November10, 2023

To whom it may concern:

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| Company Name: | Benesse Holdings, Inc. |
| Name of Representative | Hitoshi Kobayashi, Representative Director and President, CEO<br>(Code: 9783; Prime Section of the Tokyo Stock Exchange) |
| Contact: | Shinsuke Tsuboi, Managing Executive Officer, CFO, Executive General Manager of Finance and Accounting<br>(Tel +81-42-357-3656) |

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| Company Name: | Bloom 1 K.K. |
| Name of Representative: | Ryan Robert Patrick<br>Representative Director |

**Notice Regarding Planned Commencement of Tender Offer for Benesse Holdings, Inc. (Securities Code: 9783) by Bloom1 K.K.**

We hereby announce that the attached press release issued by Bloom1 K.K. titled “Notice Regarding Planned Commencement of Tender Offer for Benesse Holdings, Inc. (Securities Code: 9783)" has been released.

End

This material is published pursuant to Article 30, Paragraph 1, Item 4 of the Order for Enforcement of the Financial Instruments and Exchange Act at the request of Bloom 1 K.K. (the Offeror) to Benesse Holdings, Inc. (the Target Company of the Tender Offer).

(Attachment)
Notice Regarding Planned Commencement of Tender Offer for Benesse Holdings, Inc. (Securities Code: 9783) dated November 10, 2023

November 10, 2023

To whom it may concern:

Company Name: Bloom 1 K.K.
Representative: Ryan Robert Patrick, Representative Director

**Notice Regarding Planned Commencement of Tender Offer for Benesse Holdings, Inc. (Securities Code: 9783)**

Bloom 1 K.K. (the "Offeror") hereby announces that, on November 10, 2023, it decided to acquire the share certificates, etc. of Benesse Holdings, Inc. (Securities Code: 9783, Prime Market of the Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange"); that company, the "Target Company") through a tender offer (the "Tender Offer") under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended, the "Act").

Since the Tender Offer is currently expected to require a certain period of time for the necessary procedures and responses pertaining to permits and approvals under the competition laws in Japan and China and the Foreign Exchange and Foreign Trade Act in Japan (Act No. 228 of 1949; as amended) (the procedures and responses are collectively referred to as the "Clearance"), the Offeror plans to commence the Tender Offer promptly after certain conditions including that the obtaining of the Clearance has been completed (Note 1) (the "Conditions Precedent") are satisfied (or waived by the Offeror). As of today, the Offeror aims to commence the Tender Offer in or around early February 2024, but since it is difficult to accurately estimate the amount of time required for the procedures by domestic and foreign authorities having jurisdiction over procedures pertaining to the Clearance, details of the schedule for the Tender Offer will be promptly announced as soon as they have been decided. Any changes to the expected timing of the commencement of the Tender Offer will also be promptly announced.

Note 1: The Conditions Precedent are as follows: (i) the Clearance has been obtained; (ii) the board of directors of the Target Company (attended by seven (7) directors (excluding Hideaki Fukutake who is an interested director) of all eight (8) directors) has, at the time of commencement of the Tender Offer, adopted a resolution that it will express an opinion in support of the Tender Offer, that it will recommend the Target Company's shareholders to tender their shares in the Tender Offer, and that it will recommend the holders of ADRs (as defined in "(ii) Depositary receipts for share certificates, etc." in "(3) Price of tender offer" under "2. Outline of the Tender Offer" below; hereinafter the same) to tender their shares in the Tender Offer upon withdrawing the common shares in the Target Company (the "Target Company Shares") pertaining to those ADRs in advance (the "Supporting Opinion"), such resolution has been published, and the Supporting Opinion has not been withdrawn; (iii) the Special Committee established within the Target Company has reported to the board of directors of the Target Company that it is appropriate for the board of directors of the Target Company to express the Supporting Opinion and the report has not been withdrawn; (iv) confirmation has been obtained from the Target Company that there are no material facts (as defined in Article 166, Paragraph 2 of the Act) related to the operations of the Target Company that have not been disclosed (as having the meaning set forth in Article 166, Paragraph 4 of the Act) by the Target Company; (v) no petition, action, or proceeding is pending before any governmental agency that seeks to restrict or prohibit any part of the Transactions (as defined in "(1) Summary of the Tender Offer" under "1. Purpose of the Tender Offer" below; hereinafter the same), and there is no judgment by any governmental agency that restricts or prohibits any part of the Transactions; (vi) if the Tender Offer has commenced, no circumstances have arisen that would allow the withdrawal of the Tender Offer; and (vii) the Consents for the Release of Collateral in "(1) Summary of the Tender Offer" under "1. Purpose of the Tender Offer" below) have been obtained.

## 1. Purpose of the Tender Offer

### (1) Summary of the Tender Offer

The Offeror is a stock company (*kabushiki kaisha*) established on August 1, 2023, for the purpose of the acquisition and holding of the share certificates, etc. of the Target Company through the Tender Offer. As of today, Bezant (HK) Limited ("Bezant (HK)"), which is established in accordance with the laws of Hong Kong, holds all of the outstanding shares of the Offeror. BPEA Fund VIII Limited ("BPEA Fund VIII"), a limited partnership formed under the laws of the Cayman Islands and operated, managed or advised by EQT AB Group (including its affiliates and other related entities, "EQT"), indirectly owns all of the outstanding shares of Bezant (HK). None of the Offeror, Bezant (HK), BPEA Fund VIII and EQT holds any Target Company Shares as of today. Also, as of today, from the viewpoint of flexibility in the future capital structure, the Offeror is considering making structural changes, in which a newly established company or an existing company (a Japanese corporation) ("Offeror's Parent Company") will acquire all of the outstanding shares of the Offeror, and Bezant (HK) will hold all of the outstanding shares of the Offeror's Parent Company (Note 2). Therefore, at the time of commencement of the Tender Offer, it would be possible that Bezant (HK) holds all of the outstanding shares of the Offeror's Parent Company, and that the Offeror's Parent Company holds all of the outstanding shares of the Offeror; details of which, however, will be announced in the tender offer notification.

(Note 2) If the above structure is adopted, Bezant (HK) and the Founding Family Group (as defined below) will invest in the Offeror's Parent Company instead of the Offeror. However, as the Offeror's Parent Company only functions as an intermediary holding company that does not conduct any business activities, there will be no substantial difference in the management policy of the Target Company after the Tender Offer as described in this press release.

Headquartered in Sweden, EQT is a private equity firm engaged in investment activities with a purpose "to 'future-proof' a company (to transform it into a company with sustainable value for the future) and create a positive impact on the world." Currently, EQT has approximately EUR 232 billion in assets under management through over 50 active funds under two business segments: Private Capital and Real Assets. EQT has offices in 20 countries across Europe, Asia and North America, and has a network of approximately 1,832 employees and more than 1,000 advisors. EQT originates from the Wallenberg family of Sweden, an industrial capitalist for more than 160 years and has an entrepreneurial spirit and a long-term business philosophy. EQT was established in 1994 based on the Wallenberg family's founding philosophy of "be the most respected investment firm in the world that helps companies grow ambitiously, build great organizations, and create value in a responsible and sustainable way." Because of its origins, EQT focuses on sustainable growth and long-term value creation, and its investment is based on providing value to all stakeholders, including investors, company management and employees, and customers.

Today, the Offeror decided to conduct the Tender Offer as part of a series of transaction aimed at acquiring all of the Target Company Shares (excluding the treasury shares held by the Target Company) and the ADRs for the purpose of taking the Target Company Shares listed on the Prime Market of

Tokyo Stock Exchange private (the "Transactions") on the condition that the Conditions Precedent are satisfied (or waived by the Offeror).

The Tender Offer will be conducted by the Offeror based on discussions with Soichiro Fukutake, the Target Company's founding family member and honorary advisor to the Target Company (number of shares held: 800 shares, ownership ratio (Note 3): 0.00%) and Hideaki Fukutake, the Target Company's founding family member and director of the Target Company (Note 4), and falls under a so-called management buyout (MBO) (Note 5).

(Note 3) "Ownership ratio" is calculated based on the total number of issued shares of the Target Company as of September 30, 2023 (102,648,129 shares), which is listed in the "Second Quarterly Financial Results for the Fiscal Year Ended in March 2024 [Japanese GAAP] (Consolidated)" announced by the Target Company today (the "Target Company Financial Results"), minus the number of treasury shares held by the Target Company as of the same date (6,163,798 shares), which is listed in the Target Company Financial Results, the result of which is 96,484,331 shares (rounded to the second decimal place; hereinafter the same shall apply unless other treatment is provided for the statement of ownership ratio), but due to fluctuations and other events occurring after the said point in time, the ownership ratio calculated based on the latest information available at the start of the Tender Offer may differ from the above figure. The same applies below.

(Note 4) Hideaki Fukutake indirectly owns shares in the Target Company through efu Investment Limited, the Target Company's second largest shareholder (as of September 30, 2023; the same applies to the following description of shareholder ranking) (number of shares held: 14,668,000 shares, ownership ratio: 15.20%; hereinafter referred to as "efu Investment"), and Minamigata Holdings Ltd., the Target Company's seventh largest shareholder (number of shares held: 1,836,000 shares, ownership ratio: 1.90%; hereinafter referred to as "Minamigata Holdings"). efu Investment is an asset management company (a New Zealand corporation (limited liability company)) of Hideaki Fukutake, who own 663,411 shares (voting rights ratio: 74.43%) (rounded to the second decimal place; hereinafter the same shall apply when stating voting rights ratio) of all of its outstanding 891,287 shares, and Soichiro Fukutake's spouse, Reiko Fukutake, who owns its 227,876 shares (voting rights ratio: 25.57%). All of the outstanding shares of Minamigata Holdings are owned by efu Investment. efu Investment is the sole settlor and beneficiary of itself, and the trustee is The Master Trust Bank of Japan, Ltd. ("MTBJ"), which is entrusted with 6,809,500 shares of the Target Company Shares owned by efu Investment are entrusted (ownership ratio: 7.06%; efu Investment has the right to instruct MTBJ on the exercise of voting rights belonging to Target Company Shares.).

(Note 5) "Management buyout (MBO)" means a tender offer where its offeror is an officer of the target company (including a tender offer made by an offeror at the request of an officer of the target company and shares interests with the officer) (see Article 441 of the Securities Listing Regulations of Tokyo Stock Exchange).

The Transactions comprise each of the transactions described in (Outline and Structure of the Transactions) below and are ultimately intended to result in (1) the Offeror being the sole shareholder of the Target Company; and (2) efu Investment and Fukutake Foundation (as defined below; efu Investment and the Fukutake Foundation are individually or collectively referred to as the "Founding Family Group") acquiring the Class B shares of the Offeror, to make the total voting rights represented by the Class B shares of the Offeror held by the Founding Family Group and the voting rights represented by the Class A shares of the Offeror held by Bezant (HK), which is the sole parent company of the Offeror as of today, equal to a ratio of 50:50 (with an investment ratio of 40:60) (Note 6).

(Note 6) Bezant (HK) plans to subscribe Class A shares of the Offeror, and the Founding Family Group plans to subscribe Class B shares of the Offeror, and the investment ratio in the Offeror based on the number of shares will be 60 (Bezant (HK)) to 40 (Founding Family Group). Both Class A shares and Class B shares are voting shares and have provisions for pari passu rights for dividends and distribution of residual assets (however, in order to place a difference between Class A and Class B shares, Class A shares have priority over Class B shares, though only by a nominal amount (the total amount of Class A shares will be one JPY (1)) when distributing the residual assets), and rights to request conversion into common shares, and the ratio of voting rights is planned to be 50 to 50 by the provision for share units, etc.

Please refer to (Outline and Structure of the Transactions) below for details of the series of the Transactions, including the reinvestment by the Founding Family Group, to take the Target Company Shares private and to make the voting rights ratio of Bezant (HK) and the Founding Family Group in the Offeror 50 to 50 (the investment ratio is 60 to 40) for the Founding Family Group to continue to manage the Target Company after the Transactions.

In connection with the implementation of the Tender Offer, the Offeror will enter into a management buyout master agreement (the “Master Agreement”) as of November 10, 2023, with efu Investment, Minamigata Holdings, Public Interest Incorporated Foundation Fukutake Foundation, the Target Company’s third shareholder with Soichiro Fukutake and Hideaki Fukutake acting as chairmen of the board (number of shares held: 7,758,000 shares, ownership ratio: 8.04%; hereinafter referred to as “Fukutake Foundation”), and Bezant (HK) (Fukutake Foundation plans to promptly participate in the Master Agreement if its intention to enter into the agreement is asked and confirmed some time after today). The Master Agreement provides that Fukutake Foundation has agreed to tender to the Tender Offer all of the Target Company Shares owned by Fukutake Foundation (number of shares held: 7,758,000 shares, ownership ratio: 8.04%) and that efu Investment and Minamigata Holdings have agreed to not tender to the Tender Offer any of the Target Company Shares owned by efu Investment and Minamigata Holdings respectively (number of shares held: 16,504,000 shares in total, ownership ratio: 17.11% in total). For details, please refer to “② the Master Agreement” in “(6) Matters relating to material agreements regarding the Tender Offer” below.

Minamigata Holdings provided 1.1 million shares (ownership ratio: 1.14%) of its Target Company Shares to The Chugoku Bank, Ltd. (“Chugoku Bank”) as collateral, and efu Investment provided 2.7 million shares (ownership ratio: 2.80%) of its Target Company Shares to the Chugoku Bank, and 4 million shares (ownership ratio: 4.15%) of its Target Company Shares to Nomura Trust and Banking Co., Ltd. (“NTB”), all of which as collateral. Consents for the release of said collateral from Chugoku Bank and NTB (“Consents for the Release of Collateral”) are planned to be obtained before the commencement of the Tender Offer.

In addition, the Offeror has entered into a tender offer agreement dated November 10, 2023, with Mr. Soichiro Fukutake (number of shares held: 800 shares, ownership ratio: 0.00%), Ms. Mitsuko Fukutake, who is a relative of Mr. Soichiro Fukutake and Mr. Hideaki Fukutake (number of shares held: 1,375,433 shares, ownership ratio: 1.43%; the tenth shareholder of the Target Company), Mr. Toshiaki Matsuura (number of shares held: 1,396,100 shares, ownership ratio: 1.45%, the nineth largest shareholder of the Target Company), Mr. Tomonori Nishimura (number of shares: 1,128,100 shares, ownership ratio: 1.17%), Mr. Yusuke Nishimura (number of shares held: 533,000 shares, ownership ratio: 0.55%), Ms. Rika Kurimoto and two of her relatives (number of shares held: 449,900 shares in total, ownership ratio: 0.47% in total), Mr. Michio Shimozuma (number of shares held: 10,700 shares, ownership ratio: 0.01%), Mr. Kazuo Shimozuma (number of shares held: 6,600 shares, ownership ratio: 0.01%), and Ms. Yoko Ohara (Number of shares held: 6,400 shares, ownership ratio: 0.01%; and together with Soichiro Fukutake, Mitsuko Fukutake, Toshiaki Matsuura, Tomonori Nishimura, Yusuke Nishimura, Rika Kurimoto and two of her relatives, Michio Shimozuma, Kazuo Shimozuma and Yoko Ohara, collectively referred to as the "Founding Family Individual Shareholders") (the agreement is hereinafter referred to as the "Tender Agreement (Founding Family Individual Shareholders)"), respectively, and each of them has agreed to tender all of their Target Company Shares to the Tender Offer. With respect to Public Interest Incorporated Foundation Fukutake Education and Culture Foundation, the Target Company's sixth shareholder (number of shares held: 1,919,000 shares, ownership ratio: 1.99%; hereinafter referred to as "Fukutake Education and Culture Foundation"), the Offeror, if the intention of Fukutake Education and Culture Foundation to enter into a tender agreement is asked promptly after today and confirmed, plans to promptly enter into a tender offer agreement with Fukutake Education and Culture Foundation, providing that it tenders all of its Target Company Shares to the Tender Offer (the agreement is hereinafter referred to as the "Tender Agreement (Fukutake Education and Culture Foundation)," and together with the Tender Agreement (Founding Family Individual Shareholders), hereinafter referred to as the "Tender Agreements"). For details, please refer to "③ The Tender Agreement (Founding Family Individual Shareholders)" and "④ The Tender Agreement (Fukutake Education and Culture Foundation)" in "(6) Matters relating to material agreements regarding the Tender Offer" below.

All of the Target Company Shares held by Fukutake Foundation and the shareholders who executed (or will execute if the intention to enter into an agreement is confirmed) the Tender Agreements and for which the parties have agreed to tender to the Tender Offer (the "Tendered Shares") are 14,584,033 shares in total, with the ownership ratio of 15.12%. Also, all of the Target Company Shares held by efu Investment and Minamigata Holdings and for which the parties have agreed not to tender to the Tender Offer (the "Untendered Shares") are 16,504,000 shares in total (including shares entrusted to MTBJ), with the ownership ratio of 17.11%.

In the Tender Offer, the Offeror has set 47,818,900 shares (Note 7) (ownership ratio: 49.56%) as the minimum number of shares to be purchased since the purpose of the Tender Offer is to take the Target Company private. If the total number of the Target Company Shares tendered to the Tender Offer ("Tendered Share Certificates, etc.") is less than the minimum number of shares to be purchased, then the Offeror will not purchase any of the Tendered Share Certificates, etc. The minimum number of shares to be purchased (47,818,900 shares) is the number of voting rights (964,843 units) pertaining to the number of shares calculated by deducting the number of treasury shares (6,163,798 shares) owned by the Target Company as of September 30, 2023, from the total number of outstanding shares (102,648,129 shares) of the Target Company as of the same day (96,484,331 shares) as described in the Target Company Financial Results, multiplied by two-thirds (rounded up to the nearest whole number; 643,229 units), less the number of voting rights (165,040 units) pertaining to the Untendered Shares, which is then multiplied by 100, which is a share unit of the Target Company (478,189 shares). If the Offeror is unable to acquire all of the Target Company Shares (except for treasury shares owned by the Target Company and the Untendered Shares) and the ADRs, the Offeror plans to implement a series of procedures to make the Target Company only shareholders of the Offeror and Minamigata Holdings and to take the Target Company's shares private (the "Squeeze-Out Procedures"), as set forth in "(4) Policy for Reorganization, etc. after the Tender Offer (Matters Concerning so called Two-Step Acquisition)" below. In order to implement the procedures for consolidation of shares in the Target Company (the "Share Consolidation") as the

Squeeze-Out Procedures, it is required to make a special resolution at the general meeting of shareholders as set forth in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005, l948, as amended; the "Companies Act"). Therefore, to make sure that the Offeror, efu Investment and Minamigata Holdings will own two-thirds or more of the total number of voting rights of all shareholders of the Target Company after the Tender Offer to ensure that the Squeeze-Out Procedures will be implemented, the Offeror has set the minimum number of shares to be purchased.

Furthermore, with respect to the Tender Offer, the Offeror has not set the maximum number of Tendered Shares to be purchased because it aims to take the Target Company private by acquiring all of the Target Company Shares (except for treasury shares owned by the Target Company and the Untendered Shares) and the ADRs. Therefore, if the total number of the Tendered Share Certificates, etc. is equal to or more than the minimum number to be purchased, it will purchase all of the Tendered Share Certificates, etc.

(Note 7) The minimum number of the Target Company Shares to be purchased is a provisional number based on the information as of today, and the actual minimum number of the Target Company Shares to be purchased by the Tender Offer may differ from the above figure due to various matters including fluctuation of the number of treasury shares held by the Target Company after such time. The final minimum number of the Target Company Shares to be purchased is planned to be determined before the commencement of the Tender Offer, based on the latest information available as of the commencement of the Tender Offer.

If the Tender Offer is achieved, the Offeror plans to receive an investment from Bezant (HK) and loans from Sumitomo Mitsui Banking Corporation ("SMBC") and Nomura Capital Investment Co., Ltd. ("NCI") up to a total of JPY 185,000 million (the "Acquisition Loans") on or before the commencement date of settlement of the Tender Offer. The funds will be applied to the settlement of the Tender Offer. The details of the terms and conditions of the Acquisition Loan will be specified in the loan agreements for the Acquisition Loans upon separate consultation with SMBC and NCI. The Acquisition Loans may create security on some of the Target Company Shares or the assets of the Target Company, or the Target Company may provide a joint and several guarantee.

According to "Announcement of Opinion Regarding Planned Commencement of Tender Offer for Share Certificates, etc. of the Company by the Offeror as Part of Implementation of MBO" announced by the Target Company on November 10, 2023 (the "Target Company Press Release"), at the Target Company's board of directors meeting held on November 10, 2023, resolutions were passed, as the opinion of the Target Company as of November 10, 2023, to express its support to the Tender Offer if the Tender Offer is commenced, and to recommend that the Target Company's shareholders tender their shares in the Tender Offer and that the holders of the ADRs tender their ADRs in the Tender Offer upon delivery of the Target Company Shares pertaining to those ADRs by delivering the ADRs to the depositary bank (as defined in "(ii) Depositary receipts for share certificates, etc." in "(3) Price of tender offer" under "2. Outline of the Tender Offer" below; hereinafter the same) in advance. For details of the resolution adopted by the board of directors of the Target Company, please see "(iv) Approval of all the Target Company's directors who do not have interest and an opinion of all statutory auditors who do not have interest that there is no objection " under "(Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the Tender Price and measures to avoid conflicts of interest)" in "(ii) Process of calculation" of "(4) Basis for the calculation of the Tender Offer Price" under "2. Outline of the Tender Offer" below.

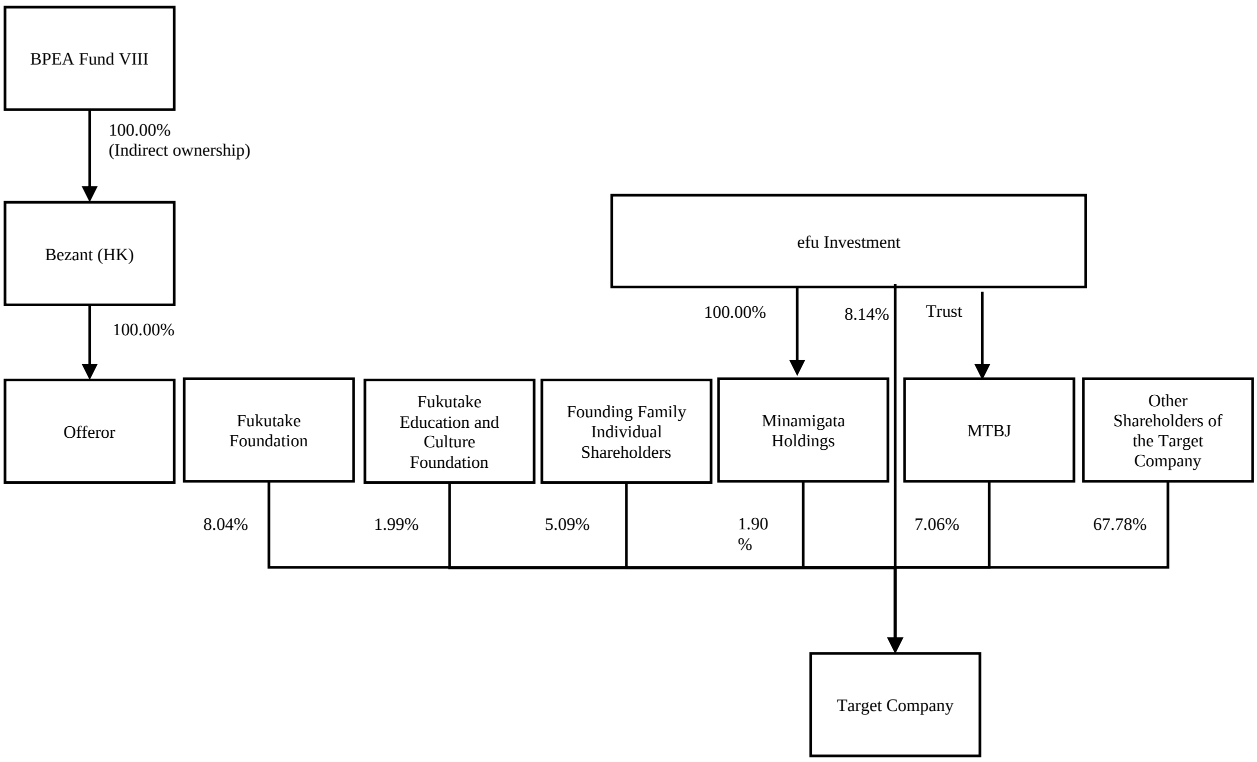
If not all of the Target Company Shares (except for treasury shares owned by the Target Company and the Untendered Shares) and the ADRs were acquired by the Offeror through the Tender Offer, as set forth in “(4) Policy for Reorganization, etc. after the Tender Offer (Matters Concerning so called Two-Step Acquisition)” below, the Offeror plans to request the Target Company after the completion of the Tender Offer to implement the Squeeze-Out Procedures in order to cause the Offeror to acquire all of the Target Company Shares (except for treasury shares owned by the Target Company and the Untendered Shares) and the ADRs and make the Offeror and Minamigata Holdings the only shareholders of the Target Company. The Offeror also plans to implement or request to implement other Transactions to make the voting rights ratio of Bezant (HK) and the Founding Family Group in the Offeror to 50:50 (the investment ratio is 60:40).

An outline and a structure chart of the Transactions are as follows.

(Outline and structure chart of the Transactions)

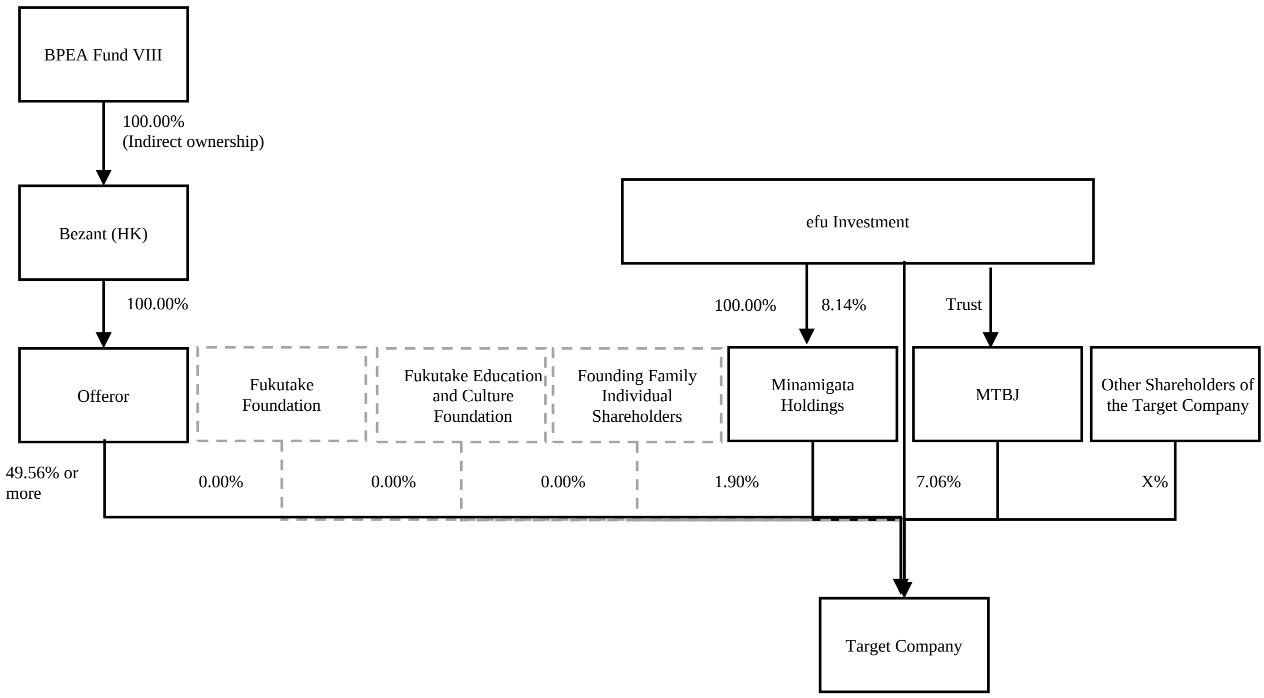
I. Before the Tender Offer Implementation (current state)

As of today, of the Target Company Shares, efu Investment owns 14,668,000 shares (including shares entrusted to MTBJ; ownership ratio: 15.20%), Minamigata Holdings owns 1,836,000 shares (ownership ratio: 1.90%), Fukutake Foundation owns 7,758,000 shares (ownership ratio: 8.04%), the Founding Family Individual Shareholders owns 4,907,033 shares (ownership ratio: 5.09% in total), Fukutake Education and Culture Foundation owns 1,919,000 shares (ownership ratio: 1.99%), and other minority shareholders own the remaining shares of the Target Company. efu Investment made itself the sole settlor and beneficiary, and MTBJ the trustee, whose 6,809,500 shares (ownership ratio: 7.06%) of the Target Company Shares are entrusted.




II. The Tender Offer

The Offeror will conduct the Tender Offer for all of the Target Company Shares (except for treasury shares owned by the Target Company and the Untendered Shares) and the ADRs, and if tenders which satisfy the minimum amount of the Tender Offer are submitted and the Tender Offer is successful, the settlement of the Tender Offer will be conducted. Bezant (HK) will make an equity investment in the Offeror and subscribe Class A shares of the Offeror before the commencement date of the settlement of the Tender Offer (procedures to change all of the common shares of the Offeror held by Bezant (HK) up to that point to Class A shares are planned to be conducted).

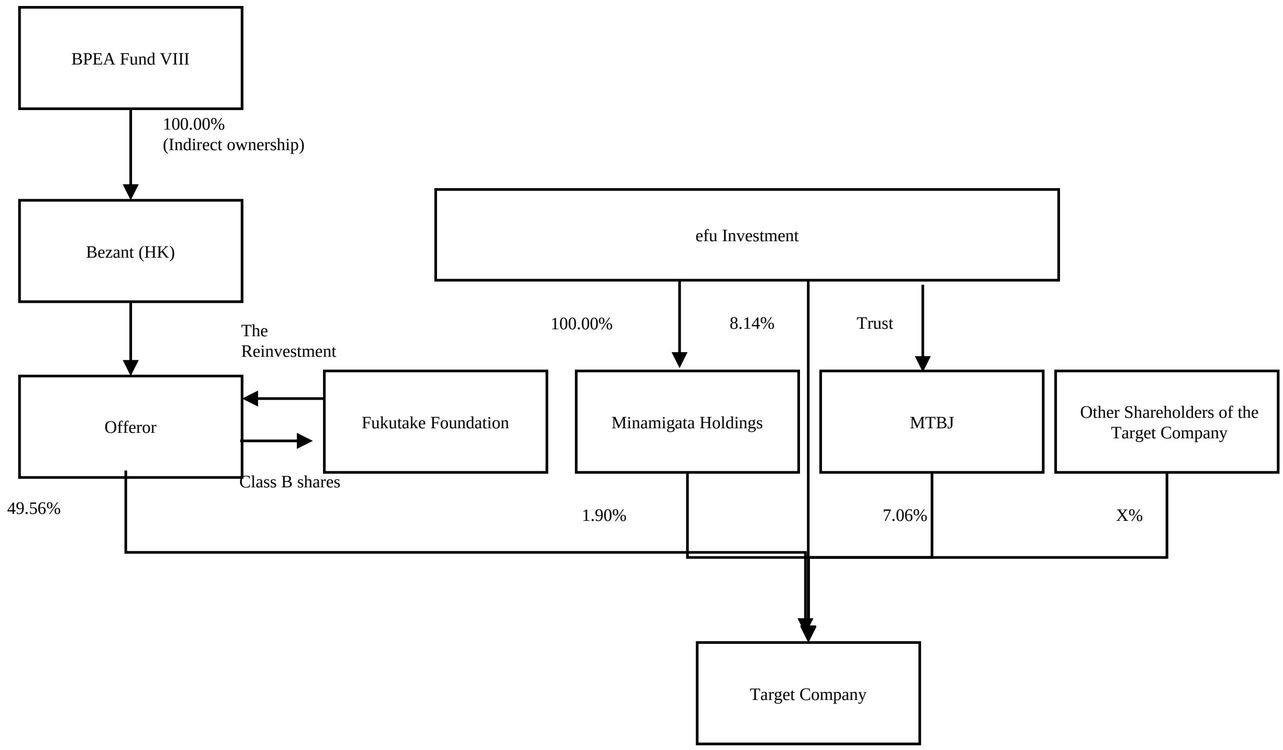



III. Reinvestment (Fukutake Foundation)

Fukutake Foundation plans to reinvest in the Offeror a part of the consideration received by tendering the Target Company Shares owned by it in the Tender Offer, and acquire Class B shares of the Offeror (the “Reinvestment (Fukutake Foundation)” (Note 8).

(Note 8) The Reinvestment (Fukutake Foundation) will be conducted for the purpose of having the Founding Family Group be involved in the Target Company after the execution of the Transactions through the reinvestment in the Offeror, because the fact that they continue to manage the Target Company will contribute to the development of the entire business of the Target Company and its subsidiaries, and this reinvestment was examined independently from the possibility of the Founding Family Group tendering to the Tender Offer. In addition, (i) Class B shares are not planned to set terms and conditions that are more economically favorable than Class A shares (the Offeror plans to issue only Class A and Class B shares after the settlement of the Tender Offer) (Note 9), (ii) the paid-in amount per share for Class A shares and Class B shares are planned to be set at the same amount, and (iii) the valuation of Target Company Shares in determining the Offeror’s corporate valuation, which is the basis for determining the price to be paid per share of Class B shares, is expected to be substantially the same as the tender offer price of the Tender Offer (the “Tender Offer Price”), and the Class B shares will be issued at market value based on such corporate valuation (i.e., the shares will not be issued at a discounted issue price). Therefore, the transaction terms for the subscription of Class B shares of the Offeror by the Founding Family Group are expected to be not substantially more favorable than the Tender Offer Price. Therefore, the allocation of Class B shares to the Founding Family Group does not contradict with the intent of the regulations on uniformity of the tender offer price (Article 27-2, Paragraph 3 of the Act).

(Note 9) The investment ratio of Bezant (HK) (Class A shares) and the Founding Family Group (Class B shares) in the Offeror is planned to be ultimately 60:40. However, according to the provision on the share unit, the voting rights ratio of Bezant (HK) and the Founding Family Group are planned to be 50:50. The provision on the share unit has been stipulated from the perspective of the overall development of the businesses of the Target Company and its subsidiaries after the Tender Offer, based on a decision that it would be best for the Founding Family Group and EQT to become shareholders of the Target Company and manage the company together. It was independently considered from the possibility of the Founding Family Group's tendering to the Tender Offer, and it was also decided that there would be no difference in economic value of shares by the voting rights themselves. For these reasons, this action does not contradict with the intent of the regulations on uniformity of the tender offer price (Article 27-2, Paragraph 3 of the Act).



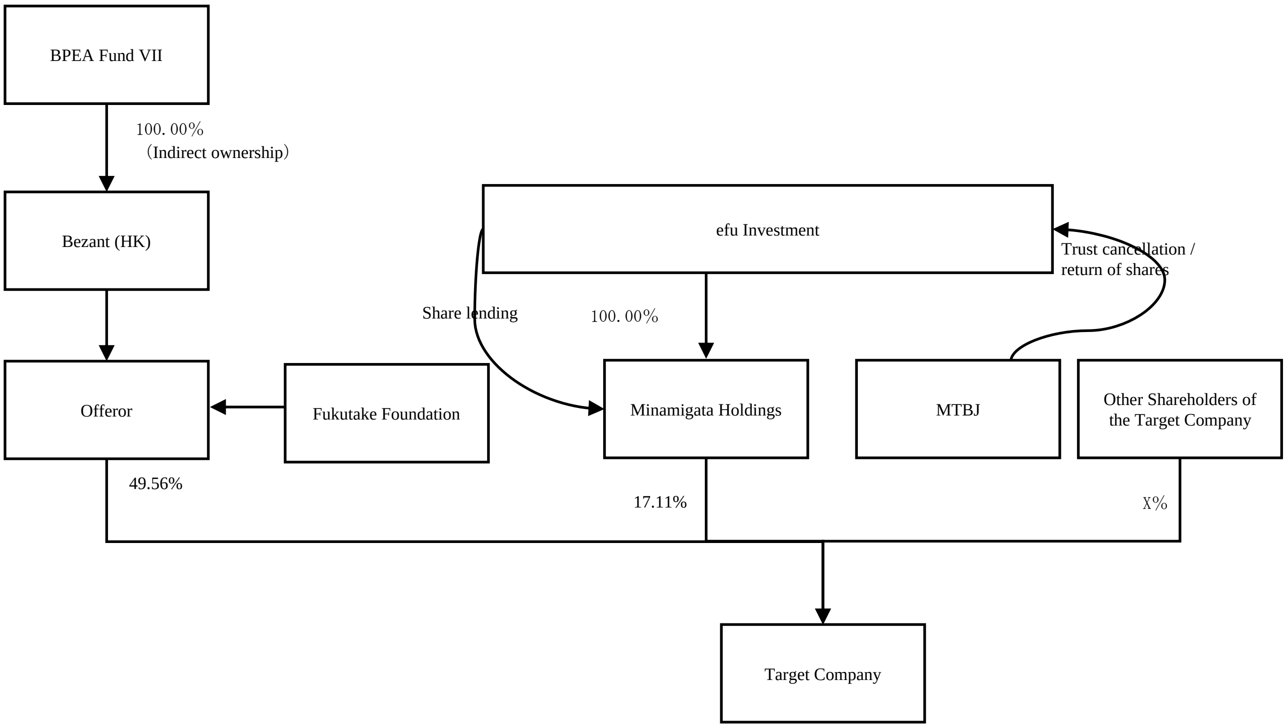

IV. The Share Lending Transaction

Following the settlement of the Tender Offer and before the Squeeze-Out Procedures becoming effective, efu Investment expects to receive all of the Target Company Shares (number of shares owned: 6,809,500 shares, ownership ratio: 7.06%) deposited in trust with MTBJ as the sole settlor and beneficiary, upon cancellation of the trust and without any payment of consideration (Note 10). Following the receipt of the Target Company Shares, efu Investment plans to lend all of its shares in the Target Company to Minamigata Holdings (the "Share Lending Transaction") (Note 11).

(Note 10) As (i) the Target Company Shares to be returned to efu Investment are the share certificates, etc. owned by MTBJ, the trustee (defined as a person engaged in trust business in Article 7, Paragraph 1, Item 1 of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers (Ministry of Finance Order No. 38 of 1990; as amended) as trust property, (ii) efu Investment was the sole settlor and beneficiary under the trust agreement for the relevant trust as of the date of execution thereof and no change has been made thereto, (iii) only efu Investment has the right to instruct MTBJ on the exercise of voting rights

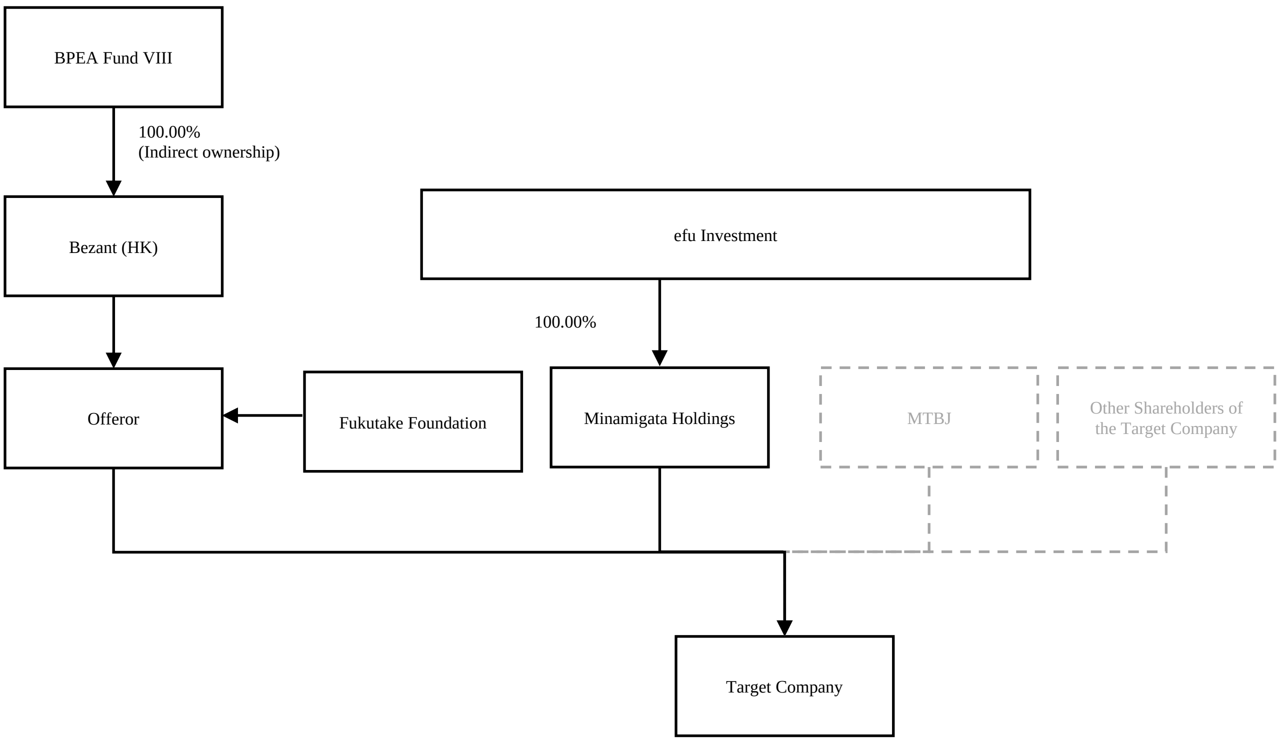
(MTBJ has no rights to exercise voting rights or investment), and (iv) efu Investment will only receive the return of the Target Company Shares without any payment of consideration, the return of Target Company Shares does not contradict with the intent of the tender offer regulations, and a tender offer is not necessary for the acquisition of such Target Company Shares.

(Note 11) Since (i) the Share Lending Transaction will make it possible to avoid as much as possible any shareholder of the Target Company, other than the Offeror and Minamigata Holdings, from holding the number of Target Company Shares which is equal or greater than the smallest of the numbers of shares held by the Offeror and Minamigata Holdings, respectively, as of the effective date of the Squeeze-Out Procedures, and enhance the stability of the Squeeze-Out Procedures, by concentrating all Target Company Shares owned by efu Investment and Minamigata Holdings to Minamigata Holdings and increasing the ownership ratio of Minamigata Holdings, and (ii) efu Investment is planned to subsequently make the Reinvestment (efu Investment) (as defined below; hereinafter the same) following the termination of the Share Lending Transaction set forth in “VI. Termination of the Share Lending Transaction” below by receiving the return of Target Company Shares and holding Target Company Shares, by way of contribution in kind to the Offeror all of Target Company Shares held by it as set forth in “VIII. Reinvestment (efu Investment)” below (i.e., conversion of Target Company Shares held by efu Investment to cash by rounding in the Squeeze-Out Procedures is not expected), efu Investment and Minamigata Holdings plan to engage in the Share Lending Transaction effective before the effective date of the Squeeze-Out Procedure. Although the terms and conditions of the share lending fees, etc. have not been determined as of today, they will be set at the same level as those that could be set if similar share lending transactions were conducted between independent parties. Even if the share lending fee is not zero, the Share Lending Transaction will be assumed to be conducted between formally specially related parties prescribed in Article 27-2, Paragraph 7, Item 1 of the Act, continuously for one year or more before the execution date of each share lending agreement which sets forth the terms and conditions of the share lending fees, etc. and, therefore, will fall under the category of the “purchase, etc. excluded from application” prescribed in the proviso of Article 27-2, Paragraph 1 of the Act.



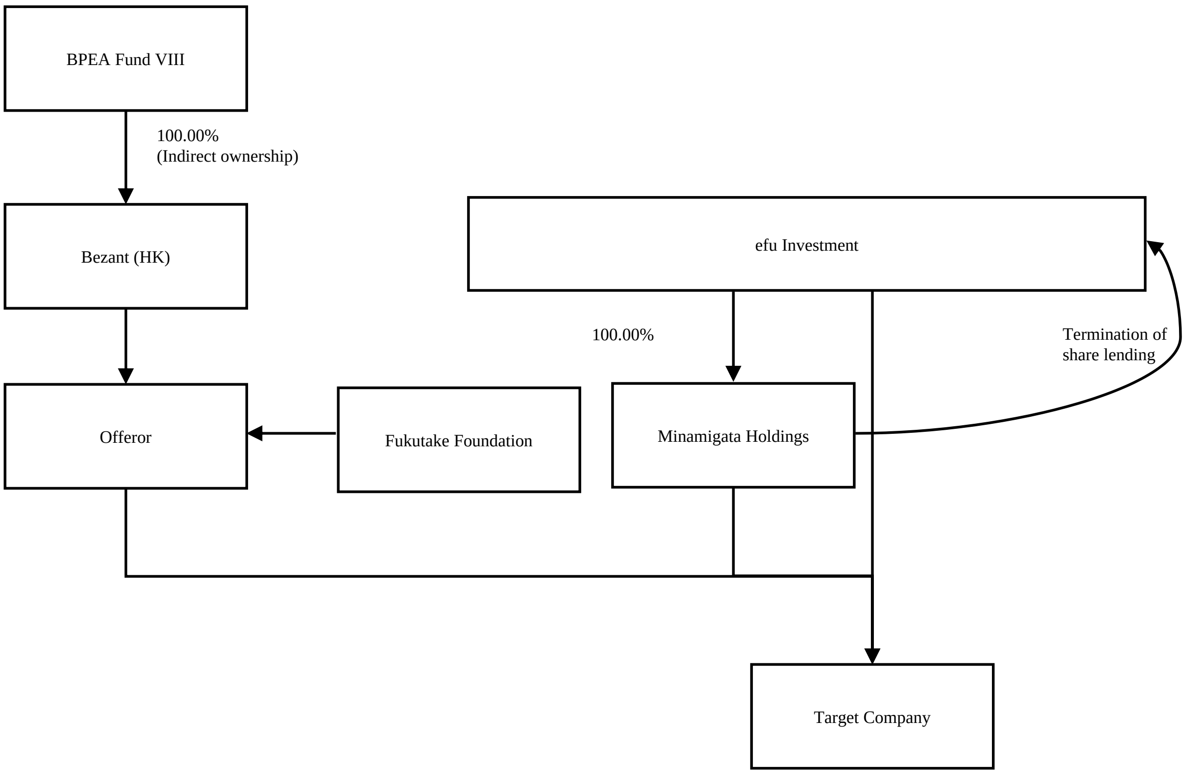

V. Implementation of the Squeeze-Out Procedures

After completion of the Tender Offer and the Share Lending Transaction becoming effective, the Offeror will request the Target Company to implement the Squeeze-Out Procedures and will implement procedures to make the Offeror and Minamigata Holdings the only shareholders of the Target Company.



VI. Termination of the Share Lending Transaction

After the Squeeze-Out Procedures have taken effect, Minamigata Holdings, the borrower in the Share Lending Transaction, will terminate the Share Lending Transaction and return all of the borrowed Target Company Shares to efu Investment, the lender. Furthermore, the Offeror plans to request the Target Company to split its Target Company Shares on the record date and at the rate separately designated by the Offeror (in principle, the number of total outstanding shares of the Target Company will be set to be equal to the number of total outstanding shares immediately before the Squeeze-Out Procedures take effect, but details have not been determined) in order to enable Minamigata Holdings to return the shares equivalent in value to the borrowed Target Company Shares. The specific date and other details have not been determined as of today.



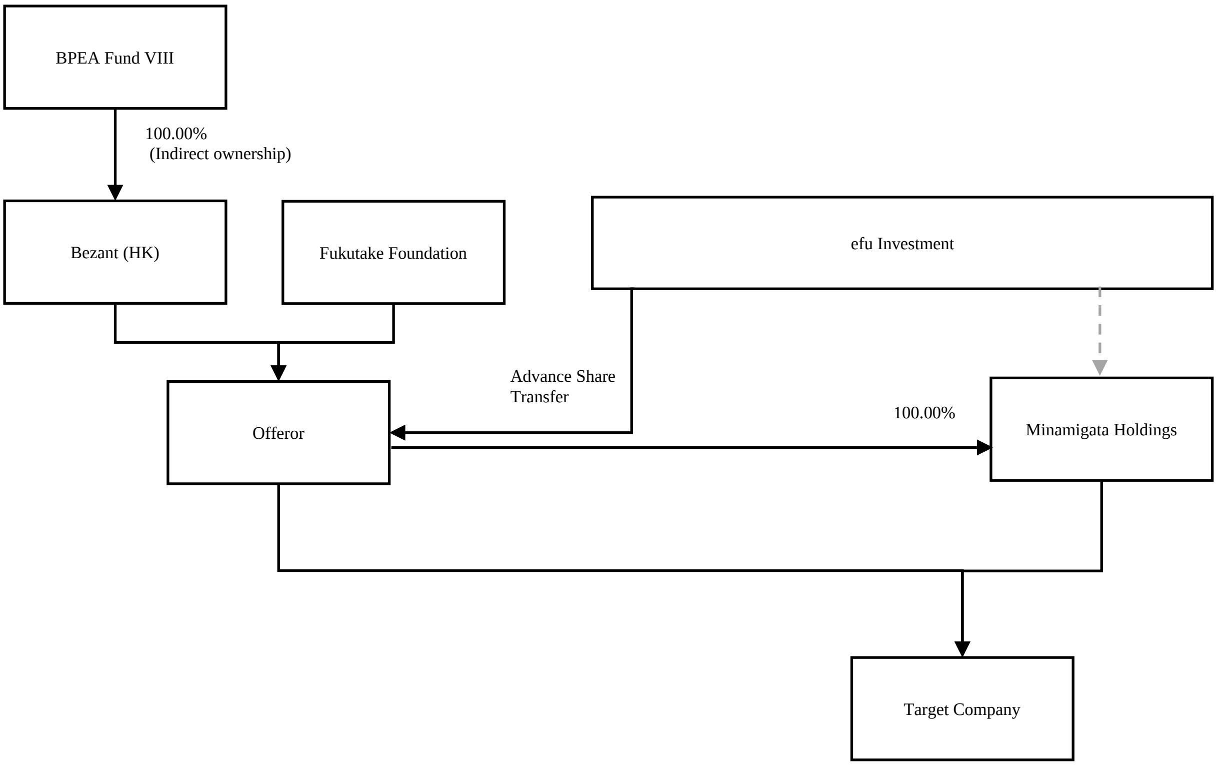

VII. The Advance Share Transfer

At the time of the termination of the Share Lending Transaction mentioned in “VI. Termination of the Share Lending Transaction” above, the Offeror, efu Investment and Minamigata Holdings will have owned the Target Company Shares. efu Investment will become a shareholder of the Offeror by making the Reinvestment (efu Investment) described in “VIII. Reinvestment (efu Investment)” below. However, if efu Investment makes an in-kind contribution of all of Target Company Shares held by it to the Offeror, without executing the Advance Share Transfer (defined below), the investment ratio of the Founding Family Group may exceed 40%, and the investment ratio of Bezant (HK) and the Founding Family Group in the Offeror after the Reinvestment (efu Investment) will not be exactly 60:40.

For this reason, efu Investment plans to transfer a part of its shares in the Target Company (the shares other than the Target Company Shares subject to the Reinvestment (efu Investment)) as well as all of its shares in Minamigata Holdings to the Offeror, both in cash consideration, (collectively, the “Advance Share Transfers”) to make the ownership ratio of Bezant (HK) and the Founding Family Group in the Offeror after the Reinvestment (efu Investment) 60: 40 (Note 12).

As of the execution date the Advance Share Transfers, Minamigata Holdings is not expected to own any assets other than the Target Company Shares or bear any liabilities. In addition, the valuation of a Target Company Share in determining the terms and conditions of the Advance Share Transfer will be determined to be substantially the same as the Tender Offer Price (based on the treatment of fractional shares during the Squeeze-Out Procedures and subsequent changes in the total number of outstanding shares by share split, the value per share of the Target Company Shares will be determined in such a way that the Founding Family Group will not be treated more favorably or less favorably than other general shareholders.). However, the specific schedule and other details have not been determined as of today. In connection with the obligation to submit securities reports in relation to the Target Company Shares pursuant to Article 24, Paragraph 1 of the Act, the Advance Share Transfer is planned to be implemented after approval for exemption from submission of securities reports is given pursuant to the proviso to Article 24, Paragraph 1 of the Act and Article 4 of the Order for Enforcement of the Act (Cabinet Order No. 321 of 1965; as amended).

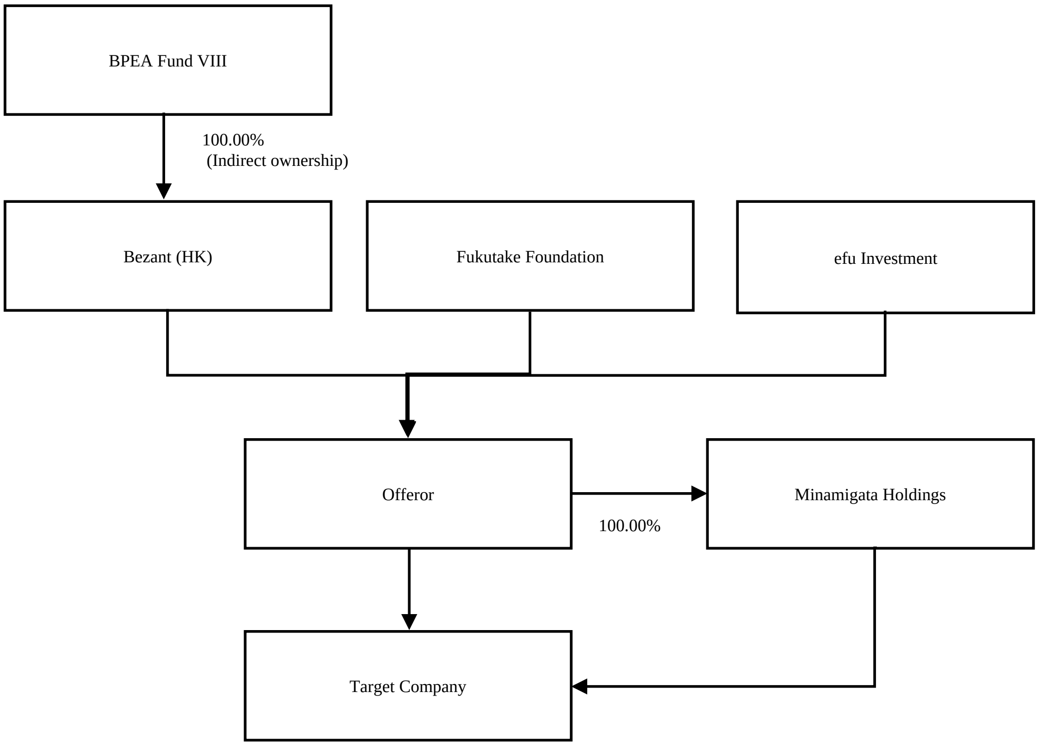
(Note 12) The Advance Share Transfer will be conducted for the purpose of adjusting the voting rights ratio and investment ratio in anticipation of the Reinvestment (efu Investment) set forth in "VIII. Reinvestment (efu Investment)" below in order to involve the Founding Family Groups in the Target Company after the execution of the Transactions through the Advance Share Transfer and subsequent reinvestment in the Offeror, because their continued involvement in the management of the Target Company will contribute to the development of the entire business of the Target Company and its subsidiaries, and was considered independently from the possibility of the Founding Family Groups tendering to the Tender Offer. With respect to the transfer of shares in Minamigata Holdings, the terms and conditions will be set at the same level as those that could be set if similar transactions were conducted between independent parties. In determining the transfer price in relation to the transfer of shares by Minamigata Holdings, the valuation per Target Company Share held by Minamigata Holdings shall be substantially equal to the Tender Offer Price, and the valuation per Target Company Share for the partial transfer of the Target Company Shares is expected to be substantially equal to the Tender Offer Price. Since the terms and conditions pertaining to the Advance Share Transfer should not be substantially more favorable than the Tender Offer Price, the Advance Share Transfer will not contradict with the concept of the regulations on uniformity of the tender offer price (Article 27-2, Paragraph 3 of the Act).




VIII. Reinvestment (efu Investment)

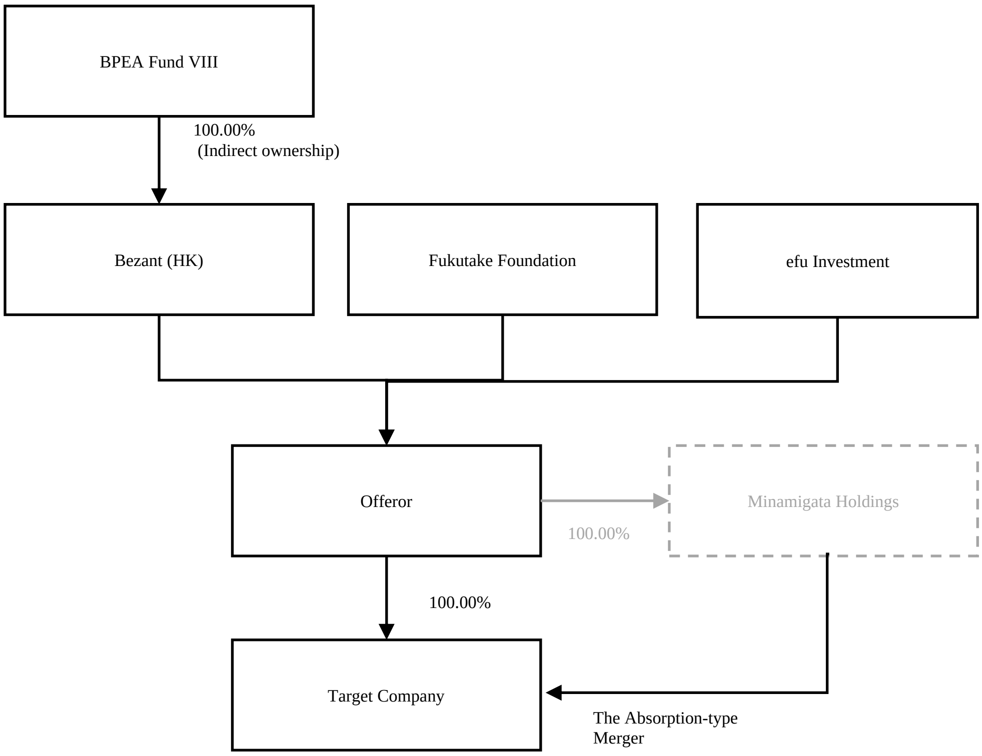
efu Investment will acquire Class B shares of the Offeror by making an in-kind contribution to the Offeror of all of its Target Company Shares after implementation of the Advance Share Transfer described in “VII. The Advance Share Transfer” (the “Reinvestment (efu Investment)”; together with the Reinvestment (Fukutake Foundation), collectively the “Reinvestment”) (Note 13). As a result of the Reinvestment (efu Investment), the voting rights ratio of Bezant (HK) and the Founding Family Group in the Offeror will be 50:50 (the investment ratio is 60:40) after the Reinvestment (efu Investment). However, details such as the specific schedule, etc. have not been determined as of today.

(Note 13) The Reinvestment (efu Investment) will be conducted for the purpose of having the Founding Family Group be involved in the Target Company after the execution of the Transactions through the reinvestment in the Offeror, because their continued involvement in the management of the Target Company will contribute to the development of the entire business of the Target Company and its subsidiaries, and the Reinvestment (efu Investment) was examined independently from the feasibility of the Founding Family Group tendering to the Tender Offer. In addition, (i) Class B shares are not planned to set terms and conditions that are more economically favorable than Class A shares (the Offeror plans to issue only Class A and Class B shares after the settlement of the Tender Offer), and (ii) the paid-in amount per share for Class A shares and Class B shares are planned to be set at the same amount, (iii) the valuation of Target Company Shares in determining the Offeror’s corporate valuation, which is the basis for determining the price to be paid per share of Class B shares, is expected to be substantially the same as the Tender Offer Price, and Class B shares will be issued at market value based on such corporate valuation (i.e., the shares will not be issued at a discounted issue price), and (iv) because the valuation per share of the Target Company Shares contributed in kind by efu Investment is planned to be set substantially at an amount equal to the Tender Offer Price in order to set forth the transaction terms of the Reinvestment (efu Investment), the transaction terms pertaining to the subscription of Class B shares of the Offeror by the Founding Family Group should not be set substantially more favorable terms and conditions than the Tender Offer Price. Therefore, the allocation of Class B shares to the Founding Family Group does not contradict with the concept of the regulations on uniformity of the tender offer price (Article 27-2, Paragraph 3 of the Act). It is possible that the Reinvestment (efu Investment) will be made, not by way of contribution in kind of all of Target Company Shares to the Offeror, but by way of contribution in kind of claims on the share transfer price under the share transfer agreement to the Offeror, after separately executing the share transfer agreement between efu Investment and the Offeror (details have not been determined as of today). In setting the terms and conditions of the Reinvestment (efu Investment), the valuation per share of Target Company Shares in determining share transfer price of the share transfer agreement relating to the claims on the share transfer price contributed in kind by efu Investment is also expected to be substantially the same as the Tender Offer Price. Therefore, the valuation does not contradict with the intent of the regulations on uniformity of the tender offer price (Article 27-2, Paragraph 3 of the Act).




IX. The Absorption-type Merger

After the Reinvestment (efu Investment) described in “VIII. Reinvestment (efu Investment)” above, the Offeror plans to implement an absorption-type merger (the “Absorption-type Merger”), in which the Target Company will be the surviving company and Minamigata Holdings will be the absorbed company. Through the Absorption-type Merger, the Offeror will acquire all of the Target Company Shares held by Minamigata Holdings, and the Offeror will be the only shareholder of the Target Company. However, the specific date and other details have not been determined as of today.




(2) Background, purpose, and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer

The background, purpose, and decision-making process leading to the decision to conduct the Tender Offer as well as the management policy following the Tender Offer are described below. The description of the Target Company included below is based on information released by the Target Company, the Target Company's Press Release, and explanations received from the Target Company.

(i) The Target Company's business environment

The Target Company was established in January 1955 as Fukutake Publishing Co., Ltd. ("Fukutake Publishing"), which publishes books and student handbooks for junior high schools. It started a mock examination program (currently known as "Shinken Moshi" mock examinations) in 1962, correspondence courses for high school students (currently known as "Shinken Zemi High School Courses") in 1969, and correspondence courses for junior high school students (currently known as "Shinken Zemi Junior High School Courses") in 1972. After that, it started "Elementary School Courses" (currently known as "Shinken Zemi Elementary School Courses") in 1980, preschool education courses (currently known as "Kodomo Challenge") in 1988, and preschool education courses in Taiwan in 1989. The Target Company changed its name to "Benesse Corporation" in April 1995, after introducing its philosophy brand "Benesse" in 1990. The Target Company became listed on the Second Section of the Osaka Securities Exchange and the Hiroshima Stock Exchange in October 1995, designated on the First Section of the Osaka Securities Exchange in September 1997, and became listed on the First Section of the Tokyo Stock Exchange in March 2000. In October 2009, Benesse Corporation was established through an incorporation-type company split with a holding company structure and changed its trade name to Benesse Holdings, Inc. by transferring the business of the Target Company. Furthermore, as of April 4, 2022, following the market reclassification at the Tokyo Stock Exchange, the Target Company shifted to the Prime Market of the Tokyo Stock Exchange, where it continues to be listed to this day. The Target Company, as of today, comprises the Target Company, the Target Company's 39 subsidiaries and 3 affiliates (the "Target Company Group") and, based on its management philosophy of "with a people oriented culture, support our customers throughout their lives to live well by being close to each and every one of them, from babies to the elderly, and by being rooted in the local community," the company aims to increase corporate value and contribute to all stakeholders, including shareholders, through "commercializing services that customers and their family would like us to perform," "encouraging each and everyone, from babies to the elderly, to solve individual issues and motivating them to improve throughout their lives," "providing services that make people happier and more deeply appreciate the meaning of life as they age," and engages in the following businesses:

i. Education Business in Japan: Led by Benesse Corporation, Tokyo Individualized Educational Institute, Inc., and UP Inc., the Target Company mainly engages in correspondence education business, education business for schools, and cram school and classroom business, and provides educational materials and educational services tailored to the learning styles and needs of people mainly from preschool children to high school students, with the enjoyment of learning and the joy of self-growth being the top priority.

ii. Nursing Care and Childcare Business: Led by Benesse Style Care Co., Ltd., and with the emphasis on people's individuality and their personal growth, the Target Company provides home care services, food delivery services, and childcare and after-school services to support elderly people, children, and their families to live well.

iii. Business for University and Working Adult: Led by Shinken-Ad. Co., Ltd., Benesse Corporation, and Benesse i-Career Co., Ltd., the Target Company engages in study abroad support business, business to provide online video learning platform services for working adults, university support business, and career-development support business, to provide products and services that support the growth of individuals and companies through learning.

iv. Overseas Business: Led by Benesse Corporation China and other companies, the Target Company mainly engages in correspondence education business and classroom business for preschool children and provides original educational services tailored to the developmental stage of children in its "Kodomo Challenge" business in Asian countries.

In addition, the Target Company Group has been promoting the five-year medium-term management plan starting from fiscal year 2021, entitled "Evolution of Core Businesses and Challenge to New Domains" ("Medium-Term Management Plan"), in order to quickly recover from the impact of the COVID-19 pandemic and evolve its businesses in light of environmental changes. Phase 1 of the Medium-Term Management Plan from fiscal year 2021 to fiscal year 2022 aims to achieve a prompt recovery in existing businesses affected by COVID-19, and Phase 2 from fiscal year 2023 to fiscal year 2025 aims to achieve further growth by evolving core businesses and challenging new fields where the strengths of the Target Company Group can be leveraged, such as education and nursing care. With the start of Phase 2 in fiscal year 2023, the Target Company formulated "Transformation Business Plan" in May 2023 as a plan with specific actions to be made in fiscal year 2023 to fiscal year 2025 and brushed up in light of recent environmental changes in the education and nursing care areas. With this "Transformation Business Plan," the Target Company aims to address social issues focusing on "people," proactively pursue the realization of the Group's Purpose (Note 1), seek sustainable profit growth through portfolio restructuring, and realize a profit structure based on the three pillars of "Core Education Business (Note 2)," "Core Nursing Care Business

(Note 3),” and “New Fields (Note 4).” Specifically, the Target Company will address the following:

(Note 1) “Group’s Purpose” refers to the shared value, “Anybody can enjoy lifelong growth. Toward a world in which everyone can live their own life. Benesse will continue to aim for these ideals” for each and every Group’s employee to realize the corporate philosophy through business activities.

(Note 2) “Core Education Business” refers mainly to the correspondence education business and education business for schools, and business for cram schools and classrooms.

(Note 3) “Core Nursing Care” refers to businesses relating to residence and home care services, nursing care and childcare.

(Note 4) “New Fields” refers to University and Working Adult Business, and Nursing Care and Childcare Business that include the business for recruitment and temporary staffing services mainly in the medical, nursing care and welfare industries, and food delivery services for the elderly.

i. Core Education Business

・Redesign of product value and sales methods (maintain and strengthen customer base and respond to diversification of needs … Improve accuracy through ROI (return on investment) assessment)

・Cost structure reform (review and reduce fixed cost structure across the company and organization)

・Next generation and business model reform (start the reform with a view of moving to the next phase of the “Next GIGA Concept” (the “GIGA School Concept”) (Note 5) from fiscal year 2025 or later)

・Recovery of course enrollment in China business and expansion of LTV (customer lifetime value)

ii. Core Nursing Care Business

・Recovery of occupancy rate (measures to restore willingness to move in and reinforcement of sales force and management)

・New expansion of property development target areas

iii. New Fields

< Business for University and Working Adult>

・Based on learning centered on Udemy, aim to build a business model that can provide reskilling support for both businesses and individuals through a single step, and also engage in matching business

< Nursing care business >

・Achieve further growth by focusing on the nursing care HR business and nursing care food business, which have market attractiveness and can leverage our strengths.

< Overseas business >

・Expand into domains (related to education and nursing care) where the Target Company Group has strengths and know-how

・Maintain a strategy that is deeply committed to specific countries and not a strategy aiming for a global expansion (e.g., supporting school education in India)

・In areas where there is insufficient organizational capacity, consider M&A as an option to use as a starting point and booster

iv. Management and Corporate Transformation as a Management Structure for Realizing Portfolio Transformation

・Restructure the CXO structure as a management team, increase expertise, and strengthen cross-sectional cooperation

・Establish a management system for company-wide resource allocation by top management

・Consider and promote automation and mechanization using shared ownership and latest AI technologies to improve corporate productivity

(Note5) “GIGA School Concept” refers to a concept “By distributing a single device for each person and establishing a high-speed, high-capacity communications network in an integrated manner, we can realize educational environment that enables students to develop their qualities and capabilities in a more reliable way where things are fairly optimized on an individual basis without leaving any diverse children behind, including children with special needs.

(ii) Background, purpose, and decision-making process leading the Offeror to conduct the Tender Offer

Mr. Soichiro Fukutake, the eldest son of Mr. Tetsuhiko Fukutake, the founder of Fukutake Publishing (the predecessor of the Target Company), who served as representative director and president of the Target Company from 1986 to 2003 and representative director and chairperson from 2003 to 2014, and Mr. Hideaki Fukutake, a member of the founding family of the Target Company and a director of the Target Company from 2014 to date, believe that the business environment surrounding the Target Company in the Education Business in Japan has changed and is becoming increasingly difficult due to, among other things, the following factors: a decline in the number of births and an expected decline in the student population in Japan; with a decline in the motivation and learning abilities of children and the increasing polarization of academic skills among them, a shrinking market and diversification of customer needs for traditional correspondence courses aimed primarily at the middle class; an expected decline in demand for traditional cram schools, tutoring, and mock examinations due to the introduction of university entrance examination reforms and comprehensive selective entrance examinations; and an intensified competition expected with digital-native companies (Note 1) starting to provide new educational services utilizing digital technology. In addition, it is not easy to acquire land and buildings suitable for the operation of nursing homes, and the business environment in the Target Company is becoming more difficult in the nursing care business due to the government’s recommendation for home nursing care and restriction on the total capacity of nursing homes, and the increasing shortage of staff for nursing care workers. As stated in “(1) Business Environment Surrounding the Target Company” above, the Target Company, to evolve its business in response to changes in the business environment, established the Transformation Business Plan in May 2023, which is a brush-up of the Medium-Term Management Plan, and is implementing various measures, but Soichiro Fukutake and Hideaki Fukutake believe that long-term and sustainable business reforms that are not extensions of the existing businesses will be unavoidable for its future growth.

(Note 1) A “digital-native company” is a company that provides services and businesses premised on the use of IT and digital technologies and uses digital technologies and digitized information in various situations as a fundamental part of their business model.

Soichiro Fukutake and Hideaki Fukutake believe that, while the capabilities that people should nurture and develop are drastically changing in such a drastically changing society, Japanese society does not have adequate structures to nurture and evaluate the capabilities required in modern society, which is undergoing digitalization and globalization, and Japan’s international competitiveness and presence are declining. In addition, while the number of elderly people who are lonely and cannot be happy has increased due to the accelerating aging of the population, the number of service providers who can provide sufficient high-quality care is very low, and we are in a situation where it is difficult to lead a high-quality senior life “as who they are.” Soichiro Fukutake and Hideaki Fukutake believed that confronting such a structural crisis in modern Japanese society and leading the future of

Japan through education and nursing care as a flag-bearer is possible for the Target Company because it has a brand that is widely trusted in society, and employees who share a long history of supporting growth and problem solving alongside customers who are striving to realize their dreams and ideals and share a common philosophy. Based on this belief, Soichiro Fukutake and Hideaki Fukutake, as the "third business" of the Target Company following the "first business" by Tetsuhiko Fukutake of the educational business and the "second business" by Soichiro Fukutake of the nursing care business, realized that, in order for the Target Company to become a global platform for "well-living" of all generations in the world, in both the digital and the real world, it would be necessary to deviate from the extension of the current line of business and to implement changes beyond the content of the business reforms that the Target Company has already implemented and considered, through the implementation of bold measures including to promote additional measures such as digitalization of education business, reinforcement of overseas education business, and expansion of nursing care business through M&A. In addition, Soichiro Fukutake and Hideaki Fukutake came to the conclusion that a long-term and sustainable business transformation is unavoidable in order to realize the "third business" by achieving the Transformation Business Plan formulated by the Target Company in May 2023 and going beyond the content of the business transformation that the Target Company has previously implemented and considered through additional measures on the Target Company. Therefore, through privatization distancing the Target Company from capital market, where financial results are expected to be achieved in every accounting period, and cooperating with an influential external partner to utilize their knowledge and experiences would be a viable option.

On the other hand, EQT, as represented by its purpose "to 'future-proof' a company (to transform into a company with sustainable value for the future) and create a positive impact on the world," and by the Target Company name "Benesse = "bene"(well) and "esse"(being)," believes that the corporate philosophy and business content of the Target Company, which is to provide lifelong support for people's willingness to improve and solve problems while they strive to realize their dreams and ideals, in order to realize each person's purpose of "well and being," are highly consistent with theirs. EQT has been interested in the Target Company since its entry into Japan in October 2021 as a leading company in Japan in the education and nursing care business, which EQT focuses on. EQT recognized that the unique data that the Target Company has steadily accumulated up to now, its broad customer base, and its brand power, which is overwhelmingly recognized and trusted, are valuable assets that cannot be imitated by competitors, and believed that, by effectively utilizing EQT's extensive investment experience in the education and nursing care field and industry knowledge backed by them, the Target Company will make a breakthrough in the business environment, and further growth can be expected.

Under such circumstances, in early December 2022, EQT had an opportunity to meet with Soichiro Fukutake and Hideaki Fukutake through its network and made an initial approach to Soichiro Fukutake and Hideaki Fukutake on the commencement of negotiations to realize the Transactions. Upon this approach, Soichiro Fukutake and Hideaki Fukutake had an interview with EQT regarding the future of the Target Company's business and the Transactions, including the privatization of the Target Company Shares, and had discussions over the next six months. Through the discussions with EQT, Soichiro Fukutake and Hideaki Fukutake came to realize that, as the "third business" of the Target Company, in implementing additional measures, such as digitizing its education business, strengthening its overseas education business and expanding nursing care business through M&A, and conducting non-sequential reforms, even if such measures were expected to achieve significant growth in the medium to long term, there would be a possibility that such measures would not directly contribute to the Target Company's profits in the short term, and also concern that the Target Company's profitability would deteriorate in the short term. Therefore, they reached a conclusion that it would be difficult to implement these measures while the Target Company remains listed, since the Company could not deny the possibility that implementing these measures while maintaining the listing would have a negative impact on shareholders of the Target Company, such as a decline in the market price of Target Company Shares. Based on the recognition of those issues and after extensive discussions with EQT, Soichiro Fukutake and Hideaki Fukutake concluded that the Target Company's corporate philosophy and business content were highly compatible with EQT's founding principles of "be the most respected investment firm in the world that helps companies grow in ambition, build great organizations, and create value in a responsible and sustainable way" and purpose, which originated from the entrepreneurship and long-term business philosophy of the Swedish Wallenberg family, where EQT originated from. In addition, Soichiro Fukutake and Hideaki Fukutake realized that EQT and the Wallenberg family (1) actively engage in activities beyond financial capitalism, such as returning profits from sustainability initiatives and business activities to society through charitable activities, regional development, promotion of arts, development of science, and educational support; (2) have a track record of investing in 18 companies in education and 6 companies in nursing care, and has a track record and know-how in the fields of education and nursing care; and (3) support the implementation of digital capabilities of the target companies through its in-house digital team consisting of former employees of tech companies such as Google LLC, Amazon.com, Inc. and Meta Platforms, Inc, which allows EQT to provide business intelligence in a variety of areas, including benchmarking with competitors and identifying growth areas by analyzing and structuring advanced data using advanced natural language processing platforms, and optimizing digital marketing. Based on the recognition above and after numerous discussions, in late March 2023, Soichiro Fukutake and Hideaki Fukutake decided that it would be most appropriate to conduct the Transactions with EQT as partner, in order to realize the "third business" of the Target Company. Accordingly, Soichiro Fukutake, Hideaki Fukutake and EQT (including the Offeror, collectively, the "Offerors") retained advisors to the entire consortium, including White & Case in late March 2023 and Mori Hamada & Matsumoto in mid-April 2023, respectively, as its legal advisors, and EQT retained Nomura Securities Co., Ltd. ("Nomura Securities") in mid-May 2023 as its financial advisor and submitted a non-binding letter of intent to the Target Company on May 22, 2023, proposing the Tender Offer and privatization of the Target Company Shares through the Squeeze-Out Procedures, in order to enhance their corporate value from a medium- to long-term perspective (the "Initial Letter of Intent").

Subsequently, the Offerors conducted due diligence on the Target Company from late July 2023 to late September 2023, deepening their understanding of the Target Company business and the business environment surrounding the Target Company, as well as its growth strategies and management issues, and confirming aspects of business, accounting, taxation, legal affairs, technology, ESG, cybersecurity and other fields. The Offerors have also had a number of discussions with the Target Company's management regarding business perspectives and the background and objectives of the Transactions in early July 2023, the Target Company's overall business in mid-August 2023 based on the results of due diligence conducted by the Offerors thus far, as well as the Target Company's individual businesses in mid-September 2023. As a result of numerous discussions with the Target Company, in late September 2023, the Offerors confirmed that the Transactions present a valuable collaboration opportunity for the Target Company to once again return to its founding spirit and, as the "third business" in both digital and real worlds, to seek to realize a global platform that allows every generation from around the world to pursue "well and being." The Offerors reiterated that the Target Company can focus on improving corporate value amidst the continuing uncertain business environment, by allocating resources based on its essential strategies and managing the business from a medium- to long-term perspective, unswayed by short-term fluctuations in operating results, and have come to believe that it is best for EQT, a like-minded entrepreneur and an industrial capitalist, to become a shareholder of the Target Company in a transition period that aims to transform itself in a non-sequential manner through the implementation of bold measures, and to steer the Target Company in tandem with the Target Company's management team.

The Offerors plan to fully support the achievement of the Transformation Business Plan currently being undertaken by the Target Company and to further maximize the corporate value of the Target Company after the Transactions, in cooperation with the Target Company, through measures including below details. The Offerors believe that, in addition to continuing to provide high quality services to a wide range of customers in the education and nursing care businesses, which the Target Company has been working on, by strengthening the competitiveness through digital use and other means, it will be possible to provide even higher value to existing customers. In the education business, the Offerors believe that cram schools will be able to provide services to a wider range of students by expanding through M&A and alliances the locations and price ranges for which the Target Company services are not currently available. In the medium to long term, by expanding in education for people with disabilities, minority groups, and alternative education, the Target Company can aim to realize the Offerors' goal of a global platform that provides "well and being" to all generations around the world. Specifically, the Offerors are considering the following measures:

(i) Education Business

With respect to the Education Business in Japan, the Target Company will capitalize on its strengths as an educational brand with massive name recognition and trust, rich learning data backed by a long history, network with schools and companies, and highly motivated employees, and will invest heavily in technology to become a pioneer in the digital domain. The Target Company will further accelerate the shift to products suitable for the digital age and the improvement of UI/UX (Note 2), while promoting the "less-printing and digitalization" in marketing to increase and streamline customer acquisition. In addition, we believe it is possible, by promoting creation of business contents using AI and improvement of the efficiency of existing operations, to provide individualized optimized adaptive learning (Note 3) at a lower price range, which was not possible to provide manually in the past due to high cost. In parallel with our investment in technology, the Target Company will be able to expand its business areas by promoting the OMO (Note 4) business, which is a combination of online and offline, and increase customer satisfaction by providing optimal education in an optimal mode that uses learning data to meet the needs of each customer as they grow. Specifically, in order to maximize the learning efficiency of each child, the Target Company will promote collaboration between online learning by Shinken Zemi and offline learning by cram schools, and realize OMO by combining these two businesses.

Furthermore, in the Business for University and Working Adult, the Target Company will promote the improvement of workers' skills based on social needs such as "visualization" of the Japanese labor market and reskilling (Note 5). The Target Company also aims to gain a leading position in the OMO services in B to B (Note 6) by utilizing digital expertise and know-how of EQT's industry advisors, in addition to the Target Company's brand power as well as the vast amount of data that have been developed in the school business. In overseas countries, it will also consider M&A over the medium to long term to acquire content and expand the Target Company's service lineup to realize global expansion.

In the overseas business, the Target Company will focus on China, where the market is enormous, and India, which is an important strategic region in the Transformation Business Plan, and realize synergies including specific business collaborations with the companies in the EQT portfolio, thereby increasing the corporate value of the Target Company.

(Note 2) "UI (User Interface)" is a generic term that refers to the devices and the software that runs them that exist between the computer and the user. "User Experience (UX)" refers to the impression, experience, usability, and user experience of using a product or service.

(Note 3) Adaptivity learning refers to the provision of learning contents that are individually optimized according to the learner's level of understanding and progress.

(Note 4) "OMO (Online Merges with Offline)" refers to the fusion of online and offline, as well as the society and business model realized by this fusion

(Note 5). "Reskilling" refers to re-education to acquire more advanced skills, particularly where working adults learn techniques and knowledge for new jobs.

(Note 6) "B to B (Business to Business)" refers to business-to-business transactions.

(ii) Nursing care business

As a leading player in the nursing care industry, the Target Company will continue to pursue the highest quality in the industry and employee satisfaction. The Target Company can achieve a competitive profit margin by eliminating the variation in service quality among different facilities, and by providing equally high-quality services at all facilities, it can increase the satisfaction of residents and reduce the overall cost of business operations. In addition to the above, a dedicated M&A team will be set up and actively expand its business through M&A. Specifically, the Target Company will achieve growth beyond market growth through acquisitions of medium-sized or leading domestic operators of fee-based nursing homes, and aims to solidify its position as the industry leader. In addition, the Target Company will aim to maximize its corporate value by leveraging the experience in providing human resources utilizing the EQT network and measures to improve satisfaction of residents and employees of portfolio companies in addition to the brand value and operational expertise of the Target Company's fee-based nursing homes including "Aria," residential fee-based nursing homes and serviced senior residences.

Based on the results of the due diligence review of the Target Company conducted from the end of July 2023 to in late September 2023, the Offerors, on September 30, 2023, made a first written proposal to the Target Company to set the Tender Offer Price per Target Company Share at JPY 2,300 (JPY 2,300 is the number calculated by adding a premium of 25.72% (rounded to the second decimal place; the same shall apply hereinafter for the calculation of value for premium against the stock price) to the Target Company Share's closing price of JPY 1,829.5 on the Tokyo Stock Exchange's Prime Market on September 29, 2023, which is the business day immediately preceding September 30, 2023, which is when the proposal was made; 23.13% to the simple average closing price of JPY 1,868 (rounded to the nearest whole number; the same shall apply hereinafter for the calculation of the simple average closing price) for the past one (1) month ended on that date; 24.46% to the simple average closing price of JPY 1,848 for the past three (3) months ended on that date; and 22.86% against the simple average closing price of JPY 1,872 for the past)six (6) months ended on that date), and the Tender Offer Price per share of ADRs at JPY 2,300 (the "First Proposal"). In response to the Offerors' First Proposal, the Offerors received a request from the Target Company, dated October 10, 2023, to increase the Tender Offer Price because the Tender Offer Price in the First Proposal was significantly inadequate from the standpoint of recommending minority shareholders of the Target Company to tender their shares.

In response to the request from the Target Company, the Offerors made a second proposal in writing to the Target Company on October 13, 2023, at a tender offer price of JPY 2,430 (JPY 2,430 is the number calculated by adding a premium of 33.41% to the Target Company Share's closing price of JPY 1,821.5 on the Tokyo Stock Exchange's Prime Market on October 12, 2023, which is the business day immediately preceding October 13, 2023, which is when the proposal was made; 31.64% to the simple average closing price of JPY 1,846 for the past one (1) month ended on that date; 31.64% to the simple average closing price of JPY 1,846 for the past three (3) months ended on that date; and 30.43% against the simple average closing price of JPY 1,863 for the past six (6) months ended on that date), and the Tender Offer Price per share of ADRs at JPY 2,430 (the "Second Proposal"). In response to the Offerors' Second Proposal, the Offerors received a request from the Target Company dated October 18, 2023, to reconsider the Tender Offer Price because the Tender Offer Price in the Second Proposal was still significantly inadequate from the standpoint of recommending minority shareholders of the Target Company to tender their shares.

In response to the request from the Target Company, the Offerors made a third proposal in writing to the Target Company on October 23, 2023, at a tender offer price of JPY 2,510 (JPY 2,510 is the number calculated by adding a premium of 41.17% to the Target Company Share's closing price of JPY 1,778 on the Tokyo Stock Exchange's Prime Market on October 20, 2023, which is the business day immediately preceding October 23, 2023, which is when the proposal was made; 37.99% to the simple average closing price of JPY 1,819 for the past one (1) month ended on that date; 36.34% to the simple average closing price of JPY 1,841 for the past three (3) months ended on that date; and 35.24% against the simple average closing price of JPY 1,856 for the past six (6) months ended on that date), and the Tender Offer Price per share of ADRs at JPY 2,510 (the "Third Proposal"). In response to the Offerors' Third Proposal, the Offerors received a request from the Target Company dated October 27, 2023, to reconsider the Tender Offer Price because the Tender Offer Price in the Third Proposal remained inadequate from the standpoint of recommending minority shareholders of the Target Company to tender their shares.

In response to the request from the Target Company, the Offerors made a fourth proposal in writing to the Target Company on October 30, 2023, at a tender offer price of JPY 2,590 (JPY 2,590 is the number calculated by adding a premium of 48.00% to the Target Company Share's closing price of JPY 1,750 on the Tokyo Stock Exchange's Prime Market on October 30, 2023, which is when the proposal was made; 44.77% to the simple average closing price of JPY 1,789 for the past one (1) month ended on that date; 41.22% to the simple average closing price of JPY 1,834 for the past three (3) months ended on that date; and 40.15% against the simple average closing price of JPY 1,848 for the past six (6) months ended on that date), and the Tender Offer Price per share of ADRs at JPY 2,590 (the "Fourth Proposal"). In response to the Offerors' Fourth Proposal, the Offerors received a request from the Target Company dated November 1, 2023, to increase the Tender Offer Price to JPY 2,600 per share of the Target Company Shares, from the standpoint of fulfilling accountability as the Target Company and recommending minority shareholders of the Target Company to tender their shares.

In response to the request from the Target Company, the Offerors made a final proposal in writing to the Target Company on November 1, 2023, at a tender offer price of JPY 2,600 (JPY 2,600 is the number calculated by adding a premium of 45.70% to the Target Company Share's closing price of JPY 1,784.5 on the Tokyo Stock Exchange's Prime Market on October 31, 2023, which is the business day immediately preceding November 1, 2023, which is when the proposal was made; 45.41% to the simple average closing price of JPY 1,788 for the past one (1) month ended on that date; 41.84% to the simple average closing price of JPY 1,833 for the past three (3) months ended on that date; and 40.69% against the simple average closing price of JPY 1,848 for the past six (6) months ended on that date), and the Tender Offer Price per share of ADRs at JPY 2,600 (the "Final Proposal").

Afterwards, the Offerors received from the Target Company and the Special Committee (as defined below; hereinafter the same) as of November 9, 2023, a response stating that the executive department of the Target Company and the Special Committee plan to approve the Tender Offer to be implemented by the Offerors in accordance with the Final Proposal and recommend tendering of shares and that they decided to the matter to be submitted for resolution during the board of directors meeting scheduled to be held on November 10, 2023.

Based on the above, for the final decision of the Target Company's board of directors, the Offerors made a legally binding final proposal in writing to the Target Company on November 9, 2023, at a tender offer price of JPY 2,600 (JPY 2,600 is the number calculated by adding a premium of 45.13% to the Target Company Share's closing price of JPY 1,791.5 on the Tokyo Stock Exchange's Prime Market on November 9, 2023, which is when the proposal was made; 45.90% to the simple average closing price of JPY 1,782 for the past one (1) month ended on that date; 42.39% to the simple average closing price of JPY 1,826 for the past three (3) months ended on that date; and 41.23% against the simple average closing price of JPY 1,841 for the past six (6) months ended on that date), and the Tender Offer Price per share of ADRs at JPY 2,600, with other conditions of the Tender Offer (i.e. the minimum number of shares to be purchased and the Tender Offer Period) (as defined in "(4) Policy for organizational restructuring after the Tender Offer (matters relating to a so-called "Two-Step Acquisition")") as set forth in this press release.

According to the Target Company Press Release, the Target Company, based on the foregoing, at its board of directors meeting held on November 10, 2023, that, as the Target Company's opinion as of the same day, if the Tender Offer is commenced, it will express an opinion in support of the Tender Offer, that it will recommend that the Target Company's shareholders tender their shares in the Tender Offer, and that the holders of ADRs tender their shares in the Tender Offer after delivering their ADRs to the Depositary Banks and receiving the Target Company Shares in respect of such ADRs in advance.

(iii) Decision-making process and reasons of the Target Company to issue the opinion to support the Tender Offer

(i) Background to the establishment, etc.

As described in "(ii) Background, purpose, and decision-making process leading the Offeror to conduct the Tender Offer" above, the Target Company received an initial proposal regarding the Transactions from the Offerors on May 22, 2023. In response, in order to ensure the appropriateness of the terms and conditions of the Transactions, including the fairness of the Tender Offer Price, the procedures, and the Tender Offer, the Target Company retained in late May 2023 Anderson Mori & Tomotsune Gaikokuho-Kyodo-Jigyo ("Anderson Mori & Tomotsune") as a legal advisor, independent from the Target Company and the Offerors, and Daiwa Securities Co., Ltd. ("Daiwa Securities") as a financial advisor and a third-party valuation institution, independent from the Target Company and the Offerors, and requested Daiwa Securities to calculate the value of the Target Company Shares.

Furthermore, taking into account the factors such as the fact that there is a structural conflict of interest issue because of the Tender Offer being part of the Transactions for a management buyout (MBO), and in order to handle these issues, the Target Company established a special committee on June 2, 2023, composed of four (4) outside directors and two (2) outside statutory auditors of the Target Company, which is independent from the Offeror and the Target Company, as well as the success or failure of the Transactions, for the purpose of examining the proposal of the Transactions (the "Special Committee"), to pay careful attention to decision making of the Target Company related to the Transactions including the Tender Offer, eliminate the possibility of arbitrariness and conflict of interest arising from the decision-making process of the Board of Directors of the Target Company, and ensure the fairness of the Transactions as described in "(i) Establishment of an Independent Special Committee at the Target Company and obtaining the report from the Special Committee" in "(Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts)" in "(ii) Process of calculation" of "(4) Basis for the calculation of the Tender Offer Price" under "2. Outline of the Tender Offer" below. Please refer to "(i) Establishment of an Independent Special Committee at the Target Company and obtaining the report from the Special Committee" in "(Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts)" in "(ii) Process of calculation" of "(4) Basis for the calculation of the Tender Offer Price" under "2. Outline of the Tender Offer" below for the composition of the members of the Special Committee and other specific matters to be consulted.

(ii) Process of examination

After establishing the review system described in "(i) Background to the establishment, etc." above, the Target Company has discussed and reviewed the appropriateness of the Transactions multiple times with the Offerors, with advice from Anderson Mori & Tomotsune and Daiwa Securities, based on an outline of the Tender Offer including the purpose of the Transactions, the Transactions' impact on the Target Company, the content of the management policy after the Transactions, the recent stock price trend, among others. Regarding the discussion and consideration processes described below, the Target Company provides reports to the Special Committee as needed and has been taking actions based on the handling policy confirmed by the Special Committee beforehand and its opinions, instructions and requests, at important points in the negotiations.

Specifically, the Target Company accepted due diligence procedures conducted by the Offerors in respect of the Target Company from late July to late September 2023, and the Offerors conducted interviews with company managers and others of the Target Company during the due diligence period as well as discussions, etc. on the future business developments.

Based on the above, the Target Company received the First Proposal in writing from the Offerors concerning the privatization of the Target Company Shares and the Target Company's future growth strategy on September 30, 2023. In the First Proposal, the Target Company received a written proposal to the Target Company to set the Tender Offer Price per Target Company Share at JPY 2,300 (JPY 2,300 is the number calculated by adding a premium of 25.72% to the Target Company Share's closing price of JPY 1,829.5 on the Tokyo Stock Exchange's Prime Market on September 29, 2023, which is the business day immediately preceding September 30, 2023, which is when the proposal was made; 23.13% to the simple average closing price of JPY 1,868 for the past one (1) month ended on that date; 24.46% to the simple average closing price of JPY 1,848 for the past three (3) months ended on that date; and 22.86% against the simple average closing price of JPY 1,872 for the past six (6) months ended on that date), and the Tender Offer Price per share of ADRs at JPY 2,300.

In response to the First Proposal, the Target Company requested the Offerors to reconsider the Tender Offer Price on October 10, 2023, because the Tender Offer Price in the First Proposal was significantly inadequate, based on the results of the valuation of the Target Company Shares conducted by Daiwa Securities. from the standpoint of recommending minority shareholders of the Target Company to tender their shares. In addition, the Target Company reviewed the contents of the First Proposal and held discussions on business strategies with the Offerors on October 13, 2023, and has continued to hold discussions on the Target Company's future business strategies since then. As a response to the Target Company's request for the Tender Offer Price, the Target Company received from the Offerors the Second Proposal in writing on October 13, 2023, to set the Tender Offer Price per Target Company Share at JPY 2,430 ((JPY 2,430 is the number calculated by adding a premium of 33.41% to the Target Company Share's closing price of JPY 1,821.5 on the Tokyo Stock Exchange's Prime Market on October 12, 2023, which is the business day immediately preceding October 13, 2023, which is when the proposal was made; 31.64% to the simple average closing price of JPY 1,846 for the past one (1) month ended on that date; 31.64% to the simple average closing price of JPY 1,846 for the past three (3) months ended on that date; and 30.43% against the simple average closing price of JPY 1,863 for the past six (6) months ended on that date), and the Tender Offer Price per share of ADRs at JPY 2,430). In response to the Second Proposal, the Target Company requested the Offerors to reconsider the Tender Offer Price on October 18, 2023, because the Tender Offer Price in the Second Proposal was still significantly inadequate from the standpoint of recommending minority shareholders of the Target Company to tender their shares.

As a response to the Target Company's request for the Tender Offer Price, the Target Company received from the Offeror the Third Proposal in writing on October 23, 2023, to set the Tender Offer Price per Target Company Share at JPY 2,510 (JPY 2,510 is the number calculated by adding a premium of 41.17% to the Target Company Share's closing price of JPY 1,778 on the Tokyo Stock Exchange's Prime Market on October 20, 2023, which is the business day immediately preceding October 23, 2023, which is when the proposal was made; 37.99% to the simple average closing price of JPY 1,819 for the past one (1) month ended on that date; 36.34% to the simple average closing price of JPY 1,841 for the past three (3) months ended on that date; and 35.24% against the simple average closing price of JPY 1,856 for the past six (6) months ended on that date), and the Tender Offer Price per share of ADSs represented by ADRs at JPY 2,510. In response to the Third Proposal, the Target Company requested the Offeror to reconsider the Tender Offer Price on October 27, 2023, because the Tender Offer Price in the Third Proposal remained inadequate from the standpoint of recommending minority shareholders of the Target Company to tender their shares. In response to the request from the Target Company, the Target Company received the Fourth Proposal from the Offerors made in writing on October 30, 2023, at a tender offer price of JPY 2,590 (JPY 2,590 is the number calculated by adding a premium of 48.00% to the Target Company Share's closing price of JPY 1,750 on the Tokyo Stock Exchange's Prime Market on October 30, 2023, which is when the proposal was made; 44.77% to the simple average closing price of JPY 1,789 for the past one (1) month ended on that date; 41.22% to the simple average closing price of JPY 1,834 for the past three (3) months ended on that date; and 40.15% against the simple average closing price of JPY 1,848 for the past six (6) months ended on that date), and the Tender Offer Price per share of ADRs at JPY 2,590. In response to the Offerors' Fourth Proposal, the Target Company made a request to the Offerors dated November 1, 2023, to increase the Tender Offer Price to JPY 2,600 per share of the Target Company Shares, from the standpoint of fulfilling accountability as the Target Company and recommending minority shareholders of the Target Company to tender their shares.

In response to the request from the Target Company, the Target Company received from the Offerors the Final Proposal in writing to on November 1, 2023, at a tender offer price of JPY 2,600 (JPY 2,600 is the number calculated by adding a premium of 45.70% to the Target Company Share's closing price of JPY 1,784.5 on the Tokyo Stock Exchange's Prime Market on October 31, 2023, which is the business day immediately preceding November 1, 2023, which is when the proposal was made; 45.41% to the simple average closing price of JPY 1,788 for the past one (1) month ended on that date; 41.84% to the simple average closing price of JPY 1,833 for the past three (3) months ended on that date; and 40.69% against the simple average closing price of JPY 1,848 for the past six (6) months ended on that date), and the Tender Offer Price per share of ADRs at JPY 2,600. In response to the Final Proposal made by the Offerors, the Target Company informed on November 9, 2023, that it would accept the Tender Offer Price in the Final Proposal. Upon receipt of the Target Company's approval, the Offerors made a legally binding final proposal in writing on November 9, 2023, at a tender offer price of JPY 2,600 (JPY 2,600 is the number calculated by adding a premium of 45.13% to the Target Company Share's closing price of JPY 1,791.5 on the Tokyo Stock Exchange's Prime Market on November 9, 2023, which is when the proposal was made; 45.90% to the simple average closing price of JPY 1,782 for the past one (1) month ended on that date; 42.39% to the simple average closing price of JPY 1,826 for the past three (3) months ended on that date; and 41.23% against the simple average closing price of JPY 1,841 for the past six (6) months ended on that date), and the Tender Offer Price per share of ADRs at JPY 2,600.

Furthermore, the Target Company has received from Anderson Mori & Tomotsune necessary legal advice with respect to the methods and processes of decision making at the meeting of the board of directors of the Target Company, including various procedures concerning the Transactions, and other issues, and also received from the Special Committee a written report (the “Report”) relating to the meeting of the board of directors of the Target Company on November 10, 2023 (for an overview of the Report and details of the Special Committee’s activities, please refer to “(i) Establishment of an Independent Special Committee at the Target Company and obtaining the report from the Special Committee” in “(Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts)” in “(ii) Process of calculation” of “(4) Basis for the calculation of the Tender Offer Price” under “2. Outline of the Tender Offer” below). Based on this, the Target Company carefully discussed and examined whether it is possible to enhance the corporate value of the Target Company through the Transactions and whether the interests to be enjoyed by minority shareholders are ensured by the Transactions through appropriate procedures, while taking into consideration the legal advice received from Anderson Mori & Tomotsune and the contents of a share valuation report obtained from Daiwa Securities as of November 9, 2023 (the “Share Valuation Report”), and giving utmost respect to the contents of the Report submitted by the Special Committee.

(iii) Decision

Based on the above background, the Target Company, on November 10, 2023, carefully discussed and examined the details of the Share Valuation Report and the legal advice received from Anderson Mori & Tomotsune, its legal advisor, on points to consider in decision-making regarding the Transactions including the Tender Offer, and with utmost respect for the content of the Report submitted by the Special Committee (for an overview of the Report, please refer to “(i) Establishment of an Independent Special Committee at the Target Company and obtaining the report from the Special Committee” in “(Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts)” in “(ii) Process of calculation” of “(4) Basis for the calculation of the Tender Offer Price” under “2. Outline of the Tender Offer” below) from the standpoint of whether the Transactions can enhance the corporate value and whether the terms and conditions regarding the Transactions are appropriate.

As a result, the Target Company has concluded that the privatization of the Target Company Shares through the Transactions, including the Tender Offer by the Offerors, will contribute to the enhancement of the Target Company’s corporate value as follows:

As stated in “(ii) Background, purpose, and decision-making process leading the Offeror to conduct the Tender Offer” above, with respect to the environment surrounding the Target Company today, there are concerns in the education industry that the market for long-established correspondence education, mainly targeting the middle class, will shrink amid the declining birthrate in Japan, an expected decrease in the student population, and the polarization of academic skills along with the diversification of values regarding the learning of children. Furthermore, due to the introduction of university entrance examination reforms and comprehensive selective entrance examinations, demand for traditional cram schools, tutoring and mock examinations is expected to decline, and companies with new forms of educational services that provide digitally enabled are entering the market. As a result, the business environment surrounding the Target Company in the education business has undergone major structural changes and is expected to continue to change in the future.

In the nursing care industry, the number of people in need of nursing care is increasing along with the increase in the number of elderly people, so the market is certain to expand. However, the Target Company believes that the business environment surrounding the Target Company Group is rapidly changing due to the shortage of human resources in the nursing care industry and changes in customer needs. In addition, the market size is expected to expand not only in the area of facilities/home nursing care, which the Target Company has been providing its services in for a long time, but also in the nursing care peripheral business, such as nursing care HR and nursing care meals.

In light of such changes in the business environment, the Target Company Group formulated its Medium-Term Management Plan in November 2020, believing that it would be necessary to achieve sustainable growth by advancing its core businesses and taking on new challenges for growth. Phase 1 of the Medium-Term Management Plan aimed at achieving a V-shaped recovery from the impact of the Covid-19 in existing areas organically and taking on challenges in new fields, and Phase 1, which was the first two years of the Medium-Term Management Plan, ended in March 2023. After summarizing the achievements and issues in Phase 1 of the Medium-Term Management Plan, and taking into consideration various surrounding environment of the Target Company once again, in May 2023 the Target Company formulated the Transformation Business Plan by brushing up the Medium-Term Management Plan. The Transformation Business Plan sets out to engage in solving social issues centering on people, and, through a transformation of the group and the portfolio structure, aim for sustainable profit growth by realizing three pillars of profits; core education, core nursing care, and new fields It also sets out a new Group’s Purpose as guidelines for what kind of group the Target Company should aim to become. To realize the Group’s Purpose, it believes it is necessary to engage in portfolio transformation, and has set up management and corporate transformation as specific measures to realize the portfolio transformation, and are working to strengthen systems and improve productivity.

The Target Company claims that it continues to promote initiatives to achieve the Transformation Business Plan, but at the same time, in order to enhance the Target Company’s corporate value over the medium to long term in a business environment where significant changes are expected to continue, the Target Company believes it is beneficial to utilize external management resources in addition to its own management efforts. In addition, as the Target Company must always be mindful of the impact of the short-term fluctuations in its financial results on the stock market so long as the Target Company Shares are listed, pursuing short-term financial results and implementing mid- to long-term management strategy simultaneously and promptly would be a very difficult challenge for the Target Company.

Under such circumstances, the Target Company synergies as below can be expected to be generated through flexible and steady execution of management measures by utilizing the EQT’s network and know-how, in addition to the management resources and know-how of the Target Company, privatizing the Target Company Shares through the Transactions, and by making it possible for EQT to invest its management resources into the Target Company Group through the Transactions, and the conclusion has been reached that this will contribute to realizing the Transformation Business Plan and further increasing the corporate value of the Target Company.

(a) Improvement of operational efficiency and diversification of services through digitalization in education business

As mentioned above, the Target Company believes that the business environment surrounding the Target Company Group is rapidly changing due to the entry of digitally enabled new competitors into the education industry and the polarization of academic ability in accordance with the diversification of children's values. The Target Company believes that it can provide new educational services that meet the needs of diverse customers by promoting digitalization and streamlining operations in existing businesses and by integrating the Target Company's resources with digital. EQT has the largest network of digital teams and industry advisors in the private equity fund industry and has experience in streamlining operations and creating new businesses through digitalization in education-related businesses in previous investees. By utilizing the know-how of EQT and collaborating with businesses of the group's investees on a global basis, EQT hopes to not only improve the efficiency of its existing businesses but also create new educational services tailored to the diversifying needs of its customers by utilizing the data held by the Target Company.

(b) Expansion and sophistication of global business development in the education business

The Target Company believes that the expansion and sophistication of its overseas business activities will be possible through the use of EQT's overseas know-how and network, in addition to its domestic top-level education business knowledge, brand power and assessment know-how cultivated through its school business. In particular, in the short term, the Target Company will focus on China, which is the largest overseas market for the Target Company, and India, which currently is highly strategically positioned in the Transformative Business Plan, to create value through business collaborations with EQT investment targets. In the medium term, the Target Company is considering business expansion in adjacent markets in Asia and expansion into new regions through large-scale M&As.

(c) Active Use of M&A

For the medium- to long-term growth of the Target Company, active use of M&A can be considered in the education business and the nursing care business. EQT is good at supporting the acquisition of investee companies, and it believes that it can expect full support by fully utilizing its knowledge, network and resources in all steps from project sourcing to supporting and funding the execution of M&A and post-merger integration (PMI).

(d) Acceleration of decision making by privatization

While the Target Company believes that the business environment surrounding the Target Company Group is rapidly changing as described above, in order to implement the above measures in a timely manner in response to such changes, the Target Company is required to establish a prompt decision-making structure and enhance management flexibility. Privatization will enable it to establish a management structure that enables flexible decision making and enhance the speed of business development.

In addition, with respect to the Tender Offer Price (JPY 2,600), according to the results of the valuation of the Target Company Shares in the Share Valuation Report described in "② Receipt of the Share Valuation Report from an independent third-party appraiser in the Target Company" in "(ii) Acquisition of Share Valuation Report from an Independent Third-Party Appraiser by the Target Company" in "(Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest)" of "(ii) Process of calculation" of "(4) Basis for the calculation of the Tender Offer Price" in "2. Outline of the Tender Offer" below, the Tender Offer Price of JPY 2,600 per share (i) exceeds the result of the calculation by the market price method, (ii) exceeds the calculation result by the comparable multiple valuation method, (iii) is within the range of the calculation result by the discounted cash flow method (the "DCF Method"), and is above the median price; (iv) is the price calculated based on the (I) a premium of 45.13% on JPY 1,791.5, the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange as of November 9, 2023, which was the business day immediately preceding the announcement date of the planned commencement of the Tender Offer (November 10, 2023), (II) a premium of 45.90% on JPY 1,782, the simple average closing price for the preceding one-month period ending on that date, (III) a premium of 42.39% on JPY 1,826, the simple average closing price for the preceding three-month period ending on that date, and (IV) a premium of 41.23% on JPY 1,841, the simple average closing price for the preceding six-month period ending on that date, and among management buyout (MBO) cases announced by the Ministry of Economy, Trade and Industry between June 28, 2019, and September 30, 2023, in connection with the publication of "Guidelines on Fair M&A: Enhancing Corporate Value and Securing Shareholder Return," and by comparing it with the median price of premium in the 46 transactions that took place (40.11% of the closing price on the business day prior to the announcement date, 40.38% of the simple average closing price for the most recent one month, 45.34% of the simple average closing price for the most recent three months, and 49.27% of the simple average closing price for the most recent six months), it is possible to conclude that the Tender Offer Price includes an appropriate premium, and (v) the price was decided after the measures to ensure fairness of the Tender Offer Price mentioned in "(Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest)" of "(ii) Process of calculation" of "(4) Basis for the calculation of the Tender Offer Price" in "2. Outline of the Tender Offer" below were taken and after extensive negotiations with the Target Company with substantial involvement of the Special Committee took place, with a substantial increase made from the price initially offered by the Offerors, with an aim to make the Transactions as favorable as possible for the Target Company's general shareholders. Therefore, the Tender Offer Price is deemed to be reasonable and will provide the Target Company's shareholders with a reasonable opportunity to sell their shares.

Based on the foregoing, the Target Company resolved at its board of directors meeting held today that, as the Target Company's opinion as of today, if the Tender Offer is commenced, it will express an opinion in support of the Tender Offer, that it will recommend that the Target Company's shareholders tender their shares in the Tender Offer, and that the holders of ADRs tender their shares in the Tender Offer upon delivering their ADRs to the Depositary Banks and withdrawing the Target Company Shares pertaining to those ADRs. As mentioned above, if Conditions Precedent are satisfied (or waived by the Offeror), the Offeror plans to promptly commence the Tender Offer thereafter. As of today, the Offeror aims to commence the Tender Offer around early February 2024. However, as it is difficult to accurately predict the period of time required for procedures and other things before domestic and foreign authorities that have jurisdiction over procedures pertaining to the Clearance, the details of the schedule for the Tender Offer will be announced promptly after it has been determined.

For this reason, at the aforementioned board of directors meeting, the Target Company resolved that, upon the commencement of the Tender Offer, the Special Committee established by the Target Company will review the Report to check if any changes should be made to the opinion described in the Report submitted by the Special Committee to the Target Company board of directors as of November 10, 2023, and, if there are any changes to the previous opinion, consult with the board of directors to that effect and, if so, state the changed opinion, and, based on such opinion, issue a new opinion regarding the Tender Offer as of the commencement of the Tender Offer.

For details of the above resolution of the board of directors, please refer to "(iv) Approval of all the Target Company's directors who do not have interest and an opinion of all statutory auditors who do not have interest that there is no objection" under "(Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts)" in "(ii) Process of calculation" of "(4) Basis for the calculation of the Tender Offer Price" under "2. Outline of the Tender Offer" below.

(iv) Management policy after the Tender Offer

The Transactions is a so-called management buyout (MBO). As stated in "(1) Outline of the Tender Offer" above, Hideaki Fukutake plans to continue to manage the Target Company after the completion of the Transactions. Through the Transactions, and ultimately through efu Investment, the Target Company plans to indirectly own shares in the Offeror and promote the measures to maximize its corporate value as stated in "(2) Background, purpose, and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer" above.

With respect to Bezant (HK), it has agreed with the Founding Family Group in a Shareholders' Agreement (the "Shareholders' Agreement") dated November 10, 2023, that, after the Tender Offer, the maximum number of directors of the Target Company shall be seven (7) and that, initially, Hitoshi Kobayashi (Representative Director, President and CEO), Hideaki Fukutake (Chairperson of the board of directors), and one (1) outside director to be jointly appointed by Bezant (HK) and the Founding Family Group will be elected, but the specific timing of election of new directors and the specific candidates has not been determined at this point. ) With regard to the management systems of the Target Company after the Tender Offer is completed, nothing has been decided, and discussions will be had with the Target Company after the completion of the Tender Offer. Furthermore, as a general rule, the current compensation of the employees of the Target Company after completion of the Tender Offer is planned to be maintained.

For an overview of the Shareholders' Agreement, please see "① The Shareholders' Agreement" in "(6) Matters relating to material agreements regarding the Tender Offer" below.

The Offeror plans to introduce a stock option and other incentive plans to the Target Company's management and employees after the Transactions. Although some of the Target Company's management and employees hold the Target Company Shares, (i) currently the specific features of incentive plans have not been decided, and no agreement has been made between the Target Company's management and employees as to whether or not incentive plans will be introduced, and (ii) as incentive plans are aimed at providing the management and employees of the Target Company with the common goal of enhancing the corporate value of the Offeror and are not linked to the number of shares tendered by the Target Company's management or employees in the Tender Offer, the introduction of incentive plans such as stock options should not be linked to the tendering in the Tender Offer or contradict with the intent of the regulation on the uniformity of the tender offer price (Article 27-2, Paragraph 3 of the Act).

(3) Measures to ensure the fairness of the Tender Offer Price, and other measures to ensure the fairness of the Tender Offer including measures to avoid conflicts of interest

Given that the Tender Offer will be conducted as part of the so-called management buyout (MBO) and that structural conflicts of interest may arise, the Offeror and the Target Company have implemented the following measures to ensure the fairness of the Transactions including the Tender Offer, from the viewpoint of ensuring the fairness of the Tender Offer Price, eliminating arbitrariness in decision making process leading to the decision to implement the Tender Offer and avoiding conflicts of interest.
Note that, if the minimum of the so-called “Majority of Minority” is set, the establishment of the Tender Offer would be destabilized, which in turn might not serve the interests of general shareholders who wish to tender in the Tender Offer, and, therefore, no minimum of the so-called “Majority of Minority” was set in the Tender Offer. However, since the Offeror and the Target Company implemented the measures below, the Offeror and the Target Company believe that due consideration has been given to the interests of the Target Company’s general shareholders.

The actions taken by the Target Company out of those described below are based on the Target Company Press Release and the explanations received from the Target Company.

① Establishment of an independent Special Committee in the Target Company and receipt of the Report from the Special Committee
② Receipt of the Share Valuation Report from an independent third-party appraiser in the Target Company
③ Advice obtained from a law firm independent from the Target Company
④ Approval of all Target Company’s directors who do not have interest and an opinion of all corporate auditors who do not have interest confirming no objection
⑤ Measures to ensure an opportunity for other purchasers to make purchases
⑥ Measures to ensure that shareholders of the Target Company have an opportunity to appropriately decide whether or not to tender to the Tender Offer

For details, please refer to “(Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts)” in “(ii) Process of calculation” of “(4) Basis for the calculation of the Tender Offer Price” in “2. Outline of the Tender Offer” below.

(4) Policy for organizational restructuring after the Tender Offer (matters relating to a so-called “Two-Step Acquisition”)

If the Offeror is unable to acquire all of the Target Company Shares (except for treasury shares held by the Offeror and the Untendered Shares) and the ADRs through the Tender Offer, as described in “(1) Summary of the Tender Offer,” then the Offeror plans to take a series of procedures after the successful completion of the Tender Offer to make the Offeror and Minamigata Holdings the only shareholders of the Target Company by the following methods:

Promptly after the completion of the Tender Offer, the Offeror will request the Target Company to hold an extraordinary shareholders’ meeting, where the proposals to conduct the “Share Consolidation and to make a partial amendment to the Target Company’s Articles of Incorporation to abolish the share unit number provisions on the condition that the Share Consolidation becomes effective will be submitted (the “Extraordinary Shareholders’ Meeting”). From the viewpoint of improving the corporate value of the Target Company, the Offeror believes that it would be desirable to hold the Extraordinary Shareholders’ Meeting as soon as possible, and plans to request the Target Company to give a public notice of the setting of a record date during the period of purchase, etc. in the Tender Offer (the “Tender Offer Period”) so that a date close to the settlement of the Tender Offer will be the record date for the Extraordinary Shareholders’ Meeting. The timing of the

Extraordinary Shareholders' Meeting has not been decided at this time, but if the Tender Offer commences in or around early February 2024, the Extraordinary Shareholders' Meeting is planned to be held around late May 2024. The Offeror and Minamigata Holdings intend to approve each of those proposals at the Extraordinary Shareholders' Meeting.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders' Meeting, the shareholders of the Target Company will come to own the number of Target Company Shares based on the ratio of the Share Consolidation that is approved at the Extraordinary Shareholders' Meeting as of the effective date of the Share Consolidation. If, due to the Share Consolidation, the number is a fraction less than one, each shareholder of the Target Company who holds such fractional shares will receive an amount of cash obtained by selling the Target Company Shares equivalent to the total number of shares less than one unit (with such aggregate sum rounded down to the nearest whole number; the same applies hereinafter) to the Target Company or the Offeror in accordance with the procedures specified in Article 235 of the Companies Act and other relevant laws and regulations. The purchase price for the aggregate sum of the Target Company Shares that are less than one unit will be valued after making sure that the amount of cash received by each shareholder who did not tender its shares in the Tender Offer as a result of the sale will be equal to the price obtained by multiplying the Tender Offer Price with the number of Target Company Shares owned by each such shareholder, and the Offeror will request the Target Company to file a petition to the court for permission to purchase such Target Company Shares on this basis.

Although the ratio of the Share Consolidation of the Target Company Shares has not been determined as of today, it is intended that the shares of shareholders who did not tender their shares in the Tender Offer (excluding the Offeror and Minamigata Holdings) will be classified as shares less than one unit in order for the Offeror and Minamigata Holdings to become the sole owners of all of the Target Company Shares (excluding treasury shares owned by the Offeror). However, if, before the Share Consolidation becomes effective, there is any shareholder of the Target Company other than the Offeror and Minamigata Holdings holding the number of Target Company Shares which is equal or greater than the smallest number out of the numbers held by the Offeror or Minamigata Holdings, respectively (such shareholder is called the "Majority Shareholder"), the ratio of consolidation of Target Company Shares will be determined such that only the Offeror or Minamigata Holdings who hold more Target Company Shares than the Majority Shareholder will be the sole owners of all of the Target Company Shares (excluding treasury shares owned by the Target Company) as a result of the Share Consolidation. The specific procedures for the Share Consolidation are expected to be announced by the Target Company promptly after the Offeror and the Target Company reach a decision upon consultation.

Since the Target Company Shares subject to the Share Consolidation include the Target Company Shares held by the Depositary Banks (that are represented by ADRs, if the abovementioned approval is made, the number of Target Company Shares held by the Depositary Banks after the Share Consolidation is also expected to be a fraction of less than one share. In such case, according to the ADR Registration Statements (as defined in "(ii) Depositary receipts for share certificates, etc." in "(3) Price of tender offer" under "2. Outline of the Tender Offer" below; hereinafter the same), the Depositary Banks may terminate the ADRs in accordance with the terms set out in the ADRs and deliver to each of the holders of the ADRs cash equal to the amount obtained by converting the cash delivered to the Depositary Banks into US dollars and deducting the fees of the Depositary Banks and taxes, etc., based on the number of ADRs each holder holds.

According to the provisions of the Companies Act that aim to protect the rights of minority shareholders in relation to the Share Consolidation, the Companies Act provides that if the Share

Consolidation occurs and results in shares less than one unit, each shareholder of the Target Company who did not tender shares in the Tender except for the Offeror and Minamigata Holdings, provided that this shall not apply if there is the Majority Shareholder as described above) may request that the Target Company purchase all such shares less than one unit at a fair price, and such shareholders may file a petition to the court to determine the price of the Target Company Shares in accordance with the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations.

As described above, in the Share Consolidation, the number of the Target Company Shares held by the Target Company shareholders who did not tender shares in the Tender Offer (except for the Offeror and Minamigata Holdings, provided that this shall not apply if there is the Majority Shareholder as described above) is expected to be a fraction less than one share. Thus, any Target Company shareholder who opposes the Share Consolidation will be entitled to file a petition for a determination of the sale price pursuant to the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations. If this petition is filed, the purchase price per share will be finally determined by the court.

If the holders of ADRs intend to make a demand for the purchase of shares and file a petition for a determination of the sale price, they are required to deliver their ADRs to the Depositary Banks and withdraw the Target Company Shares deposited with the Depositary Banks before making the demand and filing the petition pursuant to the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations.

With regard to the procedures described above, it is possible that, depending on circumstances such as the interpretation of the relevant laws and regulations by authorities, more time may be required or a different method may be introduced to implement the procedures. However, even in such case, as long as the Tender Offer is commenced, the Offeror intends to adopt a method whereby the shareholders of the Target Company who do not tender their shares in the Tender Offer (excluding the Target Company and Minamigata Holdings, provided that this shall not apply if there is the Majority Shareholder as described above ) will ultimately receive cash consideration equal to the number of Target Company Shares held by such shareholders multiplied by the Tender Offer Price. In such case, the same will apply to the amount of the money to be delivered to the Depositary Banks in relation to the Target Company Shares that are held by the Depositary Banks and represented by ADRs, and according to the ADR Registration Statements, the Depositary Banks may terminate ADRs in accordance with the terms set out in the ADRs and deliver cash equal to the amount obtained by converting the cash delivered to the Depositary Banks into US dollars and deducting the fees of the Depositary Banks and taxes, etc. to each of the holders of the ADRs, based on the number of ADRs each holder holds.

The specific procedures and timing for implementation of the foregoing will be announced promptly upon consultation and determination with the Target Company.

The Tender Offer in not intended to solicit any approval of the shareholders of the Target Company at the Extraordinary Shareholders' Meeting. Further, each shareholder of the Target Company is requested to consult a tax professional at its own responsibility with respect to the tax treatment of their application to the Tender Offer or the above procedures.

In accordance with the above procedures, with respect to the ordinary general shareholders' meeting of the Target Company to be held in or after June 2024 (the "Ordinary General Shareholders' Meeting"), the Offeror and Minamigata Holdings will be the only shareholders who are entitled to exercise their voting rights at the Ordinary General Shareholders' Meeting by completing the Squeeze-Out Procedures prior to the Ordinary General Shareholders' Meeting and following procedures such as amendments to the Articles of Incorporation. Therefore, even if there are shareholders who are listed or recorded on the Target Company's shareholder register as of March 31, 2024, they may not be able to exercise their rights at the Ordinary General Shareholders' Meeting.

(5) Expected delisting and reasons therefor

The Target Company Shares are currently listed on the Prime Market of the Tokyo Stock Exchange as of today. However, since the Offeror has not set a maximum number of share certificates, etc. to be purchased in the Tender Offer, the Target Company Shares may be delisted through prescribed procedures in accordance with the stock delisting criteria of the Tokyo Stock Exchange, depending on the result of the Tender Offer. Also, even in the event that the delisting standards are not met upon completion of the Tender Offer, as the Offeror plans to carry out the Squeeze-Out Procedures as stated in "(4) Policy for organizational restructuring after the Tender Offer (matters relating to a so-called "Two-Step Acquisition")" above after the successful completion of the Tender Offer, the Target Company Shares will be delisted through the prescribed procedures in accordance with the stock delisting criteria of the Tokyo Stock Exchange. After the delisting, the Target Company Shares can no longer be traded on the Tokyo Stock Exchange Prime Market.

(6) Matters relating to material agreements regarding the Tender Offer

① The Shareholders' Agreement

Bezant (HK) and the Founding Family Group entered into the Shareholders Agreement dated November 10, 2023, which contains the following details regarding the operation, etc. of the Target Company and its subsidiaries (Fukutake Foundation will participate in the Shareholders' Agreement promptly if the intention to enter into the agreement is asked and confirmed promptly after today). The Shareholders' Agreement is set to take effect upon completion of the investment in the Offeror by Bezant (HK) to fund the settlement of the Tender Offer, except for certain provisions.

(i) The maximum number of directors of the Offeror and the Target Company shall each be seven (7). Initially, Hitoshi Kobayashi (Representative Director, President and CEO), Hideaki Fukutake (Chairperson of the board of directors) and one (1) outside director to be jointly appointed by Bezant (HK) and the Founding Family Group shall be elected, and Bezant (HK) shall have the right to nominate three (3) directors and the Founding Family Group shall have the right to nominate two (2) directors (one of whom will be Hideaki Fukutake).

(ii) The number of statutory auditors of the Offeror and the Target Company shall be two (2) in total, respectively, and each of Bezant (HK) and the Founding Family Group is entitled to nominate one (1).

(iii) Prior consent of Bezant (HK) and the Founding Family Group with respect to important matters including, amendments to the articles of incorporation of the Target Company and its major subsidiaries, restructuring activities, issuance or disposal of shares etc., important acquisition or sale of shares or business, and material borrowings.

(iv) Restriction on transfer of the shares of the Offeror or Target Company Shares etc. by Bezant (HK) and the Founding Family Group, respectively, and creation of security interest or any other disposition thereof.

② The Master Agreement

The Offeror entered into the Master Agreement dated November 10, 2023, with efu Investment, Minamigata Holdings, Fukutake Foundation, and Bezant (HK) regarding privatization of the Target Company Shares through the Transactions, which contains the following details (Fukutake Foundation will participate in the Shareholders' Agreement promptly if the intention to enter into the agreement is asked and confirmed promptly from today) (Note 1). Except for the Master Agreement, there is no agreement between the Offeror and Fukutake Foundation concerning the Tender Offer, and there is no consideration to be provided by the Offeror to Fukutake Foundation concerning the Tender Offer other than the money obtained by tendering to the Tender Offer:

(i) All of Target Company Shares owned by Fukutake Foundation (number of shares held: 7,758,000 shares, ownership ratio: 8.04% ) will be tendered in the Tender Offer.

(ii) All of Target Company Shares owned by efu Investment and Minamigata Holdings (number of shares held: 16,504,000 shares in total, ownership ratio: 17.11% in total) will not be tendered in the Tender Offer.

(iii) By implementing the Transactions such as the Tender Offer, the Squeeze-Out Procedures and the Share Lending Transaction, the Advance Share Transfer, the Reinvestment and the Absorption-type Merger as set forth in "(1) Outline of the Tender Offer" <the Transactions and Structure Chart> above, the Target Company Shares will be delisted and become a wholly-owned subsidiary of the Offeror, and transactions to make Bezant (HK) and the Founding Family Group become shareholders of the Offeror pursuant to a voting right ratio of 50 to 50 (ownership ratio: 60 to 40) will be implemented.

(iv) Minamigata Holdings and efu Investment will each make its reasonable best efforts to obtain the Consents for the Release of Collateral and release the collateral in accordance with the Consents before the Tender Offer commences, and the Offeror will reasonably cooperate with them.

(Note 1) In the Master Agreement, each contract party represents and warrants the following matters: (i) due incorporation, valid existence and legal capacity; (ii) full performance of the procedures for execution and performance of the Master Agreement; (iii) enforceability of the Master Agreement; (iv) absence of breach of the laws and regulations for execution and performance of the Master Agreement; (v) absence of relationships with anti-social forces; (vi) absence of events for commencement of bankruptcy proceedings; and (vii) acquisition and activation of licenses and permits pertaining to execution and performance of the Master Agreement. In addition, efu Investment, Minamigata Holdings, and Fukutake Foundation have made representations and warranties with respect to the matters concerning their rights to Target Company Shares and the matters concerning the Target Company Group (the Target Company Group shares, etc., financial statements, securities reports, etc., absence of insider information, compliance with laws, contracts, assets, taxes and public dues, personnel matters, conflicts, environment, absence of relationships with anti-social forces, and accuracy of disclosure information), and efu Investment and Minamigata Holdings have made representations and warranties with respect to the matters concerning Minamigata Holdings, respectively.

③ The Tender Agreement (Founding Family Individual Shareholders)

The Offeror entered into the Tender Agreement (Founding Family Individual Shareholders) with the Founding Family Individual Shareholders, respectively, as of November 10, 2023 and agreed to tender in the Tender Offer the Tendered Shares owned by the Founding Family

Individual Shareholders (number of total shares held: 4,907,033 shares, ownership ratio: 5.09% in total). Of the Founding Family Individual Shareholders, Tomonori Nishimura provided all or part of his Target Company Shares as collateral; therefore, the tendering of the Target Company Shares provided as collateral can be made on the condition that the collateral has been legally and validly extinguished. In addition, except for the Tender Agreement (Founding Family Individual Shareholders), there is no agreement between the Offeror and the Founding Family Individual Shareholders concerning the Tender Offer, and there is no consideration to be offered by the Offeror to the Founding Family Individual Shareholders concerning the Tender Offer other than the money to be obtained by tendering to the Tender Offer.

④ The Tender Agreement (Fukutake Education and Culture Foundation)

The Offeror will ask the intention of Fukutake Education and Culture Foundation to enter into an agreement promptly from today, and, if the intention to enter into the agreement is confirmed, plans to enter into the Tender Agreement (Fukutake Education and Culture Foundation) with Fukutake Education and Culture Foundation promptly, and agree to tender in the Tender Offer the Tendered Shares (number of shares held: 1,919,000 shares, ownership ratio: 1.99%) owned by the Fukutake Education and Culture Foundation. Except for the Tender Agreement (Fukutake Education and Culture Foundation), there is no agreement between the Offeror and Fukutake Education and Culture Foundation concerning the Tender Offer, and there is no consideration to be offered by Fukutake Education and Culture Foundation to the Offeror concerning the Tender Offer other than the money to be obtained by tendering to the Tender Offer.

## 2. Outline of the Tender Offer

### (1) Outline of the Target Company

| | |
|---|---|
| (i) Name | Benesse Holdings, Inc. |
| (ii) Address | 3-7-17 Minamigata, Kita-ku, Okayama-shi, Okayama |
| (iii) Name and Title of Representative Director | Hitoshi Kobayashi, Representative Director, CEO and President |
| (iv) Businesses | The company operates in three main business segments: Education Business in Japan, Kids & Family, and Nursing Care and Childcare. The “Education Business in Japan” includes the Out-of-School Learning Business Company, the School and Teacher Support Business Company, and the University and Working Adult Business Company under the corporate structure. |
| (v) Capital | JPY 13,857 million (as of September 30, 2023) |
| (vi) Date of Foundation | January 28, 1955 |
| (vii) Major Shareholders and Ownership Percentage, as of | |

| | | |
|---|---|---|
| September 30, 2023 | | The Master Trust Bank of Japan, Ltd. 17.55% |
| | | efu Investment<br>(Standing proxy: Michio Shimozuma) 8.14% |
| | | Fukutake Foundation 8.04% |
| | | Custody Bank of Japan, Ltd. 4.74% |
| | | The Chugoku Bank, Ltd. 2.89% |
| | | Fukutake Education and Culture Foundation 1.99% |
| | | Minamigata Holdings 1.90% |
| | | Mizuho Trust & Banking Co., Ltd. 1.66%<br>Retirement Benefit Trust, Chugoku Bank, Ltd. Account |
| | | Toshiaki Matsuura 1.45% |
| | | Mitsuko Fukutake 1.43% |
| (viii) | Relationships Between the Offeror and the Target Company | |
| | Capital Relationships | Not applicable |
| | Personnel Relationships | Not applicable |
| | Business Relationships | Not applicable |
| | Related Party Relationships | Not applicable |

(2) Schedule

The Tender Offer is planned to commence promptly after the Conditions Precedent have been satisfied (or waived by the Offeror), and as of today, the Offeror is aiming to commence the Tender Offer in or around early February 2024. However, given that it is difficult to accurately predict the period of time required for procedures, etc. before domestic and foreign authorities having jurisdiction over the procedures pertaining to the Clearance, the details of the Tender Offer's schedule will be announced promptly after such decision has been made. The Offeror plan to set the Tender Offer Period to be twenty (20) business days, which is the shortest period stipulated by laws and regulations (Note 1). While the Target Company has the legal right to request the Offeror to set the Tender Offer Period to be 30 business days if the Tender Offer Period is shorter than 30 business days, and the Offeror has set the Tender Offer Period to be 20 business days as described under "(i) Establishment of an Independent Special Committee at the Target Company and obtaining the report from the Special Committee" in "(Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the Tender Price and measures to avoid conflicts of interest)" under "(ii) Process of calculation" in "(4) Basis of Calculation of the Tender Offer Price" below, the period from the announcement of the planned commencement of the Tender Offer to the actual commencement of the Tender Offer will be long, the Special Committee has determined that an opportunity for public shareholders to make an appropriate decision regarding their tendering in the Tender Offer and an opportunity for persons other than the Offeror to purchase, etc. the Target Company Shares are secured. Therefore, the Offeror does not expect to receive any request from the Target Company for an extension of the Tender Offer Period.

(Note 1): As the Offeror plans to ensure that the Tender Offer Period will be no less than 20 business days in the U.S., which is the minimum number of days required for the Tender Offer Period under U.S. securities laws, the number of days in the Tender Offer Period might exceed 20 business days.

(3) Price of tender offer

(i) Common stock: JPY 2,600 per share of common stock

(ii) Depositary receipts for share certificates, etc.

The American Depositary Shares ("ADSs") with respect to the Target Company Shares deposited with Deutsche Bank Trust Company Americas, The Bank of New York Mellon, Citibank, N.A., and Convergex Depositary, Inc. (collectively, the "Depositary Banks"), which are issued in the U.S. by the Depositary Banks, and the American Depositary Receipts ("ADRs") representing the same: JPY2,600 per share

Note: According to the registration statements for ADRs (Form F-6EF) or post-effective amendments (Form F-6 POS) filed by Deutsche Bank Trust Company Americas on October 10, 2008, and September 29, 2017, by The Bank of New York Mellon on August 13, 2009, by Citibank, N.A. on March 15, 2012, and by Convergex Depositary, Inc. on October 15, 2014, with the U.S. Securities and Exchange Commission respectively (collectively, the "ADR Registration Statements"), ADRs have been issued for the Target Company Shares and according to the Target Company, the Target Company was not involved in the issuance of the ADRs. Since the Offeror aims to acquire all of the Target Company Shares through the Tender Offer, the Offeror is required to solicit offers to sell all share certificates, etc. issued by the Target Company pursuant to the provisions of Article 27-2, Paragraph 5 of the Act and Article 8, Paragraph 5, Item (iii) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended), and the ADRs have been included in the class of share certificates, etc. to be purchased. On the other hand, as the ADRs are securities issued in the U.S., the Offeror has found it practically difficult for the Offeror, which resides in Japan, to acquire the ADRs through the Tender Offer, which will be conducted outside the U.S., because there is no financial instruments business operator, etc. that is capable of handling the ADRs as a tender offer agent. Therefore, in the Tender Offer, the Offeror accepts only tenders of the Target Company Shares and does not accept any tender of the ADRs, but the Offeror will accept tenders of the Target Company Shares for the ADRs. Accordingly, holders of ADRs who wish to tender their ADRs in the Tender Offer are requested to deliver them to the Depositary Banks in advance, and tender the Target Company Shares pertaining to the ADRs after withdrawing them.

(4) Basis for the calculation of the Tender Offer Price

(i) Basis of calculation

(a) Common stock

In determining the Tender Offer Price, the Offerors conducted a multifaceted and comprehensive analysis of the Target Company's business and financial status based on the Target Company's disclosed financial information and other similar materials and the results of due diligence conducted with respect to the Target Company from late July 2023 to late September 2023. In light of the fact that the Target Company Shares are traded on a financial instruments exchange, the Offerors also referred to (i) the closing price (JPY 1,791.5) of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange as of November 9, 2023, which was the business day immediately preceding the announcement date of the planned commencement of the Tender Offer (November 10, 2023), and (ii) the simple average closing prices of the Target Company Shares over the preceding one-month period (from October 10, 2023 to November 9, 2023), three-month period (from August 10, 2023 to November 9, 2023), and six-month period (from May 10, 2023 to November 9, 2023) (JPY 1,782, JPY 1,826, and JPY 1,841, respectively). The Offerors have determined the Tender Offer Price by comprehensively, taking into consideration the factors including possibility of approval of the Tender Offer by the Target Company and prospects for tendering in the Tender Offer, and have not obtained a share valuation report or a fairness opinion from any third-party appraiser.

The Tender Offer Price per Target Company Share (JPY 2,600) also represents (i) a premium of 45.13% on JPY 1,791.5, the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange as of November 9, 2023, which was the business day immediately preceding the announcement date of the planned commencement of the Tender Offer (November 10, 2023), (ii) a premium of 45.90% on JPY 1,782, the simple average closing price for the preceding one-month period ending on that date, (iii) a premium of 42.39% on JPY 1,826, the simple average closing price for the preceding three-month period ending on that date, and (iv) a premium of 41.23% on JPY 1,841, the simple average closing price for the preceding six-month period ending on that date.

(b) ADRs

Assuming that ADRs have been issued with respect to the Target Company Shares deposited with the Depositary Banks and that one ADR corresponds to one Target Company Share, the purchase price for one share of ADR has been set at JPY 2,600, which is the same amount as the Tender Offer Price per share of the Target Company Shares.

(ii) Process of calculation

(Background on the determination of the Tender Offer Price)

As stated in "(ii) Background, purpose, and decision-making process leading the Offeror to conduct the Tender Offer" of "(2) Background, purpose, and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer" in "1. Purpose of the Tender Offer" above, the Offerors conducted a series of initial discussions from early December 2022, when EQT made an initial approach, commenced full-scale discussions regarding the Transactions for making a proposal to the Target Company from late March 2023, when the Offerors determined that it was most appropriate to conduct the Transactions as partner, and submitted the Initial Letter of Intent to the Target Company on May 22, 2023, with the goal of improving its corporate value from a medium- to long-term perspective. In response to this, as stated in "(iii) Decision-making process and reasons of the Target Company to issue the opinion to support the Tender Offer" of "(2) Background, purpose, and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer" in "1. Purpose of the Tender Offer" above, the Target Company retained Anderson Mori & Tomotsune as its legal advisor independent from the Target Company and the Offerors in mid-May 2023, and Daiwa Securities as its financial advisor and third party valuation institution independent from the Target Company and the Offerors in mid-May 2023, respectively, so as to ensure the appropriateness of the terms and conditions of the Transactions, including the fairness of the Tender Offer Price, and the fairness of procedures, and other fairness of the Transactions, including the Tender Offer, and requested Daiwa Securities to calculate the share value of Target Company Shares.

Furthermore, in light of the fact that there is a structural conflict of interest issue because of the Tender Offer being part of the Transactions for a management buyout (MBO) and other factors, the Target Company established the Special Committee, composed of four (4) outside directors and two (2) outside statutory auditors of the Target Company, which are independent from the Offerors, the Target Company, and the Transactions, on June 2, 2023, to consider the proposal of the Transactions, as described in "(i) Establishment of an Independent Special Committee at the Target Company and obtaining the report from the Special Committee" in "(Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts)" below, in order to handle these issues, pay careful attention to decision making of the Target Company with regard to the Transactions including the Tender Offer, eliminate the possibility of arbitrariness and conflict of interest arising from decision making process of the board of directors of the Target Company, and ensure the fairness of the Transactions. Please refer to "(i) Establishment of an Independent Special Committee at the Target Company and obtaining the report from the Special Committee" in "(Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts)" below for the composition of the members of the Special Committee and other specific matters to be consulted.

Based on the above, the Offerors and the Target Company commenced concrete discussions and examinations towards the Transactions.

The Offerors have continued discussions with the Target Company and the Special Committee regarding the significance and purpose of the Transactions and potential synergies therefrom. In addition, in order to examine the feasibility of the Tender Offer, the Offerors conducted due diligence on the Target Company from late July 2023 until late September. Thereafter, as stated in "(ii) Background, purpose, and decision-making process leading the Offeror to conduct the Tender Offer" of "(2) Background, purpose, and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer" in "1. Purpose of the Tender Offer" above, the Offerors and the Target Company had numerous discussions and negotiations regarding the Tender Offer Price from September 30, 2023.

As a result of these discussions and negotiations, the Offerors and the Target Company agreed on November 9, 2023, that taking the Target Company private and implementing the measures to maximize the Target Company’s corporate value, as described in “(ii) Background, purpose, and decision-making process leading the Offeror to conduct the Tender Offer” of “(2) Background, purpose, and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer” in “1. Purpose of the Tender Offer” above, would be the best way to handle the changes in the business environment surrounding the Target Company and contribute to the enhancement of the Target Company’s corporate value. They also agreed that, following receipt of the Target Company’s response to the Offerors’ proposal on November 9, 2023, the Tender Offer Price per share of the Target Company Shares shall be JPY 2,600 and the Tender Offer Price per share of ADRs shall be JPY 2,600.

Accordingly, as part of the Transactions, the Offeror decided to conduct the Tender Offer on November 10, 2023, with the Tender Offer Price per share of Target Company Shares at JPY 2,600 and the Tender Offer Price per share of ADRs at JPY 2,600, on the condition that Conditions Precedent have been satisfied, including that the completion of the procedures pertaining to the Clearance (or waived thereof by the Offeror).

(Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts)

Given that the Tender Offer is conducted as part of a so-called management buyout (MBO) and that structural conflicts of interest may arise, the Offerors and the Target Company have implemented the following measures to ensure the fairness of the Transactions including the Tender Offer, from the viewpoint of ensuring the fairness of the Tender Offer Price, eliminating arbitrariness in decision making process leading to the decision to implement the Tender Offer and avoiding conflicts of interest. Note that, if the minimum of the so-called “Majority of Minority” is set, the establishment of the Tender Offer would be destabilized, which in turn might not serve the interests of general shareholders who wish to tender in the Tender Offer, and, therefore, no minimum of the so-called “Majority of Minority” was set in the Tender Offer. However, since the Offeror and the Target Company implemented the measures below, the Offeror and the Target Company believe that due consideration was given to the interests of the Target Company’s general shareholders. In addition, the actions taken by the Target Company described below are based on the Target Company Press Release and the explanations received from the Target Company.

(i) Establishment of an Independent Special Committee at the Target Company and obtaining the report from the Special Committee

(i) Background of establishment, etc.

The Target Company, in light of the fact that there is a structural conflict of interest issue because of the Tender Offer being part of the Transactions for a management buyout (MBO), has established the Special Committee, composed of members independent of the Offerors and Target Company, and the success or failure of the Transactions (Mr. Mutsuo Iwai (Independent Outside Director), Ms. Yumiko Noda (Independent Outside Director), Mr. Kohei Takashima (Independent Outside Director), Mr. Masaru Onishi (Independent Outside Director), Mr. Eiichi Izumo (Independent Outside Statutory Auditor) and Ms. Miyuki Ishiguro (Independent Outside Statutory Auditor) were selected as members of the Special Committee), to pay careful attention to decision making of the Target Company, eliminate the possibility of arbitrariness and conflict of interest arising from decision making process of the board of directors of the Target Company, and ensure its fairness. The members of the Special Committee have not changed since its establishment. The remuneration of the members of the Special Committee is a fixed amount as consideration for their duties, regardless of the content of the report, and no contingency fee is adopted.

The Target Company then entrusted the Special Committee to consider (i) whether the purpose of the Transactions is reasonable (including whether the Transactions will contribute to the enhancement of the corporate value of the Target Company), (ii) whether the fairness of the procedures relating to the Transactions, including the Tender Offer, is secured, (iii) whether the adequacy of the terms and conditions of the Transactions is secured, (iv) whether the Transactions is not disadvantageous to the Target Company's minority shareholders (including expression of opinion regarding the Tender Offer) and (v) whether the board of directors of the Target Company should express its opinion in favor of the Tender Offer and recommend that the shareholders of the Target Company tender their shares in the Tender Offer, and that ADRs' owners receive common shares of the Target Company pertaining to ADRs in advance and tender their shares in the Tender Offer (collectively, the "Matters for Consultation"), and to submit a written report on the Matters for Consultation to the Target Company.

In addition, the Target Company established the Special Committee on the premise that the board of directors' decision-making regarding the Transactions will give utmost respect to the contents of the report based on the above-mentioned entrustment, and in particular, if the Special Committee determines that the terms and conditions regarding the Transactions are not reasonable, the board of directors of the Target Company will not approve the Transactions under such terms and conditions. Further, the board of directors of the Target Company resolved that the Special Committee shall: (i) to ensure fair negotiation between the Target Company and the Offerors, where the officers and employees of the Target Company or advisors of the Target Company, etc. engage in negotiations, be substantially involved in the negotiation process between the Target Company and the Offerors concerning the terms and conditions of the Transactions, by receiving a timely report on the status of negotiations with the Offerors in order, expressing their opinions, giving instructions and requesting at important points; (ii) consider the degree of the measures that should be implemented to ensure fairness of the Transactions and express opinions and proposals as needed; (iii) when making a report on the Matters for Consultation, upon approval of the financial or legal advisors for the Target Company (approval-after-the-fact included), receive expert advice from such advisors or retain its own financial or legal advisors and receive expert advice from such advisors (the Target Company will bear the cost in this case); and (iv) when making a report on the Matters for Consultation, have the authority to receive information necessary for consideration and decision on the Transactions from officers and employees of the Target Company, as needed.

(ii) Process of Consideration

Meetings of the Special Committee have been held a total of 18 times during the period from June 9, 2023, to November 10, 2023, to carefully consider and discuss the Matters for Consultation. Specifically, on June 9, 2023, the Special Committee first approved the appointment of Daiwa Securities, which is a financial advisor and a third-party appraiser of the Target Company, and Anderson Mori & Tomotsune, which is a legal advisor of the Target Company, after confirming that there were no issues regarding their independence and expertise. Furthermore, the Special Committee confirmed that there were no issues with respect to the review system for the Transactions (including the scope and functions of the officers and employees of the Target Company who are involved in the review, negotiation and decision-making processes concerning the Transactions) established internally by the Target Company from the standpoints of independence and fairness. Afterwards, in considering the Matters for Consultation, the Special Committee was explained by the Target Company about the business environment of the Target Company, the purpose of the Transactions proposed by the Offerors, and the impact of the Transactions on the Target Company's business, and had a question-and-answer session with respect to those matters. The Special Committee asked the Offerors questions about the purpose and background of the Transactions and the management policy after the execution of the Transactions, and received a written answer from the Offerors. The Special Committee was briefed by the Target Company on the latest business performance and the contents of the Target Company's financial statements and the business plan prepared by the Target Company for 3 fiscal years from March 2024 until March 2026 (the "Business Pan"), and had a question-and-answer session with respect to those matters. Furthermore, the Special Committee was briefed by Daiwa Securities, a third-party valuation institution, on the valuation result of the Target Company Shares and engaged in a question-and-answer session. In addition, the Special Committee received a timely explanation from the Target Company on the negotiation status regarding the Tender Offer Price between the Target Company and the Offerors, and conducted a question-and-answer session. Furthermore, the Special Committee was briefed by Anderson Mori & Tomotsune, the legal advisor for the Target Company, on the details of measures to ensure procedural fairness with respect to the Transactions, and measures to avoid conflicts of interest including the method and process of decision making at the meetings of the board of directors with respect to the Transactions, and conducted a question-and-answer session with respect to these points.

As described in "(ii) Process of examination" in "(iii) Decision-making process and reasons of the Target Company to issue the opinion to support the Tender Offer" in "(2) Background, purpose, and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer" in "1. Purpose of the Tender Offer" above, the Special Committee, after receiving on September 30, 2023, the Offerors' the First Proposal that the Tender Offer Price per share of Target Company Shares be set at JPY 2,300 and the Tender Offer Price per share of ADRs be set at JPY 2,300, received a timely report from the Target Company whenever a proposal or communication from the Offeror is received regarding the price, discussed and considered the details after hearing the views of the Target Company based on the advice from the financial point of view received from Daiwa Securities, acting as financial advisor to the Target Company, and, by expressing its opinion on the terms and conditions, including the Tender Offer Price, in material circumstances, was substantially involved in discussions and negotiations regarding the terms and conditions of transactions between the Target Company and the Offeror, including the Tender Offer Price. As a result, the Target Company received a final proposal from the Offerors on November 1, 2023, which includes setting the Tender Offer Price per share of Target Company Shares at JPY 2,600 and setting the Tender Offer Price per share of ADRs at JPY 2,600.

(iii) Contents of the Decision

The Special Committee carefully discussed and examined the Matters for Consultation based on the contents of each investigation, discussion and consideration described above, the contents of the explanation and Share Valuation Report received from Daiwa Securities, the financial advisor of the Target Company, at the request of the Target Company, and the contents of the legal advice received from Anderson Mori & Tomotsune. As a result, on November 10, 2023, the Special Committee unanimously submitted to the Target Company's board of directors a written report containing the following contents.

(a) Contents of the report

(A) The purpose of the Tender Offer including the Transactions was found as reasonable (the Transactions will contribute to the enhancement of the Target Company's corporate value).
(B) The fairness of the procedures relating to the Transactions including the Tender Offer was found to have been secured.
(C) The appropriateness of the terms and conditions of the Transactions was found to have been secured.
(D) Based on (A) through (C) above, it was found that the decision of implementation of the Transactions (including expression of opinion about the Tender Offer) will not be disadvantageous to minority shareholders of the Target Company.
(E) Based on (A) through (D) above, it was found appropriate at the present time for the Target Company's board of directors to express a supporting opinion to the Tender Offer, recommend that the shareholders of the Tender Offer tender their shares in the Target Company and recommend that the holders of ADRs accept the delivery of the common shares of the Target Company pertaining to the ADSs represented by ADRs in advance, and then tender their shares in the Tender Offer.

(b) Reasons for the report

(A) Whether the purposes of the Transactions including the Tender Offer can be seen as reasonable (the Transactions will contribute to the enhancement of the corporate value of the Target Company).

Given the following points, the improvement in corporate value expected as a result of the Transactions is not unreasonable, and there are no major contradictions or discrepancies between the expectations of the Offerors and those of the Target Company, and because the execution of the Transactions will serve to contribute to the resolution of the management issues recognized by the Target Company; therefore, it has been found that the Transactions including the Tender Offer will contribute to the improvement of the corporate value of the Target Company, and that its purpose is justified and reasonable.

・According to the Target Company, the Target Company formulated the Transformation Business Plan in May 2023 by way of a brush-up of the Medium-Term Management Plan. The Transformation Business Plan aims to achieve sustainable growth by realizing a profit structure consisting of three pillars of earnings: Core Education, Core Nursing Care, and New Areas, while working to solve social issues centered on people, by reforming the group and portfolio structure. In order to enhance the Target Company's corporate value over the medium to long term in a business environment in which significant changes are expected to continue, the Target Company believes that it would be beneficial to utilize external management resources as well as its own management efforts. Also, as the Target Company must always be mindful of the impact of the short-term fluctuations in its financial results on the stock market so long as the Target Company is listed, pursuing short-term financial results and implementing mid- to long-term management strategy simultaneously and promptly would be a very difficult challenge for the Target Company. Under these circumstances, the Target Company believes that it will be possible to implement its management measures in a flexible and steady manner by making full use of EQT's network and know-how, and by taking the Target Company private through the Transactions, thereby enabling EQT to allocate its management resources to the Target Company Group. The Target Company came to the conclusion that these efforts will contribute to the realization of the Transformation Business Plan and the further enhancement of the corporate value of the Target Company, and in principle, the utilization of external management resources and delisting as part of strategies for the resolution of such management issues can serve to contribute to the enhancement of the corporate value of the Target Company.

・According to the Offerors, the outline of the enhancement of the Target Company's corporate value through the Transactions envisioned by the Offerors includes that (i) by continuing to provide high quality services to a wide range of customers in both the education and nursing care businesses, which the Target Company has been working on, and by utilizing digital expertise and know-how of EQT's industry advisors, provision of human resources through EQT's network, and the experience gained from its portfolio companies, the Target Company aims to strengthen its competitiveness, develop and expand new businesses, and provide higher value to existing customers; (ii) in the medium to long term, the Target Company will aim to realize the Offerors' goal of a global platform to provide "well-living" to every generation around the world by engaging in education for people with disabilities and minorities, as well as alternative education; and (iii) in addition to the realization of business expansion through domestic M&As and global expansion through overseas M&As, the Target Company can focus on its overseas businesses in China, India, and other countries to realize specific business collaborations with companies within the EQT portfolio.

・Through the Transactions, the Target Company can (i) promote digitalization and work efficiency in the education business, utilize know-how of the EQT and collaborate with the businesses of its investee companies on a global basis, thereby creating new education services tailored to the diverse needs of customers while utilizing the data owned by the Target Company at the same time; (ii) by utilizing the EQT's overseas know-how and network, expand and upgrade its overseas business activities in China and India, create value through business collaborations with the EQT's investee companies as well as business expansion in adjacent markets in Asia and expansion into new regions through large-scale M&As; and (iii) by utilizing the knowledge, network and resources of the EQT, which is specialized in supporting acquisitions of investee companies, expect to enhance its corporate value including synergies for full support for M&A for its mid- to long-term growth. The details of the above-mentioned enhancement of corporate value, while concrete measures to realize such enhancement will need to be worked out in the future, are generally in agreement and reasonable as they do not significantly contradict with each other or clearly contradict with objective facts.

・According to the Offerors and the Target Company, in order to implement the abovementioned measures in a timely manner corresponding to the rapid changes in the business environment surrounding the Target Group, the Target Company must establish a prompt decision-making structure and improve its management flexibility. By implementing the Transactions and taking the Target Company private, it is possible to establish a management structure that enables flexible decision making and improve the speed of business development. While the Target Company has not ruled out large-scale M&As with other business partners that fit the Target Company's strategies or delisting that ultimately follows, in light of the Target Company's management philosophy, there were no agreeable business partners, and no discussions progressed. In the course of repeated discussions following the Offerors' proposal on the Transactions, the Target Company has come to the conclusion that the Offerors understand the management philosophy of the Target Company and that EQT has agreed with it. Further, rather than implementing structural reforms while maintaining the listing of the Target Company, the Target Company believes that taking it private will enable the company to promote more fundamental investments without being expected to pursue returns on the stock market. In addition, it also believes that by utilizing new management resources such as EQT's network, promoting to globalize the Target Company's organizational structure, and actively implementing M&As with a sense of speed will contribute to achieving the Transformation Business Plan. In view of the above, it won't be unreasonable for the Target Company to conclude that it aims to enhance its corporate value through the Transactions not through bold business transformation while maintaining the listing or delisting through M&As with other business partners but based on a proposal from the Offerors and based on the Offerors' understanding and empathy for the Target Company's management philosophy as well as by utilizing the EQT's management resources as appropriate.

・According to the Offerors, (i) the Target Company's plan after the Transactions is to improve the treatment and expand the incentive structure that rewards employees, while maintaining current employment status for its current employees, (ii) although EQT is a foreign fund, the Target Company's officers and employees plan to continue to conduct business in the field of education and nursing care, and its daily operations and relationships with customers, business partners and other stakeholders will remain the same as before the Transactions, and it also expects that the brand that the Target Company has built up so far will continue, and, Offerors do not expect any negative impact on the Target Company's customers and business partners as a result of the implementation of the Transactions nor do they expect the damage to the credibility of the Target Company's brand and services, and (iii) with respect to EQT, a foreign fund originating from Northern Europe, becoming a major shareholder, it expects that the customers in the domestic school education and nursing care businesses will understand and be satisfied so long as we explain carefully that EQT shares a vision with the founding family members, and the risk of damaging the value of the Target Company's school education business in a relationship with customers, etc. is low by EQT's becoming a shareholder of the Target Company pursuant to the Transactions. Therefore, no particular circumstances can be found that would be recognized as a significant obstacle to the enhancement of the Target Company's corporate value through the Transactions.

(B) Whether the fairness of the procedures for the Transactions is secured.

In light of the following points, it can be concluded that the fairness of the procedures relating to the Tender Offer and the Transactions are secured in the Transactions because (i) the process of forming the terms and conditions of the Transactions warrants an arm's length transaction, and (ii) adequate measures has been adopted to ensure fairness from the viewpoint of ensuring that general shareholders have an opportunity to make an appropriate decision based on sufficient information, and such measures are being effectively implemented. According to the Offerors, the minimum number of shares to be purchased is the number of voting rights pertaining to the number of shares calculated by deducting the number of treasury shares owned by the Target Company, from the total number of outstanding shares of the Target Company, multiplied by two-thirds, less the number of voting rights pertaining to the Untendered Shares, which is then multiplied by 100, which is a share unit of the Target Company. If the minimum of the so-called “Majority of Minority,” which is the majority of the Target Company Shares held by shareholders of the Target Company who have no interest in the Offeror, is set, the completion of the Tender Offer would be destabilized, which in turn might not serve the interests of general shareholders who wish to tender in the Tender Offer; therefore, no minimum of the so-called “Majority of Minority” was set in the Tender Offer. However, since the Offerors and the Target Company implemented the measures below, the Offerors and the Target Company believe that due consideration has been given to the interests of the Target Company’s general shareholders.

・The Company has established the Special Committee consisting of independent outside directors and independent outside statutory auditors who are independent from the Offerors, the Target Company, and the success or failure of the Transactions. Based on the timing of its establishment, its authority, etc., the Special Committee can be found to have been effectively functioning to ensure fairness.

・For the Target Company, since Hideaki Fukutake, a director, has been found to have a special interest with respect to the Transactions, he will not participate in the resolution regarding the expression of opinion on the Tender Offer, and it is expected that the resolution will be adopted by all directors except Hideaki Fukutake. According to the Target Company’s press release, the Targe Company’s board of directors resolved that it would express a supporting opinion on the Tender Offer and recommend that shareholders and holders of ADRs tender their shares, unanimously by all seven (7) directors who participated in the resolution, and all four (4) statutory auditors are planning to express their opinion that they have no objection to the above resolution. In addition, the Target Company has established the Special Committee to obtain its opinions on the premise that the board of directors’ decision-making regarding the Transactions will give utmost respect to their decision, and if the Special Committee determines that the terms and conditions of the Transactions are not reasonable, the board of directors of the Target Company will not approve the Transactions under such terms and conditions. Based on these factors, the arbitrariness of the Target Company’s decision making with respect to the Transactions has been eliminated, and the fairness, transparency, and objectiveness of the decision-making process have been ensured.

・The Target Company has been receiving legal advice from Anderson Mori & Tomotsune as a legal advisor, which is independent from the Offerors, the Target Company, and the success or failure of the Transactions.

・The Target Company has obtained the Share Valuation Report as a document concerning the share value of the Target Company Shares from Daiwa Securities as a third-party valuation institution, which is independent from the Offerors, the Target Company, and the success or failure of the Transactions.

・Although the purchase period of the Tender Offer is scheduled to be set as 20 business days, which is the shortest period under the applicable laws and regulations, the Tender Offer is a so-called pre-announced tender offer, which allows a relatively long period of time until the commencement of the Tender Offer after the announcement of a series of terms and conditions including the Tender Offer Price. Therefore, it is found that the shareholders of the Target Company and the holders of ADRs have an appropriate opportunity to decide the tendering in the Tender Offer and that an opportunity to make an acquisition proposal for a competitive purchase is also ensured. Furthermore, as no agreement which would unduly restrict the Target Company's contact with any person proposing a competitive purchase is entered into between the Target Company and the Offerors, so-called indirect market checks are considered to have already been conducted by conducting an M&A after establishing an environment which allows other potential acquirers to make a competitive purchase after the announcement.

・In the Transactions, each press release is expected to disclose substantial information on the authority granted to the Special Committee, the process of consideration by the Special Committee and its involvement in the process of negotiating the terms and conditions of the Transactions with the Offerors, the contents of the Report and the remuneration structure for the members of the Special Committee, the outline of the Share Valuation Report, and the process leading up to and including negotiations for the implementation of the Transactions. It is deemed that the Target Company has provided its shareholders with material information that would assist their judgment on the appropriateness of the terms and conditions of the Transactions.

・If the Offeror fails to acquire all of the Company's shares and the ADRS in the Tender Offer, the Offeror intends to implement the Squeeze-Out Procedures by way of a share consolidation. Given that consideration was given to ensure that the holders of ADRs and the shareholders of the Target Company will not be treated unfavorably in these procedures, it can be said that consideration was given to avoid coerciveness.

(C) Whether the appropriateness of the terms and conditions of the Transactions is secured.

Based on the points below, the Tender Offer Price is found to be appropriate and the terms and conditions of the Tender Offer including the Transactions are found to be appropriate, subject to the status of negotiation for the Transactions and the appropriateness of the scheme, etc.

・With respect to the negotiation of the Tender Offer Price, the Tender Offer Price (JPY 2,600 per share) was determined based on the initial offer price (JPY 2,300 per share) proposed by the Offerors and the results of the provisional share valuation by Daiwa Securities, followed by negotiations with the Tender Offerors with the advice from Daiwa Securities, taking into consideration the requests from the Special Committee to raise the tender offer price, which led to successfully cause the Company and Daiwa Securities to make proposals with increased tender offer price 4 times, before reaching a final agreement. The series of negotiation were shared and explained to the Special Committee by the Target Company and Daiwa Securities in a timely manner at committee meetings or by e-mail. As a result, it can be found that the final Tender Offer Price has been reasonably increased from the initial offer price, and that the negotiations were conducted by the Target Company with the aim to make the Transaction as understandable and favorable as possible to general shareholders. Based on the above, it can be inferred that the agreement on the Tender Offer Price in the Transactions was reached as a result of negotiations between the Target Company and the Offerors based on objective and consistent discussions that are substantially at arm’s length, and no facts have been found which would raise a doubt about transparency and fairness of the agreement process.

・The Business Plan has been prepared on a standalone basis without assuming the implementation of the Transactions, and there was no change in the process of formulation before or after receipt of the Initial Letter of Intent dated May 22, 2023, which can be considered a sincere proposal for the Transactions, nor has there been any evidence that the Offerors or their related parties were involved in or influenced the preparation of the Initial Letter of Intent. The Target Company has provided certain explanations to the Offerors with respect to the Business Plan in the course of the negotiations with the Offerors, but there is no indication that any formulation or modification was done at the direction of or with the intention of the Offerors. In addition, the Target Company provided the Special Committee with an opportunity to explain the basis, etc., for the Business Plan, and a question-and-answer session was held, but during which no facts were discovered that would require revision of the Business Plan or otherwise raise a doubt as to the reasonableness of the Business Plan. Based on the foregoing, there was no evidence of any pressure from the Offerors intervening in the process of formulating the Business Plan, nor were there any unreasonable forecasts in its contents.

・With regard to the Share Valuation Report, based on the interviews with Daiwa Securities, the Target Company found that there were no unreasonable points in the choice of the market price method, the comparable multiple valuation method, the DCF Method, or their respective calculation methods and bases. On the basis of the foregoing, the Tender Offer Price of JPY 2,600 per share is (i) found to exceed the result of the calculation using the market price method, (ii) exceeds the calculation result of the calculation using the comparable multiple valuation method, and (iii) within the range of the result of the calculation using the DCF Method by Daiwa Securities and above the median price. Furthermore, the Tender Offer Price of JPY 2,600 per share is calculated by adding a premium of 41.23% to 45.90% against the closing price of the Target Company Shares on the Tokyo Stock Exchange until November 10, 2023 (the closing price on the immediately preceding date and the average closing prices for the past one (1) month, past three (3) months, and past six (6) months ended on that date). Considering the interviews with Daiwa Securities, it is found that the level of premium that is comparable to other similar transactions has been ensured in the Tender Offer.

・The method of conducting a tender offer as a first stage and a consolidation of shares as a second stage is the method generally employed in this type of private transaction, and as to the second stage of the procedure, a petition for pricing can be filed with the court after exercising appraisal rights. As the consideration to be received by shareholders and holders of ADRs is cash, the method of the Transactions is desirable because it is easy to understand the consideration, and the value of such consideration is highly stable and objective. It is also desirable over share exchange or other corporate reorganization with the consideration payable by shares, etc., in light of the possibility to request to expeditiously make the Target Company a wholly-owned subsidiary while ensuring the opportunity and time for general shareholders to make an informed and appropriate decision. It is also clarified that upon implementing a share consolidation, the amount to be delivered to the shareholders of the Target Company as consideration will be calculated so that it is equal to the Tender Offer Price multiplied by the number of the Target Company Shares held by each shareholder. Furthermore, it is also clarified that when such amount is delivered to the Depositary Banks, an amount of money equal to the Tender Offer Price multiplied by the number of the Target

Company Shares held by the Depositary Banks is planned to be delivered, and upon cancelling ADRs pursuant to the provisions set forth in ADRs, the Depositary Banks is entitled to deliver to each holder of ADRs in accordance with the number of ADRs held by it, the amount calculated by converting the amount delivered to the Depositary Banks into U.S. dollars minus the Depositary Banks' fees and taxes. Based on the above, it is reasonable to adopt the two-step acquisition method which involves a tender offer for acquisition and uses cash as the consideration for the acquisition.

(D) Whether the execution of the Transactions (including expressing an opinion on the Tender Offer) is not adverse to the interests of the minority shareholders.

Given that there are no issues with respect to (A) through (C) above, it is not disadvantageous to the minority shareholders of the Target Company if the Transactions is executed.

(E) Whether it is appropriate for the board of directors of the Target Company to express an opinion supporting the Tender Offer and to recommend that the shareholders of the Target Company Shares tender their shares in the Tender Offer, and that ADRs' owners receive common shares of the Target Company pertaining to ADRs in advance and tender their shares in the Tender Offer.

Given that there are no issues with respect to (A) through (D) above, it is reasonable for the Target Company's board of directors to express its supportive opinion to the Tender Offer at the time of the public announcement of the planned commencement of the Tender Offer, and recommend to shareholders of the Target Company to tender in the Tender Offer and to holders of ADRs to tender in the Tender Offer after delivering ADRs to the Depositary Banks in advance after receiving the Target Company Shares in respect of such ADRs.

(ii) Obtaining share valuation reports from independent third-party valuers of the Target Company

The Target Company requested Daiwa Securities to evaluate the value of the Target Company Shares as a financial advisor and a third-party valuation institution independent of the Target Company and the Offerors, to ensure the fairness in decision making process of the Tender Offer Price proposed by the Offerors, and obtained the Share Valuation Report from Daiwa Securities on November 9, 2023. Daiwa Securities is not a related party to either the Target Company or the Offerors and does not have any material interest which should be stated in relation to the Transactions. The fee payable to Daiwa Securities for the Transactions includes a contingency fee which is payable upon completion of the Transactions. The Target Company selected the above-mentioned fee structure when selecting Daiwa Securities as its financial advisor and third-party valuation institution , based on the belief that independence would not be impaired if the contingency fee payable upon completion of the Transactions is included, taking into consideration general practice in similar transactions and the pros and cons of a fee structure under which the Target Company will bear a corresponding financial burden if the Transactions fail to close. The Special Committee has confirmed that there are no issues with the independence of Daiwa Securities.

(a) Names of third-party valuation institutions and their relationship with the Target Company and the Offeror

In rendering its opinion regarding the Tender Offer, the Target Company requested Daiwa Securities, which is a financial advisor and a third-party valuation institution independent of the Target Company and the Offerors, to evaluate the value of Target Company Shares, and obtained the Share Valuation Report from Daiwa Securities as of November 9, 2023. As described in "(Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the Tender Price and measures to avoid conflicts of interest)" above, taking into account the fact that the Target Company and the Offerors have implemented measures to ensure the fairness of the Tender Offer Price and the fairness of the Transactions including the Tender Offer as well as measures to avoid conflicts of interest (for detail, please refer to "(Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the Tender Price and measures to avoid conflicts of interest)" above), the Target Company considered that the fairness of the Transactions including the Tender Offer Price is secured, and no opinion regarding the fairness of the Tender Offer Price (fairness opinion) has been obtained from Daiwa Securities. Furthermore, the fee payable to Daiwa Securities related to the Transactions includes a contingency fee payable upon the completion of the Transactions and other conditions. The Target Company selected Daiwa Securities as its financial advisor and third-party valuation institution in accordance with the above-mentioned fee structure, based on the belief that independence would not be impaired if the contingency fee payable upon completion of the Transactions is included, taking into consideration general practice in similar transactions and the pros and cons of a fee structure under which the Target Company will bear a corresponding financial burden if the Transactions fail to close.

The Special Committee, at its first meeting, approved the financial advisor and third-party valuation institution selected by the Target Company, as there were no issues of their independence and expertise, and confirmed that the Special Committee may receive expert advice as necessary.

(b) Summary of Valuation

The Target Company obtained the Share Valuation Report on November 9, 2023.

As a result of an examination of the calculation method used in the Tender Offer, Daiwa Securities, based on the belief that it is appropriate to evaluate Target Company Shares' value from various perspectives under the assumption that the Target Company is a going concern, calculated the share value per share of the Target Company Shares by using the market price method because the Target Company Shares are listed on the Tokyo Stock Exchange Prime Market and there is a market share price, the comparable multiple valuation method because there are several similar listed companies which are comparable to the Target Company and it is possible to compare the share value with the market values of similar listed companies, and the DCF Method in order to reflect the status of the Target Company's future business activities in the calculation. The ranges of share values per share of the Target Company Shares calculated by Daiwa Securities based on the above methods are as follows:

| | |
|---|---|
| Market Price Method | JPY 1,782 to JPY 1,841 |
| Comparable Multiple Valuation Method | JPY 1,487 to JPY 1,942 |
| DCF Method | JPY 2,121 to JPY 2,965 |

Under the market price method, the share value per share of the Target Company Shares was calculated by setting the calculation date to be November 9, 2023, and based on the Target Company Share's closing price of JPY 1,791.5 on the Tokyo Stock Exchange's Prime Market on the calculation date; the simple average closing price of JPY 1,782 for the past one (1) month ended on that date; the simple average closing price of JPY 1,826 for the past three (3) months ended on that date; and the simple average closing price of JPY 1,841 for the past six (6) months ended on that date, the range of share values per share of the Target Company Shares was calculated to be between JPY 1,782 and JPY1,841.

Under the comparable multiple valuation method, the Target Company Group conducted a Sum of the Parts Analysis (the "SoTP Analysis"), which classifies the Target Company Group's businesses into education business and nursing care business to evaluate their values. With regard to the education business, Daiwa Securities selected Nagase Co., Ltd., Waseda Academy Co., Ltd., Splix Inc., Meiko Network Japan Co., Ltd., Step Co., Ltd., Gakkyusha Co., Ltd., and JustSystems Corporation as listed companies that engage in a relatively similar business. With regard to the nursing care business, Daiwa Securities selected Solasto Corporation, Saint-Care Holding Corporation, and Charm Care Corporation as listed companies that engage in a relatively similar business. The business value of the Target Company was calculated by combining the business values of both the education business and the nursing care business using the EBITDA multiple to the business value, and the range of the share value per share of the Target Company Shares was calculated to be between JPY 1,487 and JPY 1,942.

Under the DCF Method, Daiwa Securities also conducted the SoTP Analysis and evaluated the value of each of the financial forecasts for the education business and the nursing care business. Based on the revenue forecast and investment plan for the Business Plan, Daiwa Securities calculated the business value of each of the businesses by discounting the free cash flow that the Target Company is expected to generate in and after the third quarter of the fiscal year ending March 2024 to their present value at a certain discount rate, and calculated the business value of the Target Company by combining the respective business values, and then calculated the range of the share value per share of Target Company Shares to be between JPY 2,121 and JPY 2,965. The discount rates used range between 6.4% and 7.2% for the education business and 7.6% and 8.2% for the nursing care business. The perpetual growth method was adopted for calculating both the education business and the nursing care business, with the perpetual growth rate ranging between -0.5% and 0.5% for the education business and 0.0% and 1.0% for the nursing care business.

The Business Plan, which Daiwa Securities used for the analysis using the DCF Method, includes a fiscal year with expected significant increases or decreases in profits compared to the previous fiscal year. Specifically, in the third and fourth quarters of the fiscal year ending March 2024, the Target Company expects a temporary decrease in free cash flow due to seasonal fluctuations such as an increase of inventory in the education business, but it is expected to increase in the fiscal year ending March 2024. In the fiscal year ending March 2026, the Target Company expects an increase in operating profit and free cash flow mainly due to an increase in Udemy's net sales for corporate clients in the education business, and an increase in operating profit and free cash flow mainly due to an increase in the number of nursing home offices and a recovery in the occupancy rate resulting from the decrease of the impact of COVID-19 in the nursing care business. Furthermore, with respect to measures to improve corporate value expected by the Offerors after the realization of the Transactions, since the Company is not aware of any matters capable of quantitatively evaluating the possibility of significant influence on the valuation at present, it has not taken into account the following financial projections. Accordingly, financial projections in the Business Plan are not necessarily conditional upon the execution of the Tender Offer.

The financial projections of the Target Company using the DCF Method are as follows:

(Unit: in JPY million)

| Education Business | 2024 March 31 (6 months) | 2025 March 31 | 2026 March 31 |
|---|---|---|---|
| Revenue | 146,567 | 295,483 | 316,705 |
| Operating profit | 4,124 | 12,012 | 16,996 |
| EBITDA | 10,286 | 23,731 | 28,643 |
| Free cash flow | △6,624 | 4,506 | 11,243 |

(Unit: in JPY million)

| Nursing care business | 2024 March 31 (6 months) | 2025 March 31 | 2026 March 31 |
|---|---|---|---|
| Revenue | 73,321 | 152,721 | 164,789 |
| Operating profit | 5,910 | 12,000 | 15,000 |
| EBITDA | 9,840 | 20,188 | 23,906 |
| Free cash flow | 4,042 | 3,258 | 7,502 |

(iii) Obtaining advice from independent law firms for the Target Company

In order to ensure the fairness and appropriateness of the decision-making process of the Target Company's board of directors regarding the Transactions, the Target Company appointed Anderson Mori & Tomotsune as a legal advisor independent of the Offeror and the Target Company. The Target Company has received legal advice from Anderson Mori & Tomotsune on the method and process of decision-making by the board of directors of the Target Company and other points to be noted in making decisions including various procedures of the Transactions. Anderson Mori & Tomotsune is not a related party to either the Offeror or the Target Company, and does not have any material interest in the Transactions. It is further noted that Anderson Mori & Tomotsune's legal fee for the Transactions is calculated by multiplying the number of working hours by applicable hourly rates, regardless of the success or failure of the Transactions, and does not include any contingency fees to be paid on the condition that the Transactions are completed or the like. In addition, the Special Committee has confirmed that there are no issues with the independence of Anderson Mori & Tomotsune.

(iv) Approval of all the Target Company's directors who do not have interest and an opinion of all statutory auditors who do not have interest that there is no objection.

The Target Company has carefully considered the legal advice received from Anderson Mori & Tomotsune and the contents of the Share Valuation Report obtained from Daiwa Securities as of November 9, 2023, and, while giving utmost respect to the contents of the Report submitted by the Special Committee, discussed from the perspectives of whether it is possible to enhance the corporate value of the Target Company through the Transactions and whether the interests to be enjoyed by minority shareholders are ensured by the Transactions through fair procedures.

Based on the foregoing, as described in “(iii) Decision-making process and reasons of the Target Company to issue the opinion to support the Tender Offer” in “(2) Background, purpose, and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer” in “1. Purpose of the Tender Offer” above, the board of directors of the Target Company at its meeting held today unanimously, among the directors who participated in the deliberation and resolution (7 of the total of 8 directors excluding Mr. Hideaki Fukutake), adopted a resolution expressing their opinion in favor of the Tender Offer if the Tender Offer is commenced, and also recommending to ADRs shareholders of the Target Company to have ADRs delivered to the Depositary Banks in advance, receive the Target Company Shares for such ADRs, and tender them in the Tender Offer. All of the Target Company’s 4 statutory auditors attended the abovementioned meeting of the board of directors, and all of them expressed their opinion that they have no objection to the above resolution.

At the above-mentioned meeting of the board of directors of the Target Company, Mr. Hideaki Fukutake, who has a structural conflict of interest with the Target Company in relation to the Transactions among the 8 directors of the Target Company, did not participate in the deliberation or resolution of the abovementioned meeting in order to avoid any conflicts of interest, nor did he participate in the discussions or negotiations with the Offerors in relation to the Transactions, in his capacity as the Target Company. Furthermore, Mr. Yoshinori Matsumoto, a statutory auditor of the Target Company, who serves as a councilor of Fukutake Education and Culture Foundation, did not attend the deliberations and resolutions of the Board of Councilors at Fukutake Education and Culture Foundation concerning the Transactions, or did he attend the considerations and discussions with the Offerors in his capacity as a councilor of Fukutake Education and Culture Foundation.

As mentioned above, the Offeror is expected to promptly implement the Tender Offer if Conditions Precedent are satisfied (or waived by the Offeror). As of today, the Offeror aims to commence the Tender Offer around early February 2024. However, as it is difficult to accurately predict the period of time required for procedures, etc. before domestic and foreign authorities which have jurisdiction over procedures pertaining to the Clearance, the details of the schedule for the Tender Offer will be announced promptly after they have been determined.

For this reason, at the aforementioned board of directors meeting, the Target Company resolved that, upon the commencement of the Tender Offer, the Special Committee of the Target Company review whether or not there are any changes to the opinion described in the Report submitted by the Special Committee to the Target Company’s board of directors as of November 10, 2023, and that, if there are any changes to the previous opinion, the Special Committee consult with the board of directors to that effect and issue a new opinion regarding the Tender Offer accordingly upon the commencement of the Tender Offer.

(v) Measures to ensure an opportunity for other purchasers to make purchases

The Offeror aims to commence the Tender Offer in or around early February 2024. Since there will be a long period of time before the start of the Tender Offer, it believes that an opportunity for the Target Company’s general shareholders to make appropriate decisions concerning their tendering in the Tender Offer and for persons other than the Offeror to make purchases of the Target Company Shares have been secured. With respect to the Tender Offer, although the Offeror has set a tender offer period to be the legally required minimum period of 20 business days, since there will be a long period between the announcement of the commencement of the Tender Offer and the actual commencement of the Tender Offer, an opportunity has been secured for the shareholders of the Target Company and the owners of ADRs to make a reasonable decision as to whether to tender in the Tender Offer and for any person other than the Offeror to purchase the Target Company Shares. In addition, the Offerors have not entered into any agreement with the Target Company that would restrict the Target Company from contacting any competing takeover bidder, including any agreement containing such restriction in a trade protection provision. With this and the ample period before the commencement of the Tender Offer mentioned above taken together, the opportunity for a competitive purchase, etc. is secured, and the fairness of the Tender Offer is respected in conjunction with.

(vi) Measures to ensure that shareholders of the Target Company have an opportunity to make appropriate decisions as to whether to tender to the Tender Offer

As set forth in "(4) Policy for organizational restructuring after the Tender Offer (matters relating to a so-called "Two-Step Acquisition") in "1. Purpose of the Tender Offer" above, (a) promptly after the completion of the settlement of the Tender Offer, the Offeror plans to request the Target Company to hold the Extraordinary Shareholders' Meeting, the agenda of which includes a proposal to partially amend its articles of incorporation to abolish the provision of share unit numbers, subject to the completion and effectuation of the Share Consolidation, and no action shall be taken which would not secure the rights to request purchase of shares or rights to request pricing of shares for Target Company's shareholders and the holders of ADRs; and (b) since the Offeror has clarified that, upon the completion of the Share Consolidation, the amount of money to be delivered to the shareholders of the Target Company as consideration will be calculated in such a way that makes it equal to the Tender Offer Price multiplied by the number of Target Company Shares held by each such shareholder. As a result, the Offeror ensures that shareholders of the Target Company and holders of ADRs after the Tender Offer are given opportunities to make appropriate judgments about whether to tender to the Tender Offer, to avoid oppressive effects.

(iii) Relationship with calculation agent

Not applicable.

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

| Number of shares to be purchased | Minimum number of shares to be purchased | Maximum number of shares to be purchased |
|---|---|---|
| 79,980,331 (shares) | 47,818,900 (shares) | - (shares) |

Note 1: If the total number of Tendered Share Certificates, Etc. is less than the minimum number of shares to be purchased (47,818,900 shares), the Offeror will not purchase any of the Tendered Share Certificates, Etc. If the total number of Tendered Share Certificates, Etc. is equal to or exceeds the minimum number of shares to be purchased (47,818,900 shares), the Offeror will purchase all the Tendered Shares Certificates, Etc.

Note 2: In the Tender Offer, the Offeror has not set a maximum number of shares to be purchased, so the number of shares to be purchased stated above is the maximum number of Tendered Share Certificates, etc. that can be acquired by the Offeror through the Tender Offer (79,980,331 shares). This maximum number is the total number of outstanding shares of the Target Company as of September 30, 2023 (102,648,129 shares), as stated in the Target Company's Financial Results, minus the treasury shares owned by the Target Company (6,163,798 shares) and the Untendered Shares (16,504,000 shares) as of September 30, 2023, as set out in the Target Company's Financial Results.

Note 3: Shares less than one unit are also subject to the Tender Offer. If a right to request a purchase of shares less than one unit is exercised by the Target Company's shareholders in accordance with the Companies Act, the Target Company may purchase its own shares less than one unit during the Tender Offer Period in accordance with procedures required by laws and regulations.

Note 4: The Offeror does not intend to acquire the treasury shares held by the Target Company through the Tender Offer.

Note 5: The figures in "Number of shares to be purchased" and "Minimum number of shares to be purchased" above are tentative figures based on information as of today and, depending on factors including future fluctuations in the number of treasury shares held by the Target Company, actual figures may differ from the above. The "Number of shares to be purchased" and "Minimum number of shares to be purchased" will be finally determined prior to the commencement of the Tender Offer based on the latest information available at the time of the commencement of the Tender Offer.

(6) Changes to share certificate ownership percentages due to the tender offer

| | | |
|---|---|---|
| Number of voting rights represented by share certificates, etc. held by the Offeror prior to the Tender Offer | - | Ownership percentage of share certificates prior to the Tender Offer: -% |
| Number of voting rights represented by share certificates, etc. held by specially related parties prior to the Tender Offer | Undetermined | Ownership percentage of share certificates prior to the Tender Offer: Undetermined |
| Number of voting rights represented by share certificates, etc. held by the Offeror after the Tender Offer | 799,803 | Ownership percentage of share certificates after the Tender Offer: 82.89% |
| Number of voting rights represented by share certificates, etc. held by special related parties after the Tender Offer | 165,040 | Ownership percentage of share certificates after the Tender Offer: 17.11% |
| Number of voting rights of all shareholders of the Target Company | 963,111 | |

Note 1: The "number of voting rights represented by share certificates, etc. held by specially related parties prior to the Tender Offer" and the "ownership percentage of share certificates, etc. prior to the Tender Offer" have not been

determined as of today, but will be disclosed before the commencement of the Tender Offer upon investigation. Since the share certificates, etc. owned by each of the special related parties, but excluding Untendered Shares (16,504,000 shares), are subject to the Tender Offer, "Number of voting rights represented by share certificates, etc. held by special related parties after the Tender Offer" is set as 165,040.

Note 2: The "Number of voting rights represented by share certificates, etc. held by the Offeror after the Tender Offer" is the number of voting rights represented by the number of shares to be purchased (79,980,331 shares) in the Tender Offer stated in "(5) Number of share certificates, etc. to be purchased" above.

Note 3: The "Total number of voting rights of all shareholders of the Target Company" is the number of voting rights of all shareholders as of March 31, 2023, as stated in the Target Company's "First Quarterly Financial Results for the Fiscal Year Ended in March 2024" filed by the Target Company on August 10, 2023. However, since shares less than one unit are also subject to the Tender Offer, when calculating the "Ownership percentage of share certificates, etc. prior to the Tender Offer" and the "Ownership percentage of share certificates, etc. after the Tender Offer," the number of units of voting rights (964,843 units) pertaining to the number (96,484,331 shares) calculated by subtracting the number of treasury shares owned by the Target Company (6,163,798 shares) as of September 30, 2023, from the total number of outstanding shares (102,648,129 shares) of the Target Company as of the same day (208,400,000 shares), as stated in the Target Company's Financial Results, is used as a denominator.

Note 4: The "Ownership percentage of share certificates, etc. prior to the Tender Offer" and the "Ownership percentage of share certificates, etc. after the Tender Offer" have been rounded to the second decimal place.

(7) Purchase price (scheduled)

JPY 207,948,860,600

Note: The "Purchase price" has been calculated by multiplying the number of shares to be purchased (79,980,331 shares) in the Tender Offer by the Tender Offer Price (JPY 2,600), and is therefore subject to change if the actual number of shares to be purchased in the Tender Offer changes due to fluctuation, etc. in the future.

(8) Other conditions and methods of purchase

(i) Existence of conditions set forth in each item of Article 27-13, Paragraph 4 of the Act, and the details thereof

If the total number of Tendered Share Certificates, Etc. is less than the minimum number of shares to be purchased (47,818,900 shares), the Offeror will not purchase any of the Tendered Share Certificates, Etc. If the total number of the Tendered Share Certificates, Etc. is equal to or exceeds the minimum number of shares to be purchased (47,818,900 shares), the Offeror will purchase all the Tendered Share Certificates, Etc.

(ii) Other conditions and methods of purchase

The Offeror will announce the “method of settlement,” the “date of public notice of commencement of the Tender Offer,” and “other conditions and methods of purchase” as soon as these details are determined. Nomura Securities is scheduled to be appointed as the tender offer agent.

(iii) Other matters

This press release has been prepared for the purpose of informing the public of the Tender Offer and has not been prepared for the purpose of soliciting an offer to sell any securities. Any shareholder who wishes to make an offer to sell their shares in the Tender Offer should first read the Tender Offer Explanation Statement for the Tender Offer and offer his or her shares for sale and at his or her own discretion. This press release neither constitutes, nor constitutes a part of, an offer to sell or purchase, or a solicitation of an offer to sell or purchase, any securities; neither this press release (or a part thereof) nor its distribution may be interpreted to be the basis of any agreement in relation to the Tender Offer; and this press release may not be relied on at the time of entering into any such agreement.

The Tender Offer will be conducted in accordance with the procedures and information disclosure standards prescribed in the Financial Instruments and Exchange Law of Japan, which may differ from the procedures and information disclosure standards in the U.S. In particular, Section 13(e) and Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended) do not apply to the Tender Offer, and the Tender Offer does not conform to those procedures and standards. Financial information contained in this press release has been prepared based on Japanese generally accepted accounting principles and may not necessarily be directly comparable to financial statements of companies in the United States. Also, because the Offeror and the Target Company are corporations incorporated outside the U.S. and their directors are non-U.S. residents, it may be difficult to exercise rights or demands against them that can be claimed based on U.S. securities laws. In addition, shareholders may not be permitted to commence any legal procedures in courts outside the U.S. against non-U.S. corporations or their directors based on a breach of U.S. securities laws. Furthermore, U.S. courts are not necessarily granted jurisdiction over non-U.S. corporations or their directors.

To the extent permitted by the Financial Instruments and Exchange Act of Japan and other applicable laws and regulations, financial advisors and the Tender Agent of the Offeror and the Target Company and their affiliated companies may, within their ordinary course of business, purchase or engage in any act toward the purchase of the Target Company Shares for their own accounts or the accounts of their clients during the Tender Offer Period but outside of the Tender Offer in accordance with the requirements of Rule 14e-5 (b) of the Securities Exchange Act of 1934. If information relating to such purchase is disclosed in Japan, the information will be also disclosed in the same manner in the United States.

Pursuant to the requirements of Rule 14e-5 (b) of the Securities Exchange Act of 1934, the Offeror and its affiliated companies may purchase or engage in any act toward the purchase of the Target Company Shares prior to the commencement of the Tender Offer to the extent (i) permitted under the Financial Instruments and Exchange Act of Japan and other applicable laws and regulations, and (ii) set forth in this press release. If information regarding the purchase is disclosed in Japan, the information will be also disclosed in the United States as well.

All procedures relating to the Tender Offer will be conducted entirely in the Japanese language. If all or any part of a document relating to the Tender Offer is prepared in the English language and there is any inconsistency between the English document and the Japanese document, the Japanese document will prevail.

This press release includes statements that fall under a "forward-looking statement" defined in Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934. Due to known and unknown risks, uncertainties, and other factors, the actual results might differ significantly from forward-looking statements made herein implicitly or explicitly. The Offeror and its affiliates do not guarantee that the events described in such implicit and explicit forward-looking statements will actually materialize. The "forward-looking statements" in this press release were prepared based on the information obtained by the Offeror as of the date hereof and, unless required by law, the Offeror and its affiliates are not obligated to amend or revise such forward-looking statements to reflect future matters and situations.

If a right to request the purchase of shares less than one unit is exercised by shareholders in accordance with the Companies Act, the Target Company may purchase its own shares less than one unit during the Tender Offer Period in accordance with the procedures required by laws and regulations.

Restrictions may be imposed on the announcement, publication and distribution of this press release in certain countries and territories. In such cases, you are requested to take note of and comply with such restrictions. In countries or territories where taking part in the Tender Offer is illegal, receipt of this press release, even after receipt, shall not constitute an offer to sell or a solicitation of an offer to buy shares in the Tender Offer and shall be deemed to have distributed the materials only for beneficial purposes.

3. Post-tender offer policy, etc. and future outlook

For the policy, etc. after the Tender Offer, please refer to the section above titled "(2) Background, purpose, and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer," "(4) Policy for organizational restructuring after the Tender Offer (matters relating to a so-called "Two-Step Acquisition")" and "(5) Expected delisting and reasons therefor" in "1. Purpose of the Tender Offer."

4. Other matters

(1) Existence of agreements between the Offeror and the Target Company or its officers, and contents thereof

(i) Support for the Tender Offer

According to the Target Company's Press Release, at the board of directors meeting of the Target Company today, a resolution was adopted that, if the Tender Offer commences, the position of the Target Company at this point is that it will express an opinion in support of the Tender Offer and that it will recommend that the Target Company's shareholders tender their shares in the Tender Offer, and that the holders of ADRs tender their shares in the Tender Offer upon delivering their ADRs to the Depositary Banks and withdrawing the Target Company Shares pertaining those ADRs. For details of the decision-making process of the Target Company's board of directors, please refer to the Target Company's Press Release as well as (iv) Approval of all directors who do not have interest in the Target Company and no objection from all corporate auditors" in "Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" under "(ii) Process of calculation" of "(4) Basis for the calculation of the Tender Offer Price" in "2. Outline of the Tender Offer" above.

(ii) The Master Agreement

The Offeror has agreed with efu Investment, Minamigata Holdings, Fukutake Foundation, and Bezant (HK) to enter into the Master Agreement on November 10, 2023 (Fukutake Foundation will participate in the Master Agreement promptly if the intention to enter into the agreement is asked and confirmed promptly from today), whereby all of the Target Company Shares owned by Fukutake Foundation (number of shares held: 7,758,000 shares, ownership ratio: 8.04%) will be tendered in the Tender Offer, and none of the Target Company Shares owned by efu Investment and Minamigata Holdings (number of shares held: 16,504,000 shares in total, ownership ratio: 25.66% in total) will be tendered in the Tender Offer.

For details of the Master Agreement, please refer to "② The Master Agreement" of "(6) Matters relating to material agreements regarding the Tender Offer" in "1. Purpose of the Tender Offer."

(2) Other information that is considered as necessary for investors in deciding whether to tender their shares in the Tender Offer

(i) Announcement of "Consolidated Financial Results for the Second Quarter of the Fiscal Year Ended March 2024 [Japanese GAAP]"

The Target Company announced the Target Company's Financial Results as of today. For details, please refer to the announcement.

(ii) Revision of Dividend Forecast and Abolition of Shareholder Special Benefit Plan by the Target Company

The Target Company announced that, at the meeting of the board of directors held on November 10, 2023, it resolved to revise the dividend forecast for the fiscal year ending March 2024 announced on May 12, 2023, to not pay a year-end dividend for the fiscal year ended March 2024, and to abolish the shareholder special benefit plan from the fiscal year ending March 2024. For details, please refer to "Notice Concerning Revision of Dividend Forecast for Fiscal Year Ending March 2024 (No Dividend) and Abolition of Shareholder Special Benefit Plan” announced by the Target Company today.

End.

[Regulations on Solicitation]

This press release is intended to provide information relating to the Tender Offer to the public and has not been prepared for the purpose of soliciting an offer to sell shares. If shareholders wish to make an offer to sell their shares, they should first read the Tender Offer Explanation Statement concerning the Tender Offer and make an offer to sell their shares at their own discretion. This press release shall neither be, nor constitute a part of, an offer to sell or purchase, or solicitation to sell or purchase, any securities, and neither this press release (or a part of this press release) nor its distribution shall be interpreted to constitute the basis of any agreement in relation to the Tender Offer, and this press release may not be relied upon at the time of entering into any such agreement.

[US Regulations]

The Tender Offer shall be implemented in compliance with the procedures and information disclosure standards provided by the Financial Instruments and Exchange Act of Japan, which procedures and standards are not necessarily identical to the procedures and information disclosure standards applied in the United States. Specifically, Section 13(e) or Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended; "Securities Exchange Act") or the rules promulgated under such Sections do not apply to the Tender Offer, and the Tender Offer is not necessarily in compliance with the procedures and standards thereunder. The financial information in this press release has been prepared based on Japanese generally accepted accounting principles and may not necessarily be directly comparable to financial statements of companies in the United States. Also, because the Offeror and the Target Company are corporations incorporated outside the U.S. and their directors are non-U.S. residents, it may be difficult to exercise rights or demands against them that can be claimed based on U.S. securities laws. In addition, shareholders may not be permitted to commence any legal procedures in courts outside the U.S. against non-U.S. corporations or their directors based on a breach of U.S. securities laws. Furthermore, U.S. courts are not necessarily granted jurisdiction over non-U.S. corporations or their directors.

The financial advisors of the Offeror or the Target Company, and the tender offer agent and their respective affiliates may, within their ordinary course of business, purchase, or conduct any act toward the purchase of, the shares of the Target Company for their own account or for their customers' accounts outside the Tender Offer prior to the commencement of, or during, the period of the Tender Offer in accordance with the requirements of Rule 14e-5(b) under the Securities Exchange Act to the extent permissible under the financial instruments and exchange laws and other applicable laws and regulations in Japan. If any information concerning such purchase is disclosed in Japan, the disclosure of such information will be made in the United States in a similar manner.

The Offeror and its affiliates may purchase, or conduct any act toward the purchase of, the shares of the Target Company prior to the commencement of the Tender Offer in accordance with the requirements of Rule 14e-5(b) under the Securities Exchange Act to the extent permissible under the financial instruments and exchange laws and other applicable laws and regulations in Japan, and to the extent described in this press release. If any information concerning such purchase is disclosed in Japan, the disclosure of such information will be made in the United States in a similar manner.

If shareholders exercise their right to demand purchase of shares less than one unit in accordance with the Companies Act, the Target Company may purchase its own shares during the tender offer period in accordance with legal procedures.

All the procedures in connection with the Tender Offer shall be taken in the Japanese language. While a part or all of the documents in connection with the Tender Offer may be prepared in English, the Japanese documents shall prevail in case of any discrepancies between Japanese documents and corresponding English documents.

This press release contains "forward-looking statements" as defined in Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the Securities Exchange Act. The actual results may be grossly different from the projections implied or expressly stated as "forward-looking statements" due to known or unknown risks, uncertainties or other factors. None of the Offeror, the Target Company or any of their respective affiliates assures that such express or implied projections set forth herein as "forward-looking statements" will eventually prove to be correct. "Forward-looking statements" contained herein were prepared based on the information available to the Offeror as of the date of this press release and, unless required by laws and regulations, neither Offeror nor its related parties including related companies shall have the obligation to update or correct the statements made herein in order to reflect the future events or circumstances.

[Other National Regulations]

Some countries or regions may impose restrictions on the announcement, issue or distribution of this press release. In such cases, please take note of such restrictions and comply with them. In countries or regions where the implementation of the Tender Offer is illegal, even upon receiving this press release, such receipt shall not constitute a solicitation of an offer to sell or an offer to buy shares relating to the Tender Offer and shall be deemed a distribution of materials for informative purposes only.