of the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer or the simple average closing price of the Company's common shares for 1 month up to the business day before the date of the resolution to implement the Tender Offer. On October 11, 2023, the Company was requested by MGC to reconsider the discount rate at 9% and the price of the Company's

common shares, which is the basis for the discount calculation, at the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer. In response, on October 13, 2023, the Company approached MGC about the possibility of tendering their shares in the Tender Offer with the discount rate of 10% as only 1 Case of the 38 Cases with a discount rate of around 10% had a discount rate of 9% and therefore the Company still considered it appropriate to set a discount rate at 10%, and with regard to the price of the Company's common shares, which is the basis for the discount calculation, at the lower of the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer or the simple average closing price of the Company's common shares for 1 month up to the date of the resolution to implement the Tender Offer from the perspective of allowing the Company's common shares to be repurchased at a certain discount to the market price even if the price of the Company's common shares fluctuated. On October 16, 2023, MGC informed that with regard to the price of the Company's common shares, which is the basis for the discount calculation, it was still preferred to be the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer, and that, on the other hand, it was possible to accept the Company's proposal for the discount rate of 10% provided that the price of the Company's common shares, which is the basis for the discount calculation, is the closing price of the Company's common shares on October 30, 2023, the business day before the date of the resolution to implement the Tender Offer.

In response, on October 24, 2023, the Company approached MGC about the possibility of tendering their shares in the Tender Offer with the discount rate of 10% and with regard to the price of the Company's common shares, which is the basis for the discount calculation, at the lower of the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer or the simple average closing price of the Company's common shares for 1 month up to the business day before the date of the resolution to implement the Tender Offer due to the same reasons as before. On the same day, MGC informed that it was difficult to accept the Company's proposal regarding the price of the Company's common shares, which is the basis for the discount calculation, and that MGC would like the Company to accept the MGC's proposal regarding the price of the Company's common shares, which is the basis for the discount calculation, as MGC had accepted the Company's proposal to set the discount rate at 10%.

In response, the Company considered the matter again on October 26, 2023, and the Company concluded that it was reasonable to accept MGC's proposal to set the price of the Company's common shares, which is the basis for the discount calculation, at the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer because, in light of the idea that it is reasonable to allow the Company's common shares to be repurchased at a certain discount to the market price as mentioned above, the closing price of the Company's common shares was 1,844 yen on the same date (October 26, 2023), which is the latest share price at the time of the consideration, and the simple average closing price of the Company's common shares for 1 month up to October 26, 2023 was 1,943 yen (rounded to the nearest yen. The same shall be applied hereinafter in the calculation of the simple average closing price) on the same date, and based on the current share price trend of the Company, it was considered unlikely that the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer would exceed the simple average closing price of the Company's common shares for 1 month up to the business day before the date of the resolution to implement the Tender Offer.

Based on the above considerations, on October 26, 2023, the Company informed MGC that the discount rate shall be 10% and that the Company accepted the price of the Company's common shares, which is the basis for the discount calculation, to be the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer.

In addition, on October 3, 2023, it was considered appropriate to set the number of shares to be repurchased in the Tender Offer at the number of shares agreed to be tendered plus a certain number of shares, because the implementation of the Tender Offer is based on the idea that the method of a tender offer that provides shareholders with a certain period of time to consider the offer and ensures that they have the opportunity to

tender their shares while observing trends in market prices is appropriate, although the Company does not expect the tendering by shareholders of the Company other than MGC, as the Tender Offer is to be made at a discount from the market price of the Company's common share. In light of the fact that 23 Cases out of 61, which were the largest number, set the number of shares to be repurchased at an around 10% (9% to 11%) above the number of shares to be tendered by a certain shareholder, the Company decided that 3,960,000 shares (shareholding ratio : 13.29%), which is 10% above the shares agreed to be tendered, shall be the number of shares to be repurchased in the Tender Offer.

The Company has entered into a tender offer agreement (hereinafter, the "Tender Agreement") with MGC on October 31, 2023 to tender 3,600,000 shares (shareholding ratio : 12.08%), a part of the common shares of the Company held by MGC as of today, in the Tender Offer (However, in the event that a third party (excluding ① a person who is expected to make a proposal that may damage the Company's corporate value after the acquisition of the Company's shares to the Company's management, ② a person who operates or intends to operate a business that competes or may compete with the Company and its subsidiaries and related companies, and ③ a person who falls under the category of anti-social forces or anti-market forces or is deemed to be at risk of falling under such categories in the Company's judgement other than the Company commences a tender offer (hereinafter, the "Third-party Tender Offer") for the Company's shares after entering into the Tendering Agreement and no later than 10 business days prior to the last day of the Tender Offer Period (hereinafter, the "Expiry Date of the Tender Offer") in the Tender Offer, and if MGC tenders 3,600,000 common shares of the Company held by MGC (hereinafter, the "Eligible Tendered Shares") in the Tender Offer (hereinafter, the "Tendering") no later than 5 business days prior to the expiry of the Tender Offer Period, and MGC does not subsequently withdraw from tendering and it is objectively and reasonably considered that the fulfilment of the obligation not to terminate the agreement related to the purchase of the tendered shares which has been concluded as a result of the Tendering is likely to constitute a breach of the duty of loyalty or the duty of care by the directors of MGC (however, the conclusion shall not be based solely on the superiority of the offer price or other consideration in the Third-party Tender Offer, and shall require a sincere decision based on the perspective of improving the Company's corporate value), MGC shall promptly (must be no later than 8 business days prior to the Expiry Date of the Tender Offer) notify the Company in writing after making such decision and the specific grounds (including written advice from independent lawyers) on which MGC has made such decision. In such case, the Company may, within 5 business days of receiving such notice, make a written proposal to MGC regarding changes to the terms of the Tender Offer, and during such period MGC shall hold discussions in good faith with the Company regarding the Tender Offer. MGC is not required to fulfil the above obligations only if it is objectively and reasonably considered that fulfilment of such obligations, even after considering the results of discussions with the Company in good faith, is likely to constitute a breach of the duty of loyalty or the duty of care by MGC's directors.) The Company has been informed that there are no such preconditions and that MGC intends to continue to hold the 12,420,882 common shares of the Company (shareholding ratio : 41.67%) that are not tendered in the Tender Offer at the time of the signing of the Tender Agreement.

If the total number of the share certificates, etc. tendered in the Tender Offer (hereinafter, the "Tendered Shares") exceeds the number of shares to be purchased, the purchase, etc. of all or part of the exceeded shares would not be made, and the purchase, etc., would be conducted on a pro rata basis pursuant to Article 27-13, Paragraph 5 of the Financial Instruments and Exchange Act (Act No.25 of 1948, as amended; hereinafter, the "Act") applied mutatis mutandis in Article 27-22-2, Paragraph 2 of the Act, and Article 21 of the Cabinet Office Order on Disclosure Required for Tender Offer for Listed Share Certificates, etc. by Issuer (Ministry of Finance Japan Ordinance No. 95 of 1994, as amended; hereinafter, the "Ordinance"). In this case, the Company will acquire a part of the 3,600,000 shares agreed to be tendered, and the Company was informed by MGC that MGC intends to sell the Company's common shares that were tendered in the Tender Offer but could not be acquired by the Company on the market, etc. after the Tender Offer.

MGC is the largest shareholder and the parent company of the Company as of today, but if the Company purchases all the shares agreed to be tendered in the Tender Offer, MGC's voting rights ratio (Note 4) will be 47.74%, and therefore MGC will no longer be the parent company of the Company after the Tender Offer and will be newly classified as an other affiliated company of the Company. In addition, if MGC ceases to be the parent company of the Company after the Tender Offer, the Basic Agreement (Note 5) will be terminated. If any of these events occur, the Company intends to disclose the information as soon as possible.

(Note 4) The term "voting rights ratio" means the ratio based on the number of voting rights (261,824 voting rights) obtained by deducting the number of voting rights (36,000 voting rights) related to the number of shares agreed to be tendered (3,600,000 shares) from the number of voting rights (297,824 voting rights) as of March 31, 2023 as stated in the Securities Report of the 65th term filed on June 29, 2023, rounded to two decimal places. The same shall be applied hereinafter in the calculation of the voting rights ratio. In addition, the voting rights related to the common shares of the Company held by MGC's consolidated subsidiaries, Mitsubishi Gas Chemical Trading, Inc. (number of shares held : 58,250 shares), JAPAN FINECHEM COMPANY, INC. (number of shares held : 10,772 shares) and Japan U-PiCA Company Ltd. (number of shares held : 10,772 shares), are 796. In calculation of the voting rights ratio hereinafter, the number of voting rights related to indirect holdings through consolidated subsidiaries is included.

(Note 5) The summary of the Basic Agreement is as follows.

① Objective of the Basic Agreement

The Basic Agreement aims to realize synergies between the companies and increase corporate values of each company and thus enhance the corporate value of the group by strengthening profitability of both parties, creating and developing new businesses and improving management efficiency, etc. MGC will continue to respect the Company's management independence in entering into a capital and business alliance under the Basic Agreement.

② Details of the capital alliance

MGC will implement a tender offer (the tender offer for the Company's common shares implemented by MGC from February 5, 2015 to March 9, 2015 pursuant to the Basic Agreement, hereinafter referred to as the "Tender Offer by MGC") in accordance to the provisions of applicable law and the Basic Agreement. The Company will announce an opinion in favour of the Tender Offer by MGC (provided that it is left to the Company's shareholders to decide whether to tender their shares in the Tender Offer by MGC) and will not withdraw or change such opinion unless to do so would breach its legal duties as a director of the Company.

③ Details of the business alliance

MGC and the Company shall discuss in good faith the details of the alliance and cooperation between the two companies with regard to various measures to create synergies in terms of research and development, manufacturing, sales, finance and administration, and shall work in good faith towards the realization and implementation of these measures.

④ Prohibition, etc. on the purchase of additional shares or disposal of shares of the Company

MGC and MGC's subsidiaries may purchase additional shares or dispose shares of the Company only after the related parties have discussed the matter and reached a prior written agreement. The Company shall notify and consult with MGC in advance if the Company intends to carry out any action that would result in the number of shares of the Company held by the MGC group (MGC and its subsidiaries (but excluding the Company)) being less than 50% of the total number of shares issued by the Company. MGC will also maintain the listing of the Company's shares during the period of validity of the Basic Agreement.

⑤ Management structure of the Company

The Company's various structures including governance structure and organizational and executive structure, management policies and strategies, and other various decisions are

entrusted to the Company's discretion. The Company will notify MGC in advance if the Company intends to carry out certain important actions. MGC may nominate three of the Company's Directors (one of whom shall serve as a President and Representative Director) and one of the Company's Audit & Supervisory Board members, in principle, from the Company's 57th Annual General Meeting of Shareholders in June 2015 onwards. In addition, these Directors and an Audit & Supervisory Board member of the Company designated by MGC may attend the Company's management meetings.

⑥ Maintenance of the Company's trade name, etc. and brand

MGC shall maintain the trade name, head office address and brand of the Company, and shall not change them unless the Company changes at its own discretion.

⑦ Effective Period

The effective period of the Basic Agreement shall continue until the Basic Agreement is terminated for reasons of a written agreement, breach of obligations under the Basic Agreement or the Company ceasing to be a consolidated subsidiary of MGC.

The entire funds required for the Tender Offer are to be financed by borrowing up to 8 billion yen (hereinafter, the "Bank Loan") from Sumitomo Mitsui Banking Corporation (hereinafter, the "Sumitomo Mitsui Banking") and the Bank Loan is to be received no later than 21 December 2023, the business day prior to the commencement of settlement of the Tender Offer, on condition of the completion of the Tender Offer and other conditions. As the Company's liquidity on hand on a consolidated basis was 18,263 million yen (Ratio of liquidity on hand : 1.71 months, Note 6) as stated in the Summary of Financial Statements for the Second Quarter for the Fiscal Year Ending March 31, 2024, and cash flows (operating cash flows for the year ended March 31, 2023 amounted to 8,725 million yen) generated by the future business of the Company are expected to accumulate to a certain extent, the Company considers that the Company will be able to repay the loans without affecting its financial situation or dividend policy even after the entire funds for the repurchase are financed by the Bank Loan, and the Company's future business operations, financial soundness and stability will be maintained after the Tender Offer is implemented.

(Note 6) The value (rounded to one decimal place) obtained by dividing the Company's liquidity on hand on a consolidated basis as of September 30, 2023, as stated in the "Summary of Financial Statements for the Second Quarter of the Year Ending March 31, 2024, by the monthly sales calculated from the Securities Report of the 65th term (consolidated sales for the year ended March 31, 2023 divided by 12 months).

Furthermore, if the Company ceases to be a consolidated subsidiary of MGC following the repurchase of own shares in the Tender Offer, the Basic Agreement will be terminated and therefore the capital and business alliance provided for in the Basic Agreement will be dissolved. Even if the capital and business alliance is dissolved, a negligible impact on the Company's performance is expected considering the Company's previous performance and it is considered to be desirable in the future to improve the corporate value of the group while both companies independently consider and promote growth strategies.

As of today, as MGC owns 16,020,882 common shares of the Company (shareholding ratio : 53.75%) and is the largest shareholder and the parent company of the Company, the repurchase of its own shares from MGC in the Tender Offer is considered to be a material transaction with a controlling shareholder as defined in the Securities Listing Regulations of the Tokyo Stock Exchange. In addition, if the Company ceases to be a consolidated subsidiary of MGC following the repurchase of its own shares in the Tender Offer, the Basic Agreement will be terminated and therefore the capital and business alliance provided for in the Basic Agreement will be dissolved, which will also be considered as a material transaction with the controlling shareholder under the Securities Listing Regulations of the Tokyo Stock Exchange.

Under the Securities Listing Regulations of the Tokyo Stock Exchange, the Company is required to obtain an opinion to the effect that a matter will not undermine the interests of the minority shareholders from persons who have no interest in the controlling shareholder if the matter constitute a material transaction with the controlling shareholder. On October 10, 2023, the Company has consulted with the permanently installed Special Committee on Governance consisting of four independent outside directors of the Company (Mr. Hisashi Shinozuka, Mr. Takayuki Ikeda, Mr. Kiyoshi Ito and Ms. Ryoko Sugiyama) who have no interest in MGC and are not likely to have a conflict of interest with minority shareholders (the "Special Committee on Governance") whether it would be disadvantageous to the Company's minority shareholders if the Company decides to enter into the Tender Agreement with MGC and to implement repurchase of its own shares in the Tender Offer, and if the capital and business alliance provided for in the Basic Agreement is dissolved in accordance with the termination of the Basic Agreement in case that the Company ceases to be a consolidated subsidiary of MGC by the repurchase of its own shares in the Tender Offer. On October 31, 2023, the Company has received a report from the Special Committee on Governance on the decision to conclude that it would not be disadvantageous to the Company's minority shareholders to enter into the Tender Agreement with MGC and to implement the repurchase of own shares in the Tender Offer, and to dissolve the capital and business alliance provided for in the Basic Agreement in accordance with the termination of the Basic Agreement in case that the Company ceases to be a consolidated subsidiary of MGC by the repurchase of its own shares in the Tender Offer.

(For a summary of the report, see "②Background of the calculation" in "(3) Basis for the calculation of the tender offer price" in "3. Summary of the Tender Offer" below.)

Based on the above considerations and discussions, the Company resolved at the Board of Directors meeting held today that, by a unanimous vote of all the Company's Directors who participated in the deliberations and resolutions (nine Directors excluding Mr. Tomohiko Okubo, Mr. Yoshikazu Shima and Mr. Tomoyuki Kiura), the Company shall repurchase its own shares and implement the Tender Offer as a specific method specified under the provisions of Article 156, Paragraph 1 of the Companies Act as applied pursuant to the provisions of Article 165, Paragraph 3 of the same Act, and the provisions of the Company's Articles of Incorporation, that the Tender Offer Price shall be set at 1,661 yen, which is with a discount of 10% from 1,846 yen, the closing price of the Company's common shares on October 30, 2023, the business day prior to the date of the Company's Board resolution (October 31, 2023) and that the number of shares to be purchased in the Tender Offer shall be 3,960,000 shares (shareholding ratio : 13.29%) which is 10% more than the 3,600,000 shares agreed to be tendered in order to provide shareholders other than MGC with an opportunity to tender their shares in the Tender Offer, after confirming that the closing price of the Company's common shares on October 30, 2023, the business day prior to the date of the Company's Board resolution, is 1,846 yen among the market prices of the Company's common shares. As Mr. Tomohiko Okubo and Mr. Yoshikazu Shima had worked at MGC and Mr. Tomoyuki Kiura is a specially appointed executive of MGC, in order to avoid any conflict of interest, the above three Directors of the Company did not participate in the deliberations and resolutions of the Company's Board of Directors regarding the implementation of the Tender Offer, nor did they participate in any discussions or negotiations with MGC regarding the terms and conditions of the Tender Offer on behalf of the Company.

As Mr. Hideki Honda, the Audit & Supervisory Board member of the Company, is also an employee of MGC, he did not participate in any of the deliberations of the Board of Directors meeting mentioned above and refrained from expressing his opinion on the resolution of the Board of Directors meeting mentioned above, in order to avoid any suspicion of a conflict of interest.

In determining the Tender Offer Price, the Company did not obtain a valuation report from a third party evaluator, because it was considered to be objective to use a market price as a reference when calculating and determining the Tender Offer Price as the Company's common shares are listed on the Prime Market of

the Tokyo Stock Exchange and thus have a market price, and because it was considered that acquiring common shares of the Company at a discount from a market price from MGC, the largest shareholder and the parent company of the Company, would not be disadvantageous to minority shareholders of the Company.

The plan for the disposal, etc. of own shares repurchased in the Tender Offer has not been decided yet and will be disclosed as soon as a specific decision has been made.

2. Details of the resolution of Board of Directors meeting on the repurchase of own shares

(1) Details of the resolution

Share class	Total number of shares to be repurchased	Total repurchase price
Common shares	Up to 3,960,100 shares	Up to 6,577,726,100 yen

(Note 1) Total number of shares issued : 31,413,473 shares (as of October 31, 2023)

(Note 2) Ratio to the total number of shares issued : 12.61% (Rounded to two decimal places)

(Note 3) Repurchase period : November 1, 2023 through December 29, 2023

(Note 4) The total number of shares to be repurchased resolved by the Board of Directors meeting is one unit (100 shares) added to the total number of shares to be repurchased, as it is possible that total number of shares to be repurchased would exceed as a result unit adjustments based on a pro rata basis if the total number of the Tendered Shares exceeds the total number of shares to be repurchased.

(2) Listed share certificates, etc. related to the repurchase of own shares already acquired based on the resolution of Board of Directors meeting

Not applicable.

3. Summary of the Tender Offer

(1) Schedule

① Date of Resolution by the Board of Directors Meeting	Tuesday, October 31, 2023
② Date of Public Notice of the Commencement of the Tender Offer	Wednesday, November 1, 2023 An electronic public notice will be posted, and this information will be published in the Nikkei Shimbun. (Electronic publication address : https://disclosure2.edinet-fsa.go.jp/)
③ Submission Date of the Tender Offer Notification	Wednesday, November 1, 2023
④ Tender Offer Period	From Wednesday, November 1 to Thursday, November 30, 2023 (20 business days)

(2) Tender offer price

1,661 yen per common share

(3) Basis for the calculation of the tender offer price

① Basis of calculation

In determining the the Tender Offer Price, the Company considered the market price of the Company's common shares as the basis from the perspective of clarity and objectivity of a criteria, by taking into

consideration the fact that the Company's common shares are listed on a financial instruments exchange and thus have a market share price. On September 20, 2023, the Company has concluded that it would be desirable to repurchase the shares at a certain discount to the market price in order to limit the outflow of assets outside the Company as much as possible from the perspective of respecting the interests of shareholders who do not tender their shares in the Tender Offer and continue to hold the Company's common shares.

With regard to the discount rate, based on the consideration that it is objective and reasonable to refer to recent similar cases, 38 Cases out of 61, which is the largest number, set a discount rate of around 10% (from 9% to 11%), and with regard to the price of the Company's common shares, which is the basis for the discount calculation, 50 Cases out of 61, which were the largest number, were based on the closing price of the common shares on the Tokyo Stock Exchange on the business day before the date of the resolution to implement a tender offer, or the simple average closing price over the past one month or three months up to the same date. Based on these, on September 29, 2023, the Company approached MGC about the possibility of tendering their shares in the Tender Offer based on the lowest price among the closing price of the Company's common shares on October 30, 2023, which is the business day before the scheduled date of the Company's Board of Directors meeting which was considered to be the date of the resolution regarding the implementation of the Tender Offer (October 31, 2023), or the simple average closing price of the Company's common shares for 1 month up to October 30, 2023, or the simple average closing price of the Company's common shares for 3 months up to October 30, 2023, with a discount of 10% from the lowest price.

On October 3, 2023, the Company received a response from MGC stating that MGC intends to tender 3,600,000 shares agreed to be tendered (shareholding ratio : 12.08%) of the Company's common shares held by MGC (number of shares held : 16,020,882 shares, shareholding ratio : 53.75%), if the Company resolves to implement the Tender Offer. On the same day, the Company was requested by MGC to reconsider the Tender Offer Price based on the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer with a discount of 7% from that price. In response, the Company considered that it was still appropriate to set a discount rate of around 10%, which was the most common discount rate in the Cases, and that, with regard to the price of the Company's common shares, which is the basis for the discount calculation, although it is acceptable to exclude the simple average closing price of the Company's common shares for 3 months up to the business day before the date of the resolution to implement the Tender Offer given that the average share price over a three-months period of time is likely to increase the possibility of no longer reflecting the most recent corporate value of the Company and valuation of the Company by the market compared with the average price for 1 month, from the perspective of allowing the Company's common shares to be repurchased at a certain discount to the market price even if the price of the Company's common shares fluctuated, it was appropriate to take the lower of the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer or the simple average closing price of the Company's common shares for 1 month up to the date of the resolution to implement the Tender Offer.

Based on the above considerations, on October 10, 2023, the Company approached MGC about the possibility of tendering their shares in the Tender Offer with the discount rate of 10%, and with regard to the price of the Company's common shares, which is the basis for the discount calculation, at the lower of the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer or the simple average closing price of the Company's common shares for 1 month up to the business day before the date of the resolution to implement the Tender Offer. On October 11, 2023, the Company was requested by MGC to reconsider the discount rate at 9% and the price of the Company's common shares, which is the basis for the discount calculation, at the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender

Offer. In response, on October 13, 2023, the Company approached MGC about the possibility of tendering their shares in the Tender Offer with the discount rate of 10% as only 1 Case of the 38 Cases with a discount rate of around 10% had a discount rate of 9% and therefore the Company still considered it appropriate to set a discount rate at 10%, and with regard to the price of the Company's common shares, which is the basis for the discount calculation, at the lower of the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer or the simple average closing price of the Company's common shares for 1 month up to the date of the resolution to implement the Tender Offer from the perspective of allowing the Company's common shares to be repurchased at a certain discount to the market price even if the price of the Company's common shares fluctuated. On October 16, 2023, MGC informed that with regard to the price of the Company's common shares, which is the basis for the discount calculation, it was still preferred to be the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer, and that, on the other hand, it was possible to accept the Company's proposal for the discount rate of 10% provided that the price of the Company's common shares, which is the basis for the discount calculation, is the closing price of the Company's common shares on October 30, 2023, the business day before the date of the resolution to implement the Tender Offer.

In response, on October 24, 2023, the Company approached MGC about the possibility of tendering their shares in the Tender Offer with the discount rate of 10% and with regard to the price of the Company's common shares, which is the basis for the discount calculation, at the lower of the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer or the simple average closing price of the Company's common shares for 1 month up to the business day before the date of the resolution to implement the Tender Offer due to the same reasons as before. On the same day, MGC informed that it was difficult to accept the Company's proposal regarding the price of the Company's common shares, which is the basis for the discount calculation, and that MGC would like the Company to accept the MGC's proposal regarding the price of the Company's common shares, which is the basis for the discount calculation, as MGC had accepted the Company's proposal to set the discount rate at 10%.

In response, the Company considered the matter again on October 26, 2023, and the Company concluded that it was reasonable to accept MGC's proposal to set the price of the Company's common shares, which is the basis for the discount calculation, at the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer because, in light of the idea that it is reasonable to allow the Company's common shares to be repurchased at a certain discount to the market price as mentioned above, the closing price of the Company's common shares was 1,844 yen on the same date (October 26, 2023), which is the latest share price at the time of the consideration, and the simple average closing price of the Company's common shares for 1 month up to October 26, 2023 was 1,943 yen on the same date, and based on the current share price trend of the Company, it was considered unlikely that the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer would exceed the simple average closing price of the Company's common shares for 1 month up to the business day before the date of the resolution to implement the Tender Offer.

Based on the above considerations, on October 26, 2023, the Company informed MGC that the discount rate shall be 10% and that the Company accepted the price of the Company's common shares, which is the basis for the discount calculation, to be the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer.

Based on the above considerations and discussions, the Company resolved at the Board of Directors meeting held today that, by a unanimous vote of all the Company's Directors (nine Directors excluding Mr. Tomohiko Okubo, Mr. Yoshikazu Shima and Mr. Tomoyuki Kiura) who participated in the deliberations and resolutions, the Company shall repurchase its own shares and implement the Tender Offer as a specific

method specified under the provisions of Article 156, Paragraph 1 of the Companies Act as applied pursuant to the provisions of Article 165, Paragraph 3 of the same Act, and the provisions of the Company's Articles of Incorporation, that the Tender Offer Price shall be set at 1,661 yen, which is with a discount of 10% from 1,846 yen, the closing price of the Company's common shares on October 30, 2023, the business day prior to the date of the Company's Board resolution (October 31, 2023), and that the number of shares to be purchased in the Tender Offer shall be 3,960,000 shares (shareholding ratio : 13.29%) which is 10% more than the 3,600,000 shares agreed to be tendered in order to provide shareholders other than MGC with an opportunity to tender their shares in the Tender Offer, after confirming that the closing price of the Company's common shares on October 30, 2023, the business day prior to the date of the Company's Board resolution, is 1,846 yen among the market price of the Company's common shares.

The Tender Offer Price of 1,661 yen represents 10.02% discount (rounded to two decimal places, the same shall be applied hereinafter in the calculation of the discount rate) of 1,846 yen, the closing price of the Company's common shares on October 30, 2023, the business day prior to the date of the Company's Board resolution (October 31, 2023), 13.44% discount of 1,919 yen, the simple average closing price of the Company's common shares for 1 month up to the same date, and 15.04% discount of 1,955 yen, the simple average closing price of the Company's common shares for 3 months up to the same date, respectively.

② Background of the calculation

(Background for the determination of the Tender Offer Price)

In determining the the Tender Offer Price, the Company considered the market price of the Company's common shares as the basis from the perspective of clarity and objectivity of a criteria, by taking into consideration the fact that the Company's common shares are listed on a financial instruments exchange and thus have a market share price. On September 20, 2023, the Company has concluded that it would be desirable to repurchase the shares at a certain discount to the market price in order to limit the outflow of assets outside the Company as much as possible from the perspective of respecting the interests of shareholders who do not tender their shares in the Tender Offer and continue to hold the Company's common shares.

With regard to the discount rate, based on the consideration that it is objective and reasonable to refer to recent similar cases, 38 Cases out of 61, which is the largest number, set a discount rate of around 10% (from 9% to 11%), and with regard to the price of the Company's common shares, which is the basis for the discount calculation, 50 Cases out of 61, which were the largest number, were based on the closing price of the common shares on the Tokyo Stock Exchange on the business day before the date of the resolution to implement a tender offer, or the simple average closing price over the past one month or three months up to the same date. Based on these, on September 29, 2023, the Company approached MGC about the possibility of tendering their shares in the Tender Offer based on the lowest price among the closing price of the Company's common shares on October 30, 2023, which is the business day before the scheduled date of the Company's Board of Directors meeting which was considered to be the date of the resolution regarding the implementation of the Tender Offer (October 31, 2023), or the simple average closing price of the Company's common shares for 1 month up to October 30, 2023, or the simple average closing price of the Company's common shares for 3 months up to October 30, 2023, with a discount of 10% from the lowest price.

On October 3, 2023, the Company received a response from MGC stating that MGC intends to tender 3,600,000 shares agreed to be tendered (shareholding ratio : 12.08%) of the Company's common shares held by MGC (number of shares held : 16,020,882 shares, shareholding ratio : 53.75%), if the Company resolves to implement the Tender Offer. On the same day, the Company was requested by MGC to reconsider the Tender Offer Price based on the closing price of the Company's common shares on the

business day before the date of the resolution to implement the Tender Offer with a discount of 7% from that price. In response, the Company considered that it was still appropriate to set a discount rate of around 10%, which was the most common discount rate in the Cases, and that, with regard to the price of the Company's common shares, which is the basis for the discount calculation, although it is acceptable to exclude the simple average closing price of the Company's common shares for 3 months up to the business day before the date of the resolution to implement the Tender Offer given that the average share price over a three-months period of time is likely to increase the possibility of no longer reflecting the most recent corporate value of the Company and valuation of the Company by the market compared with the average price for 1 month, from the perspective of allowing the Company's common shares to be repurchased at a certain discount to the market price even if the price of the Company's common shares fluctuated, it was appropriate to take the lower of the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer or the simple average closing price of the Company's common shares for 1 month up to the date of the resolution to implement the Tender Offer.

Based on the above considerations, on October 10, 2023, the Company approached MGC about the possibility of tendering their shares in the Tender Offer with the discount rate of 10%, and with regard to the price of the Company's common shares, which is the basis for the discount calculation, at the lower of the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer or the simple average closing price of the Company's common shares for 1 month up to the business day before the date of the resolution to implement the Tender Offer. On October 11, 2023, the Company was requested by MGC to reconsider the discount rate at 9% and the price of the Company's common shares, which is the basis for the discount calculation, at the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer. In response, on October 13, 2023, the Company approached MGC about the possibility of tendering their shares in the Tender Offer with the discount rate of 10% as only 1 Case of the 38 Cases with a discount rate of around 10% had a discount rate of 9% and therefore the Company still considered it appropriate to set a discount rate at 10%, and with regard to the price of the Company's common shares, which is the basis for the discount calculation, at the lower of the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer or the simple average closing price of the Company's common shares for 1 month up to the date of the resolution to implement the Tender Offer from the perspective of allowing the Company's common shares to be repurchased at a certain discount to the market price even if the price of the Company's common shares fluctuated. On October 16, 2023, MGC informed that with regard to the price of the Company's common shares, which is the basis for the discount calculation, it was still preferred to be the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer, and that, on the other hand, it was possible to accept the Company's proposal for the discount rate of 10% provided that the price of the Company's common shares, which is the basis for the discount calculation, is the closing price of the Company's common shares on October 30, 2023, the business day before the date of the resolution to implement the Tender Offer.

In response, on October 24, 2023, the Company approached MGC about the possibility of tendering their shares in the Tender Offer with the discount rate of 10% and with regard to the price of the Company's common shares, which is the basis for the discount calculation, at the lower of the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer or the simple average closing price of the Company's common shares for 1 month up to the business day before the date of the resolution to implement the Tender Offer due to the same reasons as before. On the same day, MGC informed that it was difficult to accept the Company's proposal regarding the price of the Company's common shares, which is the basis for the discount calculation, and that MGC would like the Company to accept the MGC's proposal regarding the price of the Company's common shares,

which is the basis for the discount calculation, as MGC had accepted the Company's proposal to set the discount rate at 10%.

In response, the Company considered the matter again on October 26, 2023, and the Company concluded that it was reasonable to accept MGC's proposal to set the price of the Company's common shares, which is the basis for the discount calculation, at the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer because, in light of the idea that it is reasonable to allow the Company's common shares to be repurchased at a certain discount to the market price as mentioned above, the closing price of the Company's common shares was 1,844 yen on the same date (October 26, 2023), which is the latest share price at the time of the consideration, and the simple average closing price of the Company's common shares for 1 month up to October 26, 2023 was 1,943 yen on the same date, and based on the current share price trend of the Company, it was considered unlikely that the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer would exceed the simple average closing price of the Company's common shares for 1 month up to the business day before the date of the resolution to implement the Tender Offer.

Based on the above considerations, on October 26, 2023, the Company informed MGC that the discount rate shall be 10% and that the Company accepted the price of the Company's common shares, which is the basis for the discount calculation, to be the closing price of the Company's common shares on the business day before the date of the resolution to implement the Tender Offer.

Based on the above considerations and discussions, the Company resolved at the Board of Directors meeting held today that, by a unanimous vote of all the Company's Directors (nine Directors excluding Mr. Tomohiko Okubo, Mr. Yoshikazu Shima and Mr. Tomoyuki Kiura) who participated in the deliberations and resolutions, the Company shall repurchase its own shares and implement the Tender Offer as a specific method specified under the provisions of Article 156, Paragraph 1 of the Companies Act as applied pursuant to the provisions of Article 165, Paragraph 3 of the same Act, and the provisions of the Company's Articles of Incorporation, that the Tender Offer Price shall be set at 1,661 yen, which is with a discount of 10% from 1,846 yen, the closing price of the Company's common shares on October 30, 2023, the business day prior to the date of the Company's Board resolution (October 31, 2023), and that the number of shares to be purchased in the Tender Offer shall be 3,960,000 shares (shareholding ratio : 13.29%) which is 10% more than the 3,600,000 shares agreed to be tendered in order to provide shareholders other than MGC with an opportunity to tender their shares in the Tender Offer, after confirming that the closing price of the Company's common shares on October 30, 2023, the business day prior to the date of the Company's Board resolution, is 1,846 yen among the market price of the Company's common shares.

(Summary of the opinion from persons who have no interest in the controlling shareholder regarding matters related to measures to ensure fairness and to avoid conflicts of interest, and concerning that such transactions, etc. are not disadvantageous to minority shareholders)

Considering that the Company is a consolidated subsidiary of MGC and that the Tender Offer constitutes a transaction in which structural conflicts of interest and information asymmetry issues are typologically present, the Company has taken the following measures to address these issues and to ensure the fairness of the terms and conditions of the transaction.

(i) Matters related to measures to ensure fairness and to avoid conflicts of interest

With regard to the specific method of acquiring its own shares, the Company has decided to implement the method of a tender offer as it ensures that shareholders are given a certain period for consideration and the opportunity to tender their shares while observing the market price trends, as a result of careful consideration from the perspective of the capital policy of the Company, based on equality among

shareholders, transparency of transactions and trading conditions on the market.

As Mr. Tomohiko Okubo and Mr. Yoshikazu Shima had worked at MGC and Mr. Tomoyuki Kiura is a specially appointed executive of MGC, in order to avoid any conflict of interest, the above three Directors of the Company did not participate in the deliberations and resolutions of the Company's Board of Directors regarding the implementation of the Tender Offer, nor did they participate in any discussions or negotiations with MGC regarding the terms and conditions of the Tender Offer on behalf of the Company. In addition, as Mr. Hideki Honda, the Audit & Supervisory Board member of the Company, is also an employee of MGC, he did not participate in any of the deliberations of the Board of Directors meeting mentioned above and refrained from expressing his opinion on the resolution of the Board of Directors meeting mentioned above, in order to avoid any suspicion of a conflict of interest.

As of today, as MGC is the largest shareholder and the parent company of the Company, the repurchase of its own shares from MGC in the Tender Offer is considered to be a material transaction with a controlling shareholder as defined in the Securities Listing Regulations of the Tokyo Stock Exchange. In addition, if the Company ceases to be a consolidated subsidiary of MGC following the repurchase of its own shares in the Tender Offer, the Basic Agreement will be terminated and therefore the capital and business alliance provided for in the Basic Agreement will be dissolved, which will also be considered to be a material transaction with the controlling shareholder under the Securities Listing Regulations of the Tokyo Stock Exchange. Under the Securities Listing Regulations of the Tokyo Stock Exchange, the Company is required to obtain an opinion to the effect that a matter will not undermine the interests of the minority shareholders from a person who has no interest in the controlling shareholder if the matter constitute a material transaction with the controlling shareholder. On October 10, 2023, the Company has consulted with the Special Committee on Governance whether it would be disadvantageous to the Company's minority shareholders if the Company decides to enter into the Tender Agreement with MGC and to implement repurchase of its own shares in the Tender Offer, and if the capital and business alliance provided for in the Basic Agreement is dissolved in accordance with the termination of the Basic Agreement in case that the Company ceases to be a consolidated subsidiary of MGC by the repurchase of its own shares in the Tender Offer. On October 31, 2023, the Company has received a report from the Special Committee on Governance on the decision to conclude that it would not be disadvantageous to the Company's minority shareholders to enter into the Tender Agreement with MGC and to implement the repurchase of its own shares in the Tender Offer, and to dissolve the capital and business alliance provided for in the Basic Agreement in accordance with the termination of the Basic Agreement in case that the Company ceases to be a consolidated subsidiary of MGC by the repurchase of its own shares in the Tender Offer (for a summary of the report, see "(ii) Summary of the opinion from persons who have no interest in the controlling shareholder regarding the fact that the transaction, etc. is not disadvantageous to minority shareholders") .

In determining the Tender Offer Price, the Company did not obtain a valuation report from a third party evaluator, because it was considered to be objective to use a market price as a reference when calculating and determining the Tender Offer Price as the Company's common shares are listed on the Prime Market of the Tokyo Stock Exchange and thus have a market price, and because it was considered that acquiring common shares of the Company at a discount from a market price from MGC, the largest shareholder and the parent company of the Company, would not be disadvantageous to minority shareholders of the Company.

- (ii) Summary of the opinion from persons who have no interest in the controlling shareholder regarding the fact that the transaction, etc. is not disadvantageous to minority shareholders

On October 10, 2023, the Company has consulted with the Special Committee on Governance whether it would be disadvantageous to the Company's minority shareholders if the Company decides to enter into the Tender Agreement with MGC and to implement repurchase of its own shares in the

Tender Offer, and if the capital and business alliance provided for in the Basic Agreement is dissolved in accordance with the termination of the Basic Agreement in case that the Company ceases to be a consolidated subsidiary of MGC by the repurchase of its own shares in the Tender Offer. The Special Committee on Governance has been provided with explanations by the Company, including review in the Board of Directors meeting, on the purpose and background of the Tender Offer, the method of determining the Tender Offer Price and other terms and conditions, and the adequacy and fairness of the Company's decision-making procedures in relation to the Tender Offer. As a result, on October 31, 2023, the Company has received a report from the Special Committee on Governance on the decision to conclude that it would not be disadvantageous to the Company's minority shareholders to enter into the Tender Agreement with MGC and to implement the repurchase of its own shares in the Tender Offer, and to dissolve the capital and business alliance provided for in the Basic Agreement in accordance with the termination of the Basic Agreement in case that the Company ceases to be a consolidated subsidiary of MGC by the repurchase of its own shares in the Tender Offer considering the following points comprehensively.

- (a) Whereas the liquidity and market price of the Company's common shares would be adversely affected if a certain large number of shares were temporarily released to the market, the Company's financial position is such that the Company's liquidity on hand (cash and deposits) on a consolidated basis as of September 30, 2023 was 18,263 million yen as stated in the Summary of Financial Statements for the Second Quarter of the Year Ending March 31, 2024, and cash flows generated by the future business of the Company are expected to accumulate to a certain extent, the repurchase of own shares by means of the Tender Offer should not affect the financial position or dividend policy of the Company, and the acquisition of part of the common shares of the Company held by MGC as treasury shares by the Company will rather contribute to improving the Company's capital efficiency including earnings per share (EPS) and return on equity (ROE), and will lead to a return of profit to shareholders.
- (b) With regard to the specific method of acquiring its own shares, the method of a tender offer is appropriate instead of the market purchase method through a financial instruments exchange, considering that (i) repurchasing of own shares in excess of a certain large quantity and amount, (ii) equality among shareholders, (iii) transparency of transactions, (iv) the possibility of resulting in a reduction in the outflow of the Company's assets outside the Company as the common shares of the Company can be repurchased at a certain discount to the market price, (v) ensuring that shareholders are given a certain period for consideration and the opportunity to tender their shares while observing the market price trends.
- (c) The entire funds required for the Tender Offer are to be financed by borrowing up to 8 billion yen from Sumitomo Mitsui Banking Corporation. As the Company's liquidity on hand (cash and deposits) on a consolidated basis as of September 30, 2023 was 18,263 million yen as stated in the Summary of Financial Statements for the Second Quarter of the Year Ending March 31, 2024, and cash flows generated by the future business of the Company are expected to accumulate to a certain extent, the Company considers that the Company will be able to repay the loans without affecting its financial situation or dividend policy even after the entire funds for the repurchase are financed by the Bank Loan, and the Company's future business operations, financial soundness and stability will be maintained after the Tender Offer is implemented.
- (d) The Tender Offer Price is set at 1,661 yen, which is with a discount of 10% from 1,846 yen, the closing price of the Company's common shares on October 30, 2023, the business day before the date of the Company's Board resolution on October 31, 2023. The terms and conditions of the Tender Offer are not particularly favourable to MGC, as the interests of shareholders who do not tender their shares in the Tender Offer and continue to hold the Company's common shares are respected while reducing the outflow of assets outside the Company.

- (e) The proper and fair measures have been taken to eliminate arbitrariness in the Company's decision-making process when considering and deciding on the Tender Offer, and the decision-making process is deemed appropriate.
- (f) If the Company ceases to be a consolidated subsidiary of MGC following the repurchase of own shares in the Tender Offer, the Basic Agreement will be terminated and therefore the capital and business alliance provided for in the Basic Agreement will be dissolved. Even in the event that the capital and business alliance is dissolved, a negligible impact on the Company's performance is expected considering the Company's previous business performance and it is rather desirable to consider and promote own growth strategies of each company in the future to improve the corporate value of the group. MGC also intends to continue to have a good business relationship with the Company after the dissolution of the capital and business alliance and to improve the corporate value of the group, so there appears to be no particular problem in terms of the impact on the Company's business. Furthermore, the Company has been informed that MGC intends to continue to hold the 12,420,882 common shares of the Company that are not tendered in the Tender Offer, so there appears to be no particular problem in terms of the impact from the dissolution of the capital and business alliance.

(4) Number of shares to be repurchased

Share class	Total number of shares to be repurchased	Number of shares planned to exceed	Total
Common shares	3,960,000 shares	—shares	3,960,000 shares

(Note 1) If the total number of the Tendered Shares does not exceed the total number of shares to be repurchased (3,960,000 shares), all of the Tendered Shares shall be repurchased. If the total number of the Tendered Shares exceeds the number of shares to be repurchased (3,960,000 shares), all or part of the excess shares will not be purchased, the delivery and other settlements related to the purchase of share certificates, etc. would be conducted on a pro rata basis pursuant to Article 27-13, Paragraph 5 of the Act applied mutatis mutandis in Article 27-22-2, Paragraph 2 of the Act, and Article 21 of the Ordinance.

(Note 2) Odd-lot shares are also subject to the Tender Offer. If shareholders exercise their right to request the purchase of fractional shares in accordance with the Companies Act, the Company may purchase its own shares during the purchase period (hereinafter, the "Tender Offer Period") in accordance with legal procedures.

(5) Funds required for the purchase, etc.

6,591,580,000 yen

(Note) The total purchase price is the purchase of price all the number of the shares to be purchased (3,960,000 shares), 6,577,560,000 yen, plus the estimated purchase commission and other costs (the cost of publishing public notice regarding the Tender Offer, the printing costs for the tender offer statement and other necessary documents, and other costs)

(6) Method of payment

- ① Name and location of the head office of the securities company that will settle the purchase, etc,
Tokai Tokyo Securities Co., Ltd. 4-7-1, Meiki, Nakamura-ku, Nagoya-shi, Aichi prefecture, Japan
- ② Commencement date of settlement
Friday, December 22, 2023

③ Method of payment

A notice of purchase under the Tender Offer will be sent to the address of the person accepting the offer to purchase or applying to tender shares in the Tender Offer (hereinafter, the "Tendering Shareholders") without delay after the end of the Tender Offer Period. (In the case of shareholders, etc. (including corporate shareholders, etc.) who are residents of a foreign country, hereinafter referred to as "Foreign Shareholders", a notice will be sent to the address of a standing proxy.)

The purchase shall be made with cash. Without delay after the commencement date of settlement and in accordance with the Tendering Shareholders' instructions (or, in the case of Foreign Shareholders, their standing proxies), the purchase price for the shares purchased will be remitted by the tender offer agent to the financial accounts designated by the Tendering Shareholders (or, in the case of Foreign Shareholders, their standing proxies) or will be paid to the Tendering Shareholders' securities trading accounts that were used when the tender offer agent accepted their applications.

(Note) Regarding taxation of shares purchased under the Tender Offer

Each shareholder should consult own licensed tax accountant or other expert with respect to any specific questions regarding tax consequences and is responsible for own decisions.

(i) Taxation on shares purchased under the Tender Offer is as follows.

(a) For the Tendering Shareholders who are residents, or non-residents with a permanent establishment in Japan

When the amount of money received for accepting the Tender Offer exceeds the amount of the portion of the Company's capital (or for a consolidated corporation, its consolidated individual stated capital) attributable to the shares that are the basis for that payment (when the per-share purchase amount is greater than the per-share amount of capital of the Company), the amount in excess will be deemed to be a dividend and will be taxed accordingly. Furthermore, the amount of the money received for the tendered and delivered shares pursuant to the Tender Offer less the amount deemed to be a dividend shall be income from the transfer of shares. If no amount is deemed to be a dividend (when the per-share purchase amount is less than the per-share amount of capital of the Company), the entire amount shall be income from the transfer of shares.

The amount deemed to be a dividend is subject to a withholding of 20.315% (15.315% for income tax and the special reconstruction income tax). (There will be no special withholding of the 5% resident tax for non-residents with a permanent establishment in Japan.) However, if the shareholder is considered as a principal shareholder (hereinafter, the "Principal Shareholder") as provided for in Article 4-6-2, Paragraph 37 of the Order for Enforcement of the Act on Special Measures Concerning Taxation (Order No. 43 of 1957, as amended), the withholding will be 20.42% (income tax and special income tax for reconstruction only). Furthermore, the amount of income from the transfer of shares less acquisition expenses related to the shares shall be, in principle, subject to separate self-assessment taxation.

In addition, if the amount deemed to be a dividend is to be paid on or after October 1, 2023 and if the ratio of the shares held by the Tendering Shareholders who receive the payments combining with the shares held by legal entities that would fall under the category of family companies under the Corporation Tax Act when the Tendering Shareholders are the shareholder on the basis of which the assessment is made, to total number of shares issued is three hundredths or more, the amount deemed as such dividend shall be subject to general taxation as dividend income.

The amount of transfer income less acquisition costs related to such shares is, in principle, subject to separate taxation on declaration.

In the case where shares in a tax-free account (hereinafter, the "Tax-Free Account") specified in

Article 37-14 (Tax exemptions on income from transfers of small-sum listed shares, etc. in a tax-free account) of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended) are tendered pursuant to the Tender Offer and the financial instruments business operator with which the Tax-Free Account was opened is Tokai Tokyo Securities Co., Ltd., income from the transfer of shares pursuant to the Tender Offer is, in principle, tax-free. If the Tax-Free Account was opened with a financial instruments business operator other than Tokai Tokyo Securities Co., Ltd., the treatment described above may not apply.

(b) For the Tendering Shareholders who are non-residents without a permanent establishment in Japan

The amount deemed to be a dividend will be subject to a withholding of 15.315% (income tax and special income tax for reconstruction only). If the shareholder is considered as the Principal Shareholder, the withholding will be 20.42% (income tax and special income tax for reconstruction only). As a general rule, income arising from the transfer will not be subject to taxation.

(c) For institutional shareholders

When the amount of money received for accepting the Tender Offer exceeds the amount of the portion of the Company's capital (or for a consolidated corporation, its consolidated individual stated capital) attributable to the shares that are the basis for that payment, the amount in excess will be deemed to be a dividend. The amount that is deemed dividends is subject to a withholding of 15.315% (income tax and special income tax for reconstruction only).

However, on and after October 1, 2023, no income tax or special income tax will be imposed and no withholding will be made on amounts deemed to be a dividend to be paid by the Company to Tendering Shareholders (limited to legal entities (domestic legal entities) with head office or principal office in Japan) who directly hold more than one-third of the Company's shares issued on the record date for the payment of such dividends, etc.

Foreign Shareholders who desire to be subject to the reduction or exemption of the income tax and special income tax for reconstruction on said deemed dividend in accordance with the applicable tax treaty are requested to submit a notification regarding the tax treaty to the tender offer agent by the last day of the Tender Offer Period.

(7) Others

① The Tender Offer will not be conducted, directly or indirectly, in or targeted at the United States, nor through the U.S. postal mail services or other interstate or international commercial methods or means (including, but not limited to, telephone, telex, facsimile, e-mail, and Internet communication), nor through any stock exchange facilities in the United States. No tender in the Tender Offer may be made through any of the aforementioned methods or means, through those stock exchange facilities, or from the United States. In addition, neither the press release related to the Tender Offer nor other relevant documents will, or may, be sent or distributed in, to, or from the United States by the postal mail services or other means. No tender in the Tender Offer that violates, directly or indirectly, any of the aforementioned restrictions will be accepted. In applying in the Tender Offer, the tendering shareholders (or, in the case of Foreign Shareholders, their standing proxies) may be required to make the following declarations and assurances to the tender offer agent.

The Tendering Shareholders are not residents in the United States either at the time of application or at the time of sending a tender offer application form. No information (including copies) regarding the Tender Offer or documents related to purchase has been received or sent, directly or indirectly, in, targeted at or from the United States. With respect to purchase or the signing or delivery of a tender offer application form, not using, directly or indirectly, the U.S. postal mail services or other interstate or international commercial methods or means (including, but not limited to, telephone, telex, facsimile, e-mail, and Internet communication), nor any stock exchange facilities in the United States. Not acting as an agent, trustee or mandatry without discretion for another person (unless such other person has given all

instructions related to purchase from outside the United States).

② The Company has entered into the Tender Agreement with MGC on October 31, 2023 to tender 3,600,000 shares (shareholding ratio : 12.08%), a part of the common shares of the Company held by MGC as of today, in the Tender Offer (However, in the event that a third party (excluding ① a person who is expected to make a proposal to the Company's management that may damage the Company's corporate value after the acquisition of the Company's shares, ② a person who operates or intends to operate a business that competes or may compete with the Company and its subsidiaries and related companies, and ③ a person who falls under the category of antisocial forces or anti-market forces or is deemed to be at risk of falling under such categories in the Company's judgement) other than the Company commences the Third-party Tender Offer for the Company's shares after entering into the Tendering Agreement and at least 10 business days prior to the Expiry Date of the Tender Offer in the Tender Offer, and if MGC does the Tendering of 3,600,000 Eligible Tendered Shares of the Company held by MGC in the Tender Offer no later than five business days prior to the expiry of the Tender Offer Period, and MGC does not subsequently withdraw from tendering and it is objectively and reasonably considered that the fulfilment of the obligation not to terminate the agreement related to the purchase of the tendered shares which has been concluded as a result of the Tendering is likely to constitute a breach of the duty of loyalty or the duty of care by the directors of MGC (however, the conclusion shall not be based solely on the superiority of the offer price or other consideration in the Third-party Tender Offer, and shall require a sincere decision based on the perspective of improving the Company's corporate value), MGC shall promptly (must be no later than eight business days prior to the Expiry Date of the Tender Offer) notify the Company in writing after making such decision and the specific grounds (includes written advice from independent lawyers) on which MGC has made such decision. In such a case, the Company may, within five business days of receiving such notice, make a written proposal to MGC regarding changes to the terms of the Tender Offer, and during such period MGC shall hold discussions in good faith with the Company regarding the Tender Offer. MGC is not required to fulfil the above obligations only if it is objectively and reasonably considered that fulfilment of such obligations, even after considering the results of discussions with the Company in good faith, is likely to constitute a breach of the duty of loyalty or the duty of care by MGC's directors.). The Company has been informed that MGC intends to continue to hold the common shares of the Company (12,420,882 shares in case all the shares agreed to be tendered have been purchased, shareholding ratio : 41.67%) that are not tendered in the Tender Offer. The Company has been informed that there are no such preconditions and that MGC intends to continue to hold the 12,420,882 common shares of the Company (shareholding ratio : 41.67%) that are not tendered in the Tender Offer at the time of the signing of the Tender Agreement. Furthermore, if the Tendered Shares exceeds the number of shares to be purchased, the purchase, etc. of all or part of the exceeded shares would not be made, and the purchase, etc., would be conducted on a pro rata basis pursuant to Article 27-13, Paragraph 5 of the Act applied mutatis mutandis in Article 27-22-2, Paragraph 2 of the Act, and Article 21 of the Ordinance. In this case, the Company will acquire a part of the 3,600,000 shares agreed to be tendered, and the Company was informed by MGC that MGC intends to sell the Company's common shares that were tendered in the Tender Offer but could not be acquired by the Company on the market, etc. after the Tender Offer.

If the Company purchases all the shares agreed to be tendered in the Tender Offer, MGC's voting rights ratio will be 47.74%, and therefore MGC will no longer be the parent company of the Company after the Tender Offer and will be newly classified as an other affiliated company of the Company. In addition, if MGC ceases to be the parent company of the Company after the Tender Offer, the Basic Agreement will be terminated. If any of these events occur, the Company intends to disclose the information as soon as possible.

③ Matters related to transactions with the controlling shareholder

(i) Applicability of transactions with the controlling shareholder and compliance with the guideline on measures to protect minority shareholders

As of today, as MGC owns 16,020,882 common shares of the Company (shareholding ratio : 53.75%) and is the largest shareholder and the parent company of the Company, the repurchase of its own shares from MGC through the Tender Offer and the fact that if the Company ceases to be a consolidated subsidiary of MGC following the repurchase of its own shares through the Tender Offer, the Basic Agreement will be terminated and therefore the capital and business alliance provided for in the Basic Agreement will be dissolved are considered to be material transactions with a controlling shareholder as defined in the Securities Listing Regulations of the Tokyo Stock Exchange.

The Company's guideline on measures to protect minority shareholders in transactions with the controlling shareholder, presented in the Company's report on corporate governance disclosed on July 3, 2023, stipulate that "the Company shall strive to ensure the appropriateness of transactions with the parent company, including maintaining standards comparable to the terms of transactions between independent parties. The company has established the Special Committee on Governance in April 2022 as an advisory body to the Board of Directors to protect the interests of minority shareholders and thus strengthen corporate governance, by ensuring fairness, transparency and objectivity in transactions with the parent company and its subsidiaries (hereinafter, the "Parent Company Group"). The Governance Special Committee, in consultation with the Board of Directors, mainly monitors and supervises conflicts of interest between the Parent Company Group and minority shareholders and deliberates on transactions with the Parent Company Group and reports to the Board of Directors. In implementing transactions with the Parent Company Group, based on internal regulations and the report of the Special Committee on Governance, the Board of Directors confirms that the above conditions are fulfilled before deciding whether or not to implement the transactions." The Company has concluded that the Company is in compliance with the guideline as the terms and conditions of the transaction and the policy for determining the transaction are determined in the same way as for general transactions with intention to enhance the corporate value of the Company and maximize the interests of the Company's shareholders as a whole, and as the Company has taken the measures described in "②Background of the calculation" in "(3) Basis for the calculation of the tender offer price" in "3. Summary of the Tender Offer" above to ensure that the transaction is not disadvantageous to the Company's minority shareholders in entering into the Tender Agreement with MGC and implementing repurchase of its own shares from MGC in the Tender Offer, and in the capital and business alliance provided for in the Basic Agreement being dissolved in accordance with the termination of the Basic Agreement in case that the Company ceases to be a consolidated subsidiary of MGC by the repurchase of its own shares in the Tender Offer.

- (ii) Summary of the opinion from persons who have no interest in the controlling shareholder regarding matters related to measures to ensure fairness and to avoid conflicts of interest, and concerning that such transactions, etc. are not disadvantageous to minority shareholders

See "②Background of the calculation" in "(3) Basis for the calculation of the tender offer price" in "3. Summary of the Tender Offer" above.

- ④ The Company has disclosed the Summary of Financial Statements for the Second Quarter of the Year Ending March 31, 2024 today. The summary of the disclosure is as follows. The contents of the disclosure have not been certified by an auditing firm pursuant to the provisions of Article 193-2, Paragraph 1 of the Act. For further details, see the content of the disclosure, which is Japanese only as of today.

(i) Consolidated financial results (Consolidated)		(in millions of yen)
Accounting period	Second Quarter of the Fiscal Year Ending March 31, 2024	
Net sales	66,432	

Cost of sales	49,633
Selling, general & administrative expenses	13,551
Non-operating income	504
Non-operating expenses	134
Profit attributable to owners of parent	2,795

(ii) Consolidated financial results for share (Consolidated) (in millions of yen)

Accounting period	Second Quarter of the Fiscal Year Ending March 31, 2024
Net income per share	93.80
Dividend per share	25.00
Net assets per share	3,303.74

- ⑤ The Company has disclosed “Notice on Transfer of Parent Company and Other Affiliated Company” today. For further details, see the contents of the disclosure.

II. Dissolution of the capital and business alliance

1. Reasons for dissolution of the capital and business alliance

The Company entered into the Basic Agreement with MGC on February 4, 2015 and initiated the capital and business alliance based on the Basic Agreement, with the aim of realizing synergies between the companies and increasing the corporate value of each company and enhancing the corporate value of the group by strengthening profitability of both companies through mutual utilization of domestic and overseas sales and customer bases, research and development that combines the technologies, expansion of business scale of both companies, etc., by creating and developing new businesses and by improving management efficiency, etc.

In these circumstances, the Company was informed by MGC, the largest shareholder and the parent company of the Company, of its intention to sell a part of the common shares of the Company (number of shares held as of today : 16,020,882 shares, shareholding ratio (Note 3) : 53.75%) on July 26, 2023, based on the decision that it is desirable for MGC and the Company to consider and promote their own growth strategies in the future to improve the corporate value of the group, as the efforts that can be made by both companies in the current relationship are limited and it is difficult to achieve results sufficient to maintain the Basic Agreement, as mentioned above in “I. Repurchase of Own Shares Through a Tender Offer”. The Company has considered whether or not to continue the capital and business alliance as the Basic Agreement will be terminated and the capital and business alliance based on the Basic Agreement will be dissolved in case MGC ceases to be the parent company of the Company after the repurchase of own shares in the Tender Offer.

As a result, it was decided to conduct the Tender Offer without continuing the capital and business alliance as mentioned above in “I. Repurchase of Own Shares Through a Tender Offer”, based on the recognition that the dissolution of the capital and business alliance under the Basic Agreement through the Tender Offer would have a negligible impact on the performance of the Company and MGC, and that it is desirable in the future to improve the corporate value of the group while both companies independently consider and promote growth strategies.

2. Details, etc., of the dissolution of the capital and business alliance

MGC holds 16,020,882 common shares of the Company (shareholding ratio : 53.75%) (Ratio to total number of shares issued : 51.00%) and is the largest shareholder and the parent company of the Company as of today. If the Company purchases all the shares agreed to tendered in the Tender Offer, MGC's voting rights ratio will be 47.74% (Ratio to total number of shares issued : 39.54%) , and therefore MGC will no longer be the parent company of the Company after the Tender Offer and will be newly classified as an other affiliated company of the

Company. Therefore, in case MGC ceases to be the parent company of the Company after the Tender Offer, the capital and business alliance based on Basic Agreement dated February 4, 2015 between the Company and MGC will be dissolved on December 22, 2023 (the commencement date of settlement of the Tender Offer).

Even in the event that the capital and business alliance is dissolved, the Company will continue to have a good business relationship with MGC and seek to enhance the corporate value of the group.

3. Profile of the counterparty to the dissolution of the capital and business alliance

(1)	Name	MITSUBISHI GAS CHEMICAL COMPANY, INC.		
(2)	Location	Mitsubishi Building 5-2, Marunouchi 2-chome Chiyoda-ku, Tokyo		
(3)	Title and Name of Representative	Representative Director, President Masashi Fujii		
(4)	Description of Business	Manufacture and sale of chemical products		
(5)	Share Capital (as of June 30, 2023)	41.97 billion yen		
(6)	Date of Incorporation	April 21, 1951		
(7)	Major Shareholders and Shareholding Ratios (as of March 31, 2023)	The Master Trust Bank of Japan, Ltd. (Trust Account)	14.95%	
		Custody Bank of Japan, Ltd. (Trust Account)	8.64%	
		Meiji Yasuda Life Insurance Company	4.30%	
		Nippon Life Insurance Company	2.86%	
		The Norinchukin Bank	2.46%	
		AGC Inc.	1.72%	
		National Mutual Insurance Federation of Agricultural Cooperatives	1.58%	
		The Bank of Yokohama, Ltd.	1.51%	
		MUFG Bank, Ltd.	1.32%	
		JPMorgan Securities Japan Co., Ltd.	1.32%	
(8)	Relationship Between the Company and the Counterparty	Capital Relationship	MGC holds 16,020,882 common shares of the Company (shareholding ratio : 53.75%) and is the parent company of the Company as of today.	
		Personnel Relationship	As of June 29, 2023, one specially appointed executive and one employee of MGC serve as a Director and an Audit & Supervisory Board member of the Company respectively.	
		Business Relationship	The Company purchases Chemical products and synthetic resins from MGC. In addition, the Company has the Basic Agreement with MGC.	
		Status as a Related Party	MGC is the parent company of the Company and the Company and MGC are mutually related parties.	
(9)	Consolidated Operating Results and Consolidated Financial Position of the Counterparty over the Last Three Years			
	Fiscal year	Fiscal year ended March 2021	Fiscal year ended March 2022	Fiscal year ended March 2023
	Consolidated Net Assets (million yen)	581,411	630,887	671,249
	Consolidated Total Assets (million yen)	836,364	928,651	1,029,317
	Consolidated Net assets Per Share	2,520.34	2,733.86	2,970.07

(yen)			
Consolidated Revenue (million yen)	595,718	705,656	781,211
Consolidated Operating Profit (million yen)	44,510	55,360	49,030
Ordinary profit (million yen)	50,240	74,152	69,764
Net Profit Attributable to the Shareholders of the Parent (million yen)	36,070	48,295	49,085
Dividend Per Share (yen)	70.00	80.00	80.00

4. Schedule for the dissolution of the capital and business alliance

(1)	Date of Resolution by the Board of Directors	Tuesday, October 31, 2023
(2)	Date of Dissolution of Capital and Business Alliance	Friday, December 22, 2023 (Scheduled)

5. Future prospects

A negligible impact on the Company's performance is expected due to the dissolution of the capital and business alliance. If any matters arise that should be announced, the Company will disclose the information promptly. The existing transactions are expected to continue in the future.

6. Matters concerning transactions with controlling shareholders

See “③Matters related to transactions with the controlling shareholder” in “(7) Others” in “3. Summary of the Tender Offer” in “I. Repurchase of Own Shares Through a Tender Offer” above.

(Reference) Status of treasury shares held as of October 31, 2023

Total number of shares issued (excluding treasury shares) 29,808,029 shares

Number of treasury shares 1,605,444 shares

(Reference) Consolidated forecasts for the current financial year (as disclosed today) and consolidated results for the previous year (in millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Consolidated financial forecasts for the fiscal year ending March, 2024	136,000	6,300	6,800	5,000
Consolidated financial results for the year ended March, 2023	131,714	2,956	3,363	2,531

