[Translation]

November 14, 2023

To whom it may concern:

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Notice Concerning Commencement of Tender Offer for Shares of Benefit One Inc. (Securities Code: 2412), and Execution of Capital and Business Tie-up Agreement

M3, Inc. ("Company") hereby announces that by resolution of the board of directors dated today, the Company has decided to acquire the common shares ("Target Shares") of Benefit One Inc. (listed on the Prime Market of Tokyo Stock Exchange, Inc. ("TSE"), Securities Code: 2412) ("Target") through a tender offer ("Tender Offer") as provided for in the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) ("Act") and to enter into a capital and business tie-up agreement ("Capital and Business Tie-up Agreement") with the Target.

1. Purpose of Tender Offer

(1) Outline of the Tender Offer

By resolution of the board of directors dated today, the Company has decided to acquire the Target Shares held by Pasona Group Inc. ("Pasona Group"), the parent company of the Target, and conduct the Tender Offer for the purpose of making the Target a consolidated subsidiary of the Company. As of today, the Company does not own any of the Target Shares.

In connection with the Tender Offer, the Company has entered into a tender offer agreement ("Tender Offer Agreement") with Pasona Group dated today and Pasona Group has agreed to tender all of the Target Shares it owns (81,210,400 shares, Ownership Ratio (Note 1): 51.16%) ("Tendering Shares") in the Tender Offer in accordance with the Tender Offer Agreement. For the details of the Tender Offer Agreement, please see "(II) Tender Offer Agreement" in "(6) Matters related to material agreements concerning Tender Offer" below. Furthermore, the Company has entered into the Capital and Business Tie-up Agreement with the Target as of today. For the details of the Capital and Business Tie-up Agreement, please see "(I) Capital and Business Tie-up Agreement" in "(6) Matters related to material agreements concerning Tender

Offer" below.

(Note 1) "Ownership Ratio" refers to the ratio (rounded to two decimal places) against the number of shares (158,740,543 shares) which is calculated by deducting the number of treasury shares held by the Target as of September 30, 2023 as confirmed by the Target (450,357 shares; which does not include the number of Target Shares owned by the Employee Stock Benefit Plan (J-ESOP) or the Board Benefit Trust (BBT) (323,499 shares); the same shall apply hereinafter) from the total number of outstanding shares of the Target as of September 30, 2023 (159,190,900 shares) as stated in the "Summary of Financial Results for the Second Quarter of the Year Ending March 31, 2024 [Japanese GAAP] (Consolidated)" ("Summary of the Target's Second Quarter Financial Results") published by the Target today. The same shall apply hereinafter in the calculation of the Ownership Ratio.

The Tender Offer sets the minimum number of shares to be purchased at 81,210,400 shares (Ownership Ratio: 51.16%), which is the same number as the Tendering Shares, and if the total number of share certificates, etc. tendered through sale, etc. in response to the Tender Offer ("Tendered Share Certificates") is less than the minimum number of shares to be purchased, none of the Tendered Share Certificates will be purchased by the Company.
The Company has set the maximum number of shares to be purchased at 87,307,300 shares (Ownership Ratio: 55.00%). The Company considered setting the maximum number of shares to be purchased at a number equivalent to more than 50% in terms of Ownership Ratio for the following reasons: (A) the purpose of the Company's Tender Offer is to make the Target a consolidated subsidiary of the Company; and (B) as the control of the Target will be transferred to the Company if the Tendering Shares are acquired by it, the Company intends to provide more shareholders of the Target with an opportunity to sell their shares with a premium to the market price upon such transfer of control. On the other hand, when the maximum number of shares to be purchased is set at a high level, there is a possibility that the Target Shares may meet the Delisting Criteria, which would be contrary to the Company's policy to maintain the listing of the Target Shares after the Tender Offer. Therefore, the number of shares equivalent to 55.00% in terms of Ownership Ratio has been set as the maximum number of shares to be purchased.
If the total number of the Tendered Share Certificates exceeds the maximum number of shares to be purchased (87,307,300 shares), the Company will not purchase all or any of the excess shares, and the delivery and settlement of the purchase of share certificates, etc. will be conducted on a pro rata basis as provided for in Article 27-13, Paragraph 5 of the Act and Article 32 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) ("Ordinance"). There is a possibility that not all of the Target Shares tendered by Pasona Group will be purchased if the number of shares tendered exceeds the maximum number of shares to be purchased.
The Company, the Target and Pasona Group have entered into a memorandum of understanding ("Memorandum of Understanding") as of today to the effect that they will discuss and consider the measures to avoid the delisting of the Target Shares from the Prime Market of the TSE and cooperate with each other in good faith if the tradable share ratio (Note 2) of the Target Shares may meet the Delisting Criteria of the Prime Market of the TSE so that the Target Shares may continue to be listed on the Prime Market of the TSE after closing of the Tender Offer. There is no agreement between the Company and Pasona Group that the Company will additionally

acquire the Target Shares that Pasona Group was unable to sell.

(Note 2) The tradable share ratio is the number of tradable shares divided by the number of listed shares including treasury shares. Tradable shares are listed shares, excluding shares with poor tradability as defined by the TSE (shares held by persons who hold 10% or more of the number of listed shares or partnerships, etc., listed companies, officers, etc. of listed companies (officers of listed companies, spouses and relatives within the second degree of kinship of officers of listed companies, companies in which more than half of the total voting rights of the shareholders are owned by these persons, and affiliate companies of listed companies and their officers) and domestic commercial banks, insurance companies and corporations).

According to the "Announcement of Our Opinion on the Tender Offer for Our Shares made by M3, Inc. and the Conclusion of a Capital and Business Tie-up Agreement with M3, Inc." ("Target's Press Release") published by the Target today, the Target resolved at its meeting of the board of directors held today that the Target will agree with the Tender Offer and taking into consideration that (i) the Tender Offer Price (defined below in "(I) Background, reasons and processes to the decision to implement the Tender Offer" in "(2) Background, reasons and processes to the decision to implement the Tender Offer and Management Policy after the Tender Offer"; the same shall apply hereinafter) has been agreed between the Company and Pasona Group through discussions and negotiations, and (ii) as the Tender Offer is not intended to delist the Target Shares, the Company and the Target intend to maintain the listing of the Target Shares after the Tender Offer is completed and the Company and Pasona Group intend to cooperate as well, it is reasonable enough for the shareholders of the Target to choose to continue owning the Target Shares after the Tender Offer and thus, the Target will not proactively recommend that the shareholders of the Target tender their shares in the Tender Offer, and the shareholders of the Target may decide on their own whether or not to tender their shares in the Tender Offer. Taking into consideration the circumstances stated in (i) and (ii) above, the Target has neither requested any third-party valuation organization to calculate the share value nor independently verified whether the Tender Offer Price appropriately reflects the corporate value of the Target.
For details of the aforementioned resolution of the Target's board of directors, please see the Target's Press Release and "(iii) The Target's Measure to Obtain Approval from All Directors Who Do Not Have Interest (Including Directors Who Serve as Audit and Supervisory Committee Members)" in "(3) 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."

The Company obtained a loan certificate from up to 100 billion yen from Sumitomo Mitsui Banking Corporation ("SMBC") ("SMBC's Loans") subject to conditions including the consummation of the Tender Offer and will use such loans . However, as of today, the Company intends to utilize the loans up to 90 billion yen for the SMBC's Loans and utilize the Company's cash and deposits for the remaining amounts to settle the Tender Offer. The details of the terms and conditions for the SMBC's Loans will be set forth in the loan agreement for the SMBC's Loans based on a separate consultation with SMBC.

(2) Background, reasons and processes to the decision to implement the Tender Offer and

Management Policy after the Tender Offer

The background, reasons and processes to the Company's decision to implement the Tender Offer and its management policy after the Tender Offer are as follows. The statements below regarding the Target are based on explanations received from the Target or information publicly announced by the Target.

(I) Background, reasons and processes to the decision to implement the Tender Offer

The Company was established in September 2000 as So-net M3, Inc. with the purpose of providing medical-related services utilizing the Internet. Its shares were first listed on Mothers of the TSE in September 2004, and then were changed to the First Section of the TSE in March 2007. Due to the restructuring of the market segments of the TSE which took place in April 2022, the shares are currently listed on the Prime Market of the TSE. In January 2010, the Company changed its name to M3, Inc.
The business objective of the Company, its 132 subsidiaries, and its 9 equity-method affiliates (as of March 31, 2023) (the "Company's Group") is "Making use of the Internet to increase, as much as possible, the number of people who can live longer and healthier lives, and to reduce, as much as possible, the amount of unnecessary medical costs." The company name, "M3," represents the three M's of Medicine, Media, and Metamorphosis, and the Company's ambition upon establishment is to change the world of medicine by leveraging the power of the Internet as media. To realize this objective, the Company's Group has a global network of approximately 6.5 million physicians in more than 15 countries (as of July 28, 2023), and the Company's Group operates various services around the world, including marketing support services for pharmaceutical companies, research services, clinical trial support services, and career change support services for physicians by mainly running platforms for medical care professionals such as "m3.com," a website dedicated to medical care professionals used by more than 320,000 physician members in Japan (as of April 28, 2023), "MDLinx" in the United States, and "Metamorphosis" in the United Kingdom. In addition, in the fiscal year 2022, the Company's Group launched the "White Jack Project," an initiative aimed at maintaining health from an early stage before developing a disease, and has been implementing and promoting various measures since then. The Company's Group aims to realize its business objective from an upstream stage by "preventing illness as much as possible beforehand," rather than merely "providing treatment after people become ill."

On the other hand, the Target was established in March 1996 as Business Coop Inc. with the purpose of providing employee benefit services, etc. to corporate employees through a subscription-based system, offering various service menus at discounted prices. According to the Target, the Target changed its name to Benefit One Inc. in April 2001, and was listed on the JASDAQ market in December 2004, on the Second Section of the TSE in March 2006, and then on the First Section of the TSE in November 2018. Due to the restructuring of the market segments of the TSE which took place in April 2022, it is currently listed on the Prime Market of the TSE. As of today, the Target's group consists of the Target, its 10 consolidated subsidiaries, 1 equity-method affiliate, and 1 non-consolidated subsidiary (the "Target's Group"). Under the corporate philosophy of "contributing to the enrichment of people's lives and the development of society through the distribution and creation of services with the aim of creating new value that connects people and businesses," and by expanding its membership base, primarily in the workplace sector, and promoting the networking of service suppliers (Note 1), the Target's Group operates the following businesses that contribute to solving corporate management issues and improving consumer satisfaction.

(A) Employee benefit business
Corporate clients enroll in "Benefit Station," a service operated by the Target, and then the Target's Group offers their employees (members) of such corporate clients discounted prices on a variety of service menus which are provided by service providers that are in partnership with the Target. In addition, the Target's Group also provides settlement administration services for the selective benefit program (cafeteria plan), which allows the users to choose benefit programs that best suit their needs, and thereby cuts the corporate clients' costs for employee benefits and also supports establishing content-rich employee benefit programs.

(B) Personal services business
The Target's Group offers the "Benefit Station" program mainly to individual customers of the companies with which it collaborates.

(C) Incentive business
As part of the measures to improve the loyalty and motivation of corporate employees, the Target's Group provides a service that issues incentive points, manages them, and offers items that can be exchanged for such points, thereby supporting corporate clients' measures aimed to increase the engagement of their employees and agency staff, etc.

(D) Healthcare services business
The Target's Group helps optimizing medical costs and improving productivity, through promoting the health of insured people and employees by providing one-stop health supports for managing physical and mental health and preventing diseases, which include health checkup services, specific health guidance, health points, stress checks, and vaccination support,

(E) Purchase and settlement service business
By providing settlement services for short-distance transportation expenses, business travel expenses, and entertainment expenses, and allowing corporate clients to shift from an employee reimbursement system to a corporate lump-sum settlement system, the Target's Group helps companies strengthen governance, reduce expenses, and improve operational efficiency.

(F) Payment business
In regard to discount services provided by those in partnership with the Target's Group, the Target's Group engages in distributing such services at a low cost, without intermediary margins or advertisements, by collecting the employees' service purchase information from each member company and using the payroll deduction system for its settlement.

(Note 1) According to the Target, the term "service supplier" refers to providers of employee benefit services such as leisure or entertainment.

The Target's Group believes that recent major changes in social conditions, such as labor shortages, rising wages, and high prices, have increased the attractiveness of its employee benefit services and healthcare services as effective measures to secure and retain human resources, and that the growing momentum among many companies to emphasize human capital management and health management under the principles of ESG management and sustainability management will encourage greater investment in human capital, thereby providing an opportunity to expand the use of employee benefit services and healthcare services, which are the Target's Group's core business.

Based on this recognition of the circumstances, the Target's Group, anticipating opportunities to accelerate the spread of employee benefit outsourcing, including to small and medium-sized companies and non-regular employees, announced on May 11, 2023 its "Medium-term Management Plan" for the three-year period from the fiscal year ending March 2024 to the fiscal year ending March 2026, aiming to effectively expand its member base and service supplier network. According to the Target, based on the strategies set forth in the "Medium-term Management Plan," the Target is striving to expand its business with the expansion of its membership base, the monetization of its settlement business, and the expansion of its healthcare services as key indicators.

Under these circumstances, Pasona Group was considering various capital policies for the Target, including the transfer of the shares in the Target to a new partner, as part of its efforts to optimize their business portfolio. In the course of these considerations, Pasona Group, which believed that there was potential to further strengthen and differentiate the Target's healthcare business by utilizing the various assets held by the Company, made an initial approach to the Company in mid-April 2023 to inquire whether or not the Company intended to acquire all of the Target Shares held by Pasona Group. In response, the Company began to consider the possibility of acquiring the Target Shares. As a result of such consideration, the Company came to the conclusion that the combination of the Company's services utilizing its physician member base and the Target's strong corporate customer base could contribute to the enhancement of the Company's corporate value. On the other hand, the Company and the Target, which do not have any capital relationship at present, are limited in the management resources they can provide, which could hinder smooth mutual utilization. The Company has decided that in order to maximize business synergies, it is necessary to establish a strong alliance including a capital relationship.

Based on this decision, in early May 2023, the Company communicated to Pasona Group that it would positively consider such offer and would like to start discussions with Pasona Group. Subsequently, the Company held discussions with Pasona Group and, on the assumption that the Company would acquire all of the Target Shares held by Pasona Group and that the Ownership Ratio of the Target Shares held by the Company after the acquisition would exceed one-third, the Company decided that such acquisition would be required to be conducted by way of a tender offer under Article 27-2, Paragraph 1, Item 2 of the Act. Therefore, on July 18, 2023, the Company made a written proposal to Pasona Group regarding a tender offer to acquire all of the Target Shares held by Pasona Group. Subsequently, on August 4, 2023, the Company received a letter from Pasona Group stating that it would proceed with discussions regarding the proposal, and in mid-August 2023, in order to establish a full-scale review and examination system, the Company engaged SMBC Nikko Securities Inc. ("SMBC Nikko") as a third-party calculation agent and financial advisor, and Anderson Mori & Tomotsune as a legal advisor.

After receiving the aforementioned letter from Pasona Group, on August 24, 2023, the Company submitted a letter of intent to the Target stating that it was considering a tender offer

to acquire all of the Target Shares held by Pasona Group and a business tie-up with the Target. After receiving a response from the Target in late August 2023 that it would give full consideration to the proposal, the Company conducted due diligence on the Target with respect to its business, financial, tax, legal and other matters, as well as interviews with the Target's management, from mid-September to late October 2023. Based on the information obtained in the course of such due diligence and interviews, the Company has further analyzed and examined specific measures to create business synergies between the Company's Group and the Target and management policies after the Tender Offer.
As a result, the Company has come to the conclusion that it is possible to provide more companies and employees with healthcare services differentiated from other businesses in the same industry by combining the Company's services, which utilize its physician member base, with the Target's strong corporate customer base. In addition, the Company hopes to, after the completion of the Tender Offer, in the future, by utilizing the services developed through the collaboration between the two parties, help companies across Japan realize true health management through promotion of evidence-based health investment in their employees, which will lead to the maintenance and improvement of employees' health and the enjoyment of appropriate medical services at the right time, as well as the improvement of corporate productivity and the reduction of medical costs.
Specifically, the following synergies are envisioned.

(A) Further strengthen and differentiate healthcare services

(a) Enhancing value-added services through unique services utilizing the Company's Group platform

The Company's Group has a platform that provides various unique services, including "M3PSP," a multi-opinion service, and "AskDoctors," a service that allows users to easily consult doctors online about health and illness. The Company's Group believes that by collaborating with the Target's corporate customer base, it will be able to contribute to the provision of health management services that no other company can offer.

(b) Promoting cross-selling to customers of both companies

The Company's Group believes that the collaboration between the Company's Group and the Target will enable both companies to provide a wider range of healthcare services to their customers, and will contribute to strengthening the sales capabilities of both companies' businesses.

(B) Utilizing human resource base

The Company's Group, which has platforms that provide multiple unique services, has approximately 100 highly skilled and talented engineering personnel who support the operation of these platforms. By utilizing the technology, knowledge, and experience of such personnel, and by collaborating with and supporting the Target in terms of systems, we believe that we can contribute to further strengthening the competitiveness of the Target's business.

(C) Supporting overseas expansion

Since the Company's Group also has a wide range of overseas physician platforms, the Company's Group believes that it can contribute to the acceleration of overseas development and expansion of business scale of the Target's business.

The Company was requested by Pasona Group to submit a legally binding letter of intent (including a proposal for the purchase price per share of the Target Shares in the Tender Offer ("Tender Offer Price")) no later than October 27, 2023. Prior to this, the Company decided to make an oral price proposal to Pasona Group and decided to submit a legally binding letter of intent on October 27, 2023 upon the consideration of the responses of Pasona Group to this oral proposal.

At a meeting with Pasona Group on October 18, 2023, the Company, based on the results of a multifaceted and comprehensive analysis of the Target's business and finances, proposed a Tender Offer Price of 1,400 yen (a 43.44% premium (rounded to two decimal places; the same applies to the calculation of the premium) to the closing price of 976 yen (the figures are rounded to the nearest whole number; the same applies hereinafter to the calculation of the simple average of the closing prices below) for the Target Shares on October 17, 2023), Pasona Group orally requested the Company to reconsider the proposal.
Therefore, based on such request, the Company proposed to increase the Tender Offer Price by 100 yen to 1,500 yen (a 54.48% premium to the closing price of 971 yen of the Target Shares on October 20, 2023) at the meeting with Pasona Group on October 23, 2023. On October 25, 2023, Pasona Group requested that the Company should reconsider the increase in the Tender Offer Price.

Based on the above request to the price proposal from Pasona Group, on October 27, 2023, the Company submitted to Pasona Group and the Target a legally binding letter of intent which provides that (i) the Tender Offer Price be 1,600 yen (a 53.85% premium to the closing price of 1,040 yen of the Target Share on October 26, 2023) after the consideration of a multifaceted and comprehensive analysis of the business and financial affairs of the Target and the fact that Pasona Group had requested to sell its Target Shares at a premium to the share price of the Target Shares, and to conduct the Tender Offer with the minimum number of shares to be purchased of 81,210,400 shares (Ownership Ratio: 51.16%), which is the same as the number of all the Target Shares held by Pasona Group, and with the maximum number of shares to be purchased of 87,307,300 shares (Ownership Ratio: 55.00%), and (ii) Capital and Business Tie-up Agreement be executed with the Target.
The Company considered setting the maximum number of shares to be purchased at a number equivalent to more than 50% in terms of Ownership Ratio for the following reasons: (A) the purpose of the Company's Tender Offer is to make the Target a consolidated subsidiary of the Company; and (B) as the control of the Target will be transferred to the Company if the Tendering Shares are acquired by it, the Company intends to provide more shareholders of the Target with an opportunity to sell their shares with a premium to the market price upon such transfer of control. On the other hand, when the maximum number of shares to be purchased is set at a high level, there is a possibility that the Target Shares may meet the Delisting Criteria, which would be contrary to the Company's policy to maintain the listing of the Target Shares after the Tender Offer. Therefore, the number of shares equivalent to 55.00% in terms of Ownership Ratio has been set as the maximum number of shares to be purchased.

Since October 27, 2023, the Company has been negotiating various terms and conditions regarding the Tender Offer Agreement other than the Tender Offer Price and the maximum and minimum number of shares to be purchased.

As a result, on November 13, 2023, the Company was informed by Pasona Group that it would accept the Tender Offer Price of 1,600 yen per share, that the minimum number of shares to be purchased would be 81,210,400 shares (Ownership Ratio: 51.16%), the same number of Target Shares held by Pasona Group, and that the maximum number of shares to be purchased would be 87,307,300 shares (Ownership Ratio: 55.00%).

In parallel with the aforementioned negotiations with Pasona Group regarding the Tender Offer Agreement, the Company has also been continuing negotiations with Pasona Group and the Target regarding the Capital and Business Tie-up Agreement and the Memorandum of Understanding since October 16, 2023.

Following such discussions and negotiations, the Company decided to implement the Tender Offer at the resolution of the board of directors dated today.

(II) Process of and grounds for decision-making by the Target

On August 21, 2023, the Target received an explanation from Pasona Group that it expected a transaction by which the Company would make the Target a consolidated subsidiary through a tender offer premised on the acquisition of all the Target Shares held by Pasona Group. Subsequently, on August 24, 2023, the Target received a letter of intent from the Company stating that it was considering the execution of a tender offer premised on the acquisition of all the Target Shares held by Pasona Group and a business tie-up with the Target. The Target established a special committee consisting of Tomonori Fujiike, Nobuyasu Kubo, and Toshiaki Hamada, all of who are its outside directors (audit and supervisory committee members) (the "Special Committee," and for the specific activities of the Special Committee, please see "(iv) The Target's Measure to Establish the Independent Special Committee and Obtain a Report" in "(3) 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") based on the resolution at the board of directors of the Target held on August 31, 2023 in order to eliminate arbitrariness in the Target's decision-making regarding the Tender Offer, ensure fairness, transparency and objectivity in the Target's decision-making process, and avoid conflicts of interest in light of the fact that the Company and Pasona Group, the Target's parent company, intended to execute a tender offer agreement to tender the Target Shares held by Pasona Group in the Tender Offer, and the interest of Pasona Group may not necessarily coincide with that of the minority shareholders of the Target, and the Target responded to the Company on the same day that it would officially consider the proposal for the Tender Offer.
In addition, in late August 2023, the Target began consulting with Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("MUMSS") and Mori Hamada & Matsumoto with regard to how to respond to the letter of intent received from the Company, and the Special Committee confirmed on August 31, 2023 that there were no problems with MUMSS and Mori Hamada & Matsumoto from the prospective of the independence from Pasona Group, the Company, and the Target, as well as their expertise, and approved the appointment of MUMSS and Mori, Hamada & Matsumoto as a financial advisor and a legal advisor of the Target, respectively.
Thereafter, from mid-September to late October 2023, the Company conducted a due diligence on the Target with respect to its business, financial and tax affairs, and legal affairs, etc. In parallel with this, the Target discussed and examined matters such as the purpose of the Tender

Offer, the management policy of the Target after the Tender Offer and synergies, and held meetings with the Company's management. In addition, the Target requested the Company and Pasona Group to consider the possibility that the Tender Offer might result in the Target Shares meeting the delisting standards and how to deal with such situation.

As a result of these considerations, the Target determined that the Tender Offer would contribute to the enhancement of its corporate value and decided at the board of directors held today to support the Tender Offer on the ground that the Target can expect that that will contribute to accelerating the implementation of the Targe's Group medium-term management plan and also can expect opportunities for further growth and development if the Target becomes a consolidated subsidiary of the Company and establishes a cooperative structure with the Company to work on the creation of synergies through the sharing of their resources and know-how as described below:

(a) Further strengthening and differentiating the healthcare business

The Target believes that it can further strengthen and expand its existing healthcare business by taking advantage of the Company's network of medical institutions and healthcare professionals. In addition, by adding unique healthcare-related services that utilize Company's various platforms that connect doctors and patients to the Target's existing healthcare services and providing such services to the Target's corporate clients, the Target will be able to provide continuous mental and physical health management support to employees of its corporate clients over a longer lifecycle, thereby offering health management support services with a better system.

(b) Further strengthening and differentiating the employee benefit business

The health-related field is one of the fields of interest for the Target's members among the services provided in the employee benefit business, and the Target believes that by incorporating the Company's healthcare-related online consultation, counseling, and information services into the Target's employee benefit business services, it can expect to differentiate its services and also expect the effect to encourage the members to use its services. The Target also believes that promoting cross-selling to the members in the Company's network of medical institutions will lead to expansion of the membership in its employee benefit business.

(c) Supporting system development and operation

The Target considers that securing competent IT engineers and promoting insourcing of system operations are necessary in order for the Target's Group to secure a competitive advantage, evolve its business in response to changes in the environment, and achieve sustainable growth, and it recognizes the recruitment and securing of IT personnel as an important management theme. The Company's Group, which offers several unique services on its own platform, has a lot of successes in recruiting competent IT engineers and insourcing at its group companies. Thus, the Target believes that taking advantage of the knowledge and resources related to IT that the Company has developed, will enable it to improve the efficiency in system development that supports the further growth of the Target's Group as well as to promote insourcing of the operation.

(d) Supporting M&A promotion

The Target believes that it is necessary to actively engage in corporate acquisitions and capital alliances through M&As in order to capture the diverse growth opportunities surrounding the Target's Group in a speedy manner. The Target also believes that by making use of the Company's M&A resources, know-how, and network, it will be able to promote M&As that can be expected to have economic effect resulting from expansion of the operation of the

Target's Group and synergies resulting from foray into peripheral business fields, thereby further improving the competitiveness of the Target's Group.

(e) Utilizing overseas networks

The Target believes that utilization of the extensive overseas network of the Company will accelerate overseas expansion of the Target's Group.

It is expected that as a result of the closing of the Tender Offer, Pasona Group will cease to be the parent company of the Target, and opportunities to share know-how and improve operational efficiency, which the Target has enjoyed through personnel exchange based on the parent-subsidiary relationship with Pasona Group, subleasing of branch offices, joint purchasing of general-purpose software, etc., will be reduced or eliminated. However, it is possible to take alternative measures such as recruiting new personnel or taking over duties during a certain period, leasing alternative properties, and negotiating with subcontractors, and during the Transition Period required to take the above measures, since Pasona Group has agreed to continue to provide services required to operate the Target's business in the same manner as before the Tender Offer, synergies that exceed the impact of these measures can be expected with the Company after the closing of the Tender Offer.

In addition, the Target has resolved that it will not go so far as to recommend that its shareholders tender their shares in the Tender Offer, and will leave the decision on whether or not to tender their shares in the Tender Offer to the shareholders of the Target on the ground that it is considered completely reasonable for the Target's shareholders to choose to hold the Target Shares beyond the Tender Offer since (i) the Tender Offer Price was agreed upon through discussions and negotiations between the Company and Pasona Group, and (ii) the Tender Offer is not intended to delist the Target Shares, and the Company and the Target intend to continue keep the Target Shares listed beyond the closing of the Tender Offer, and the Company and Pasona Group intend to cooperate on these. Further, taking into account the circumstances of (i) and (ii) above, the Target has not requested a third-party calculation agent to calculate the share value nor has independently verified whether the Tender Offer Price appropriately reflects the corporate value of the Target.
For details of the resolution of the Target's Board of Directors above, please see "(iii) The Target’s Measure to Obtain Approval from All Directors Who Do Not Have Interest (Including Directors Who Serve as Audit and Supervisory Committee Members)" in "(3) 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" below.

(III) Management policy after the Tender Offer

After the closing of the Tender Offer, the Company will promote the development and provision of unique services, etc. utilizing the platforms of both parties in accordance with the Capital and Business Tie-up Agreement. It intends to continue to keep the Target listed beyond the closing of the Tender Offer and respect the independence of the Target in terms of its business operations. Therefore, as of today the Company does not intend to seek any changes in dividends, capital policy, or management policy at the Target after the closing of the Tender Offer.
As for the composition of the directors of the Target, the Company has agreed with the Target in the Capital and Business Tie-up Agreement that the Company shall have the right to nominate

one part-time director of the Target who is not a member of the audit and supervisory committee of the Target to the extent that the Target is a consolidated subsidiary or an equity-method affiliate of the Company. However, no decision has been made at this point regarding the directors of the Target who are concurrently serving as a director of Pasona Group other than one director, Ms. Junko Fukasawa, who will resign after the completion of the Tender Offer, and this will be negotiated with the Target.

(3) 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

The Company and the Target have been taking the following measures to ensure the fairness of the Tender Offer and avoid conflicts of interest because Pasona Group (number of shares held: 81,210,400 shares, Ownership Ratio: 51.16%), which is the Target's parent company as of today, entered into the Tender Offer Agreement with the Company and Pasona Group's interests may not coincide with the interests of the shareholders of the Target excluding Pasona Group. Among the following descriptions, the descriptions of the measures taken by the Target are based on the Target's explanation.

(i) The Company's Measure to Obtain a Share Valuation Report from an Independent Third-Party Valuation Organization
On determining the Tender Offer Price, the Company requested SMBC Nikko, a financial advisor of the Company to calculate the value of the Target Share as a third-party valuation organization which is independent of the Company, the Target and Pasona Group. SMBC Nikko does not fall under a related party of the Company, the Target and Pasona Group, and does not have any material interests relating to the Tender Offer.
For more information about the valuation report relating to the value of the Target Share ("Valuation Report") that the Company obtained from SMBC Nikko, please see the below "(I) Basis for Valuation" in "(4) Basis for Valuation of the Tender Offer Price, etc." in "2. Outline of Purchase".

(ii) The Target's Measure to Get Advice from an Independent Law Firm
As of August 31, 2023, The Target appointed Mori Hamada & Matsumoto as a legal advisor independent of the Company, Pasona Group and the Target to get professional advice on the fairness and appropriateness of the decision-making process of the Target's meeting of the board of directors concerning the Tender Offer. The Target has received legal advice from Mori Hamada & Matsumoto relating to the method and process of the decision-making by the Target's meeting of the board of directors including the various procedures regarding the Tender Offer and other points to be noted.

(iii) The Target's Measure to Obtain Approval from All Directors Who Do Not Have Interest (Including Directors Who Serve as Audit and Supervisory Committee Members)
The Target has carefully discussed and reviewed the Tender Offer from August 31, 2023 until today based on the legal advice described above in "(ii) The Target's Measure to Get Advice from an Independent Law Firm".
As a result, at the meeting of the board of directors held today, all seven (7) directors of the Target who participated in the resolution (including directors who serve as audit and supervisory committee members) approved the Tender Offer. Pursuant to this resolution, The Target

approved the Tender Offer and resolved that (i) The Tender Offer Price was agreed upon through discussions and negotiations between the Company and Pasona Group and (ii) The Target will not recommend that the shareholders of The Target tender their shares in the Tender Offer and will leave the decision on whether or not to do that up to them in light of the fact that it is reasonable enough for them to make the decision to hold the Target Shares even after the Tender Offer because the Tender Offer is not intended to delist the Target Share, and the Company and the Target plan to maintain the listing of the Target Shares after the completion of the Tender Offer, and the Company and Pasona Group also plan to cooperate in this policy. In addition, taking into consideration the circumstances of (i) and (ii), the Target has not requested a third-party valuation organization to calculate the share value and has not independently verified whether the Tender Offer Price appropriately reflects the corporate value of the Target.
In regard to the resolutions of the Target's meeting of the board of directors concerning the Tender Offer (the above resolution of the Target's meeting of the board of directors held today and the resolution of the meeting of the board of directors held August 31, 2023 concerning the establishment of the Special Committee), it was decided that Ms. Junko Fukazawa, who is a director of the Target and currently serves as an officer or employee of Pasona Group would not participate in the deliberations and resolutions based on the fact that Pasona Group's interests may not necessarily coincide with the interests of the Target's general shareholders relating to the Tender Offer. In order to eliminate the possibility that the deliberations and resolutions at the meeting of the board of directors may be affected by such issue, seven (7) directors of the Target (including directors who serve as audit and supervisory committee members) excluding the above-mentioned director deliberated on the matter and the resolution was adopted unanimously.

(iv) The Target's Measure to Establish the Independent Special Committee and Obtain a Report
At the Target's meeting of the board of directors held on August 31, 2023, the Target has resolved to establish the Special Committee to eliminate the arbitrariness of the Target's decision-making concerning the Transactions (meaning the transactions relating to the Tender Offer including the application from Pasona Group pursuant to the Tender Offer Agreement; the same applies hereinafter) and ensure the fairness, transparency and objectivity in the decision-making process. The Special Committee consists of three (3) independent outside directors of the Target, Mr. Tomonori Fujiike, Mr. Nobuyasu Kubo, and Mr. Toshiaki Hamada. The Target selected these three (3) persons as the Special Committee members at the time of establishment and has never changed the members of the Special Committee. The Target has confirmed that each of the Special Committee member is independent of Pasona Group, the Company and the success or failure of the Transactions.
The Target's meeting of the board of directors asked the Special Committee to review and report (i) whether the Target can agree with the Tender Offer, (ii) whether the Target can recommend shareholders to tender their shares in the Tender Offer and (iii) whether the decision of the Target's meeting of the board of directors relating to the Transactions is unfavorable for the Target's minority shareholders (collectively, "Inquiries").
The Special Committee has met eight (8) times from August 31, 2023 until today (including resolutions in writing). In addition, the Special Committee has discussed and reviewed the Inquiries by reporting, sharing information, deliberating, and making decisions during the term of each meeting via e-mail. Specifically, the Target has confirmed that MUMSS and Mori Hamada & Matsumoto are independent of Pasona Group, the Company and the Target and they have enough expertise. Based on this confirmation, the Target approved to appoint each of them

as the Target's financial advisor and legal advisor. Furthermore, the Special Committee approved the internal system to review the Transactions established by the Target after confirming that there is no problem in terms of its independence.

In addition to the above, the Special Committee has reviewed (i) each material and document submitted by Pasona Group, the Company and the Target and (ii) results of interviews with Pasona Group, the Company and the Target conducted by the Committee's chairman. Furthermore, the Special Committee has received reports from the Target relating to the process and details of discussions and negotiations among Pasona Group, the Company and the Target concerning the Transactions on a timely basis, and the Special Committee has been materially involved in the process of negotiations between Pasona Group and the Company by holding the Special Committee meetings to deliberate on the policy, etc. of the discussions and negotiations, and expressing opinions many times.

As a result of conducting careful deliberations and reviews relating to the Inquiries many times as described above, the Special Committee has submitted a findings report, the contents of which are summarized below, to the Target's meeting of the board of directors as of today pursuant to the committee's unanimous approval.

1. Contents of the report

(1) The Target's Board of Directors should resolve to express its opinion in favor of the Tender Offer.

(2) The Target's Board of Directors should resolve to leave it to the Target's shareholders to decide whether or not to tender their shares in the Tender Offer.

(3) The proposed resolution of the Target's Board of Directors to express its opinion in favor of the Tender Offer, to leave the decision on whether to accept the Tender Offer to the discretion of the Target's shareholders, and to enter into the Related Agreements (which collectively refers to the Capital and Business Tie-up Agreement, the transitional services agreement ("Transitional Services Agreement"), and the Memorandum of Understanding; hereinafter the same) is not disadvantageous to the Target's minority shareholders.

2. Considerations

(1) Consideration of whether or not the Transactions will contribute to the enhancement of the Target's corporate value

(i) Business environment, management issues, etc.

The Special Committee has no objection to the Target's recognition of the management environment, management issues, etc. as stated in "(I) Background, reasons and processes to the decision to implement the Tender Offer" in "(2) Background to, Purpose of, and Decision-Making Process Concerning the Tender Offer by the Company, and Management Policy after the Tender Offer" above, as the Special Committee has the same recognition. The Special Committee has no objection to the Target's recognition of the same.

(ii) Measures to enhance the corporate value after the Transactions and synergies from the Transactions

(a) Synergies from the Transactions envisioned by the Company

The Company has come to the conclusion that by combining the Company's services utilizing its physician member base with the Target's strong corporate customer base, it will be possible to provide more companies and employees with healthcare services that are differentiated from those of other companies, thereby supporting the realization of true health management. Specifically, the Company envisions the synergies described in "(II) Process of and grounds for decision-making by the Target" in "(2) Background, Purpose, and Decision-making Process Leading to the Tender Offer, and Management Policy after the Tender Offer" above.

(b) Synergies from the Transactions envisioned by the Target

In addition, as stated in "(II) Process of and grounds for decision-making by the Target" in "(2) Background, reasons and processes to the decision to implement the Tender Offer and Management Policy after the Tender Offer" above, the Target believes that making itself a consolidated subsidiary of the Company through the Tender Offer and establishing a cooperative framework with the Company will contribute to promoting the implementation of the Target's Group's medium-term management plan by creating synergies through the sharing of resources and know-how possessed by both companies, and will also provide opportunities for further growth and development, which will further enhance corporate value.

(c) Summary

As described above, it is recognized that the Company and the Target generally share the same understanding of the measures to enhance the corporate value of the Target's Group after the Transactions and the synergies from the Transactions. In this regard, the Special Committee has no objection, and believes that such post-Transactions corporate value enhancement measures are important measures that contribute to the further enhancement of the Target's corporate value in line with the Target's awareness of current issues, such as expanding its membership base and strengthening its healthcare business.

(iii) Adverse effect of Pasona Group ceasing to be the Target's parent company

The Target expects that, as a result of the completion of the Tender Offer, Pasona Group will cease to be its parent company, and the opportunities to share know-how and improve operational efficiency that it has enjoyed through the exchange of personnel, subleasing of branch offices, joint purchase of general-purpose software, etc. based on a parent-subsidiary relationship with Pasona Group will be reduced or eliminated. However, since it is possible for the Target to take alternative measures such as hiring new employees, effecting the handover of operations, leasing alternative properties, and negotiating with subcontractors during a certain period of time in each situation, and Pasona Group is expected to agree in the Transitional Services Agreement to continue to provide the services necessary for the operation of the Target's business as before the Tender Offer during the Transition Period required for the above measures, the Target believes that after the completion of the Tender Offer, it can expect to achieve synergies with the Company that exceed the impact of these measures. The above recognition by the Target is not unreasonable and the Special Committee has no objection to it in light of the contents of the Transitional Services Agreement to be entered into with Pasona Group.

(iv) Likelihood of maintaining the listing of the Target Shares after the completion of the Tender Offer

As of today, the Target Shares are listed on the Prime Market of the TSE. Since the Tender Offer is not intended to delist the Target Shares and the Company has set the maximum number of shares to be purchased at 87,307,300 shares, the Target Shares are expected to remain listed after the completion of the Tender Offer.

On the other hand, the tradable share ratio of the Target is 43.95% as of March 31, 2023, and if the number of tradable shares of the Target decreases as a result of the tender of tradable shares in the Tender Offer, the Target may not meet the threshold of 35.00% or more for the tradable share ratio under the listing maintenance standards established by the TSE.

The Tender Offer Price represents a premium of 37.58% over the closing price of the Target Shares on the Prime Market of the TSE on November 13, 2023, the business day immediately preceding the date of announcement of the Tender Offer, which was 1,163 yen, and minority shareholders may tender their shares in the Tender Offer. However, according to the simulation conducted by MUMSS regarding the tradable share ratio of the Target Shares, if the maximum number of shares to be purchased is set at the number equal to 55.00%, which corresponds to the maximum number of shares to be purchased in the Tender Offer, and the percentage of the shares tendered by minority shareholders other than Pasona Group and other stable shareholders (the number of which is calculated based on the definition of the TSE) as of September 30, 2023 is not more than approximately 20%, the tradable share ratio of the Target Shares is expected to be 35.00% or more after the completion of the Tender Offer. In addition, according to MUMSS' analysis of the trading volume of the Target Shares by price range, the price of the Target Shares for the most recent six months has generally been lower than the Tender Offer Price of 1,600 yen, and although the cumulative trading volume of the Target Shares for the same period is equivalent to 100% of the tradable shares of the Target as of September 30, 2023, the number of shares actually traded was only approximately 7% of the tradable shares as of September 30, 2023. This indicates that it is not highly likely that the percentage of shares tendered by the Target's minority shareholders will be approximately 20% or more and that the Target will fail to meet the threshold for the tradable share ratio of 35.00% or more under the listing maintenance standards of the TSE.

In addition, Pasona Group, the Company and the Target plan to agree in the Memorandum of Understanding that if the tradable share ratio of the Target Shares meets the Delisting Criteria of the Prime Market of the TSE after the completion of the Tender Offer they will discuss and consider the measures to avoid the delisting of the Target Shares from the said market and cooperate with each other in good faith. Furthermore, if there is a concern that the Delisting Criteria of the Prime Market may be met, the Target intends to seek cooperation from the Company and Pasona Group as necessary and implement appropriate measures to maintain the listing.

Therefore, even if the Target meets the Delisting Criteria of the Prime Market of the TSE after the Transactions, it is reasonably expected that it is possible to maintain the listing of the Target Shares after the completion of the Tender Offer through good faith discussions and cooperation among Pasona Group, the Company and the Target on measures to avoid delisting of the Target Shares from the said market.

(v) Management policy of the Target after the Transactions

The Target has no objection to the Company's policy as described in "(III) Management Policy after the Tender Offer" in "(2) Background, reasons and processes to the decision to implement the Tender Offer and Management Policy after the Tender Offer" above and the Target believes that the above policy and the content to be agreed to in the Capital and Business Tie-up Agreement are in line with the Target's policy to promote measures to enhance its corporate value after the Transactions.

The Special Committee has no objection to the above-mentioned policy of the Target.

(vi) Summary

Based on the above, the Special Committee has no objection to the management environment and management issues of the Target as considered by the Target and the Company, and it is expected that significant synergies will be generated through the implementation of the corporate value enhancement measures proposed by the Company after the Transactions. On the other hand, the dis-synergies resulting from the Transactions are reasonably expected to be small, and the Target Shares are expected to remain listed after the completion of the Tender Offer. There is no particular difference of opinion between the Company and the Target with respect to the management policy of the Target. Therefore, it can be said that the Transactions will promote the implementation of the Target's medium-term management plan, which in turn will contribute to the improvement of the Target's corporate value.

(2) Consideration of the appropriateness of the terms and conditions of the Transactions

It is common practice to use the tender offer method when converting a listed company into a consolidated subsidiary.

With regard to the type of consideration, there is no reason why cash consideration can be disadvantageous to minority shareholders, as cash is highly liquid and appropriate as a method of recovering investments.

The Tender Offer is not intended to delist the Target Shares, and the Company and the Target intend to maintain the listing of the Target Shares after the completion of the Tender Offer, and the Company and Pasona Group intend to cooperate with this policy. Therefore, minority shareholders who expect the corporate value of the Target to be enhanced through the Transactions will be given the option not to tender their shares in the Tender Offer.

As described above, with respect to the Tender Offer, it is possible for minority shareholders to choose to continue to hold their Target Shares after the Tender Offer, and it is sufficiently reasonable for them to make such a choice. Therefore, it is appropriate not to go as far as to recommend that the Target's shareholders tender their shares in the Tender Offer but to resolve to leave it to the Target's shareholders to decide whether or not to tender their shares in the Tender Offer.

The Target has not engaged a third-party appraiser to calculate the value of its shares and has not independently verified whether the Tender Offer Price fairly represents the corporate value of the Target. However, the Tender Offer Price is not unreasonable considering that the Tender Offer Price was determined through discussions and negotiations between the Company and Pasona Group and that the Tender Offer is not for the purpose of delisting the Target Shares, as stated above.

(3) Consideration of the fairness of the procedures for the Transactions

In view of the fact that sufficient measures have been taken to ensure fairness in the Transactions as described below, it is considered that fair procedures have been implemented from the perspective of serving the interests of the general shareholders, and that sufficient consideration has been given to the interests of the Target's shareholders through fair procedures.

(i) The Special Committee, which is independent of the Target, has been established and is deemed to have functioned effectively.

(ii) The Target is deemed to have obtained independent professional advice from outside experts.

(iii) The Target is deemed to have established a system that enables it to exclude interested directors and officers from the process of considering and negotiating the Transactions and to consider and negotiate the Transactions from a standpoint independent of Pasona Group.

(iv) It is recognized that the general shareholders will have the opportunity to make an appropriate decision based on sufficient information.

(4) Conclusion

As stated in (1) above, the Transactions are considered to contribute to the improvement of the Target's corporate value, and as stated in (3) above, fair procedures have been implemented in the Transactions from the perspective of the benefit of the general shareholders. Therefore, it is appropriate for the Target's Board of Directors to resolve to express its opinion in favor of the Tender Offer.

On the other hand, given that, as stated in (2) above, the Tender Offer Price has been determined through discussions and negotiations between the Company and Pasona Group, and it is reasonably expected that the Target Shares will remain listed after the completion of the Tender Offer, it is sufficiently reasonable, in relation to the Tender Offer Price, for the Target's shareholders to choose to continue to hold their Target Shares after the completion of the Tender Offer in expectation of future business synergies, it is appropriate for the Target's Board of Directors not to go as far as to recommend that the Target's shareholders tender their shares in the Tender Offer, but to resolve to leave it to the Target's shareholders to decide whether or not to tender their shares in the Tender Offer.

And in light of the foregoing, it is not disadvantageous to the Target's minority shareholders if the Target's Board of Directors resolves to express its opinion in favor of the Tender Offer, to leave the decision on whether to accept the Tender Offer to the discretion of the Target's shareholders, and to enter into the Related Agreements.

(v) The Target’s Measure to Establish an Independent Review System

The Target has established an internal system that conducts reviews and makes decisions concerning the Tender Offer, independent of Pasona Group and the Company. Specifically, the Target has determined that the members who are involved in the examinations and decisions concerning the Tender Offer should be persons who do not currently serve as officers and employees of Pasona Group and the Company and are independent of Pasona Group and the Company (As of today, there are twenty (20) members who are involved in this system). The Special Committee has approved that there is no problem relating to the review system in terms of its independence.

(4) Plan to acquire the Target's Share Certificates, etc. after the Tender Offer

Since the Company will conduct the Tender Offer for the purpose of making the Target a consolidated subsidiary of the Company, the Company does not currently plan to acquire the Target Shares after the Tender Offer if it achieves this purpose through the Tender Offer. Furthermore, since the Company intends to make the Target a consolidated subsidiary of the Company, the Company plans to continue to hold the Target Shares acquired through the Tender Offer and does not currently plan to dispose of the Target Shares.
If the total number of the Tendered Share Certificates exceeds the maximum number of shares to be purchased (and proportionally prorated), Pasona Group will not be able to sell all of the Target Shares it owns in the Tender Offer, but there is no agreement between the Company and Pasona Group regarding the Company's further acquisition of the Target Shares which Pasona Group was not able to sell. As of today, the Company, the Target and Pasona Group have entered into the Memorandum of Understanding to the effect that if the tradable share ratio of the Target Shares meets the delisting criteria of the Prime Market of the TSE, they will discuss and consider in good faith the measures to avoid the delisting of the Target Shares from the said market and cooperate with each other in order to maintain the listing of the Target Shares on the Prime Market of the TSE after the Tender Offer.

(5) Prospects and Reasons for Delisting

The Target Shares are listed on the Prime Market of the TSE as of today. However, the Tender Offer is not intended to delist the Target Shares and the Target Shares are expected to be listed after the completion of the Tender Offer because the Company has set the maximum number of shares to be purchased at 87,307,300 shares (Ownership Ratio: 55.00%).
However, as a result of the Tender Offer, the number of the Target's tradable shares may decrease after the Target's tradable shares are tendered in the Tender Offer, and the tradable share ratio of the Target, which is 43.95% as of March 31, 2023, may not meet the threshold for the tradable share ratio of 35.00% which is the criteria for maintaining the listing established by the TSE.

As described in "(4) Plan to Acquire the Target's Share Certificates, etc. after the Tender Offer" above, the Company, the Target and Pasona Group have entered into the Memorandum of Understanding as of today to the effect that if the tradable share ratio of the Target Shares meets the delisting criteria of the Prime Market of the TSE, they will discuss and consider the measures in good faith and cooperate with each other to avoid the delisting of the Target Shares in order to maintain the listing of the Target Shares on the said market after the completion of the Tender Offer. In the Capital and Business Tie-up Agreement, the Company and the Target have also agreed that the Company will make reasonable efforts on a practical level to prevent the Target Shares from being in conflict with the criteria for maintaining the listing on the Prime Market set forth in the TSE's regulations, etc., and to give necessary cooperation to the Target so that it will be able to take appropriate measures as a listed company of the Prime Market in order to maintain the listing of the Target Shares on the Prime Market of the TSE.

(6) Matters related to material agreements concerning Tender Offer

(I) Capital and Business Tie-up Agreement

The Company executed the Capital and Business Tie-up Agreement with the Target as of today. The outline of the Capital and Business Tie-up Agreement is as follows.

(A) Matters concerning the Tender Offer (Note 1) (Note 2)

The Company shall commence the Tender Offer in accordance with the provisions of laws and regulations and Capital and Business Tie-up Agreement.

On the execution date of the Capital and Business Tie-up Agreement, the Target shall pass a resolution at the meeting of the board of directors ("Board Resolution") to support the Tender Offer and to leave the decision regarding whether to tender their shares in the Tender Offer to the judgment of the Target's shareholders, and to publish an announcement of the details thereof (including a statement that the resolution was approved by all directors (including audit and supervisory committee members) present at the meeting). After the Tender Offer is commenced, the Target shall, in accordance with laws and regulations, submit its Position Statement on the Board Resolution on the commencement date of the Tender Offer.

The Target shall, from the execution date of the Capital and Business Tie-up Agreement until the last day of the period of the Tender Offer ("Tender Offer Period"), maintain the contents of the Board Resolution, and shall not change or withdraw the same. In addition, the Target shall not adopt any resolution that is inconsistent with the Board Resolution.

(i) The Target shall not, (i) directly or indirectly, make any proposal, solicitation, provision of information, consultation, negotiation or agreement, etc. with any third party regarding the implementation of a tender offer for the Target Shares or any other act that competes with or conflicts with the Tender Offer or the Transactions, and (ii) if the Target receives any proposal or solicitation regarding such act from a third party, it shall notify the Company of the fact as soon as reasonably practicable and discuss the response thereto in good faith with the Company.

(Note 1) In addition to the above, the Target has undertaken to comply with the following matters, among other things, until the commencement date of settlement for the Tender Offer: (a) it will manage its business with the duty of care of a good manager with respect to the Target and its subsidiaries; (b) if it engages in any act that affects the Company's Ownership Ratio of the Target Shares, the Target shall obtain the prior written consent of the Company (which consent shall not be unreasonably delayed, withheld, or refused); (c) it shall endeavor to take necessary measures to the extent practically reasonable with respect to material agreements, etc. that give the other party of the agreement the right to terminate the agreement upon the execution of the Transactions and the business tie-up described in (B) below; and (d) it shall, as soon as reasonably practicable, notify the Company of any material facts relating to the operations, etc. of the Target and any facts relating to the implementation or cancellation of the Tender Offer for the Target Shares if such facts become clearly known to the Targe.

(Note 2) The Target's obligations with respect to this (A) are subject to the satisfaction of the conditions precedent that (a) the Company has performed or complied with all of its obligations to be performed or complied with under the Capital and Business Tie-up Agreement in all material respects, (b) all representations and warranties of the Company set forth in the Capital and Business Tie-up Agreement are true and accurate in all material respects, (c) the Transactions do not violate any laws or regulations, and (d) the Tender Offer Agreement is entered into and remains in effect without amendment. In addition to this, to the extent that the Target's board of directors reasonably determines that there is a specific possibility that the Transactions constitute a breach of the Target's duty of loyalty or duty of care as a good manger as the Target's director, it has been agreed that the Target shall assume no obligation with respect to this (A). Furthermore, the Company's obligations with respect to this (A) are subject to the satisfaction of the conditions precedent that (a) the Target has performed or complied with all of its obligations to be performed or complied with under the Capital and Business Tie-up Agreement in all material respects, (b) all representations and warranties of the Target set forth in the Capital and Business Tie-up Agreement are true and accurate in all material respects, (c) the Transactions do not violate any laws or regulations and (d) the Tender Offer Agreement is entered into and remains in effect without amendment.]

(B) Matters concerning business tie-up

The Company and the Target agree that, after the consummation of the Tender Offer, both parties will cooperate to realize the following items: (a) development and provision of unique services utilizing the platforms of both parties; (b) promotion of cross-selling to business partners of both parties; (c) utilization of the Company's human resource base by the Target; and (d) support by the Company for overseas development of the Target's business.

(C) Matters concerning the Target's business operation after the Tender Offer (Note 3)

After the consummation of the Tender Offer, the Company shall manage the Target as reasonably necessary as a parent company; provided, however, that the Company shall maintain and respect the management philosophy and management policies of the Target, and the managerial autonomy and independence as a company listed on the Prime Market and shall consider the common interests of the Target's shareholders, including the Target's minority shareholders.

After the consummation of the Tender Offer, the Company and the Target shall establish an alliance council for the purpose of exchanging information and opinions on the collaboration, etc. between the two parties and reporting on the Target's management, etc.

The Company shall have the right to nominate one part-time director of the Target (who is not an audit and supervisory committee member) to the extent that the Target is a consolidated subsidiary or an equity method affiliate of the Company.
To the extent that the Company makes the Target a consolidated subsidiary, the total number of independent outside directors of the Target and directors of the Target appointed by the Company must be at least half of the directors of the Target, and if necessary to satisfy this requirement, the Company will, upon consultation, provide practical support for the appointment of an additional independent outside director. If it is necessary to satisfy this requirement, the Company and the Target will cooperate to the maximum extent practicable to ensure that additional independent outside directors are appointed upon consultation.
The Company shall respect the report of the Nomination and Compensation Committee of the Target and exercise its voting rights with respect to the proposal for the election of directors of the Target other than the candidate officers nominated by the Company.
After the commencement date of settlement of the Tender Offer, the Company shall not require the Target and its subsidiaries to change their respective trade names and names of services as of the commencement date of settlement of the Tender Offer .
(Note 3) Each of the provisions regarding (C) hereof, (D), (E) and (F) below shall become effective on the condition that the Tender Offer is consummated.

(D) Matters concerning Ownership Ratio etc.
If the Target intends to engage in any action that could result in a decrease in the Ownership Ratio of the Target Shares by the Company ("Dilutive Action") on or after the commencement date of settlement of the Tender Offer, the Target shall notify the Company in advance and hold discussions with the Company in good faith, taking into consideration of the Company's intentions. If the Target intends to engage in any act as a result of which the percentage of shares owned by the Company to the total number of issued Target Shares would fall below 51.01% after the commencement date of settlement of the Tender Offer, the Target shall, except with the prior written consent of the Company, take measures to ensure that the such ratio does not fall below 51.01%.
If the Company intends to transfer the Target Shares it holds to a third party on or after the commencement date of settlement of the Tender Offer, the Company shall, to the extent practically reasonable, notify the Target in advance and hold discussions in good faith, taking into consideration the Target's intentions; provided, however, that this shall not apply in cases where there is an urgent need to do so.
After the commencement date of settlement of the Tender Offer, neither the Company nor its subsidiaries (excluding listed subsidiaries of the Company; the same shall apply hereinafter in this section) shall, without the prior written consent of the Target, engage in any act that would cause the voting right ratio of the Target Shares to increase as of the completion of settlement of the Tender Offer, nor shall the Company cause any of its subsidiaries to engage in any such act.

(E) Prior consultation matters
The Target shall consult with the Company in advance (provided, however, that if the Company is neither a consolidated subsidiary nor an equity-method affiliate of the

Target, this (E) shall not apply) if, after the commencement date of settlement of the Tender Offer, the Target intends to carry out or decide on certain matters (limited, however, to those requiring a Board Resolution of the Target) (Note 4).

(Note 4) "Certain matters" refers to (a) Mergers, company splits, share issuance, share exchanges, share transfers, business transfers, business acquisitions, transfers or acquisitions of other companies' shares, and other corporate reorganization actions and M&A transactions, (b) capital or business tie-up with competitors of the Company, and (c) any act that could cause a change in the Company's Ownership Ratio or voting right ratio in the Target Shares (excluding the Dilutive Actions), (d) commencement of new business, suspension or reduction of business, or other material change in business, (e) any act that is in conflict with or may be in conflict with the Delisting Criteria, or application for delisting, (f) filing for legal bankruptcy proceedings, etc., (g) any act requiring a Board Resolution, (h) determination or amendment of annual business plan, annual budget, medium- to long-term business plan, (i) borrowing of money or issuing of bonds of 5 billion yen or more, (j) any act that causes a change in a company belonging to the Target's subsidiary (including transfer or acquisition of shares and establishment of a new company), and (k) the appointment or dismissal of directors or executive officers.

(F) Matters concerning continued listing

In order to maintain the listing of the Target Shares on the Prime Market, the Company shall endeavor to the extent practically reasonable to ensure that the Target Shares do not conflict with the criteria for listing on the Prime Market set forth in the rules, etc. of the TSE, and shall, to the extent practically reasonable, provide the necessary cooperation so as not to raise questions about the Target's managerial independence, based on the purpose of each principle of the Corporate Governance Code applicable to companies listed on the Prime Market and other listing rules, etc. The Company shall also endeavor to the extent practically reasonable to provide the necessary cooperation so that the Target can take appropriate responses as a company listed on the Prime Market.

(G) Other

In addition to the above, other general provisions such as report to the Company from the Target, representations and warranties (Note 5), indemnification (Note 6), confidentiality obligations, and governing law and jurisdiction are agreed to in the Capital and Business Tie-up Agreement.

(Note 5) Under the Capital and Business Tie-up Agreement, the Company has made representations and warranties to the Target as of the commencement date of settlement of the Tender Offer with respect to (i) legal and valid incorporation and existence; (ii) the ability and capacity to exercise rights and acts and to perform internal procedures in connection with the execution of the Capital and Business Tie-up Agreement; (iii) legal binding force and enforceability of the Capital and Business Tie-up Agreement (iv) absence of any conflict with laws and regulations due to the execution and performance of the Capital and Business Tie-up Agreement, (v) acquisition of necessary permits and approvals, etc. to execute the Transaction, (vi) absence of bankruptcy proceedings, etc., (vii) non-applicability to antisocial forces and absence of any relationship with antisocial forces, and (viii) the fact that the Company has sufficient funds or financing capacity to settle the Tender Offer.. In addition, under the Capital and Business Tie-up Agreement, the Target has made representations and warranties to the Company with respect to (i) legal binding force and enforceability of the Capital and Business Tie-up Agreement, (ii) the ability and capacity to exercise rights and acts and to perform internal procedures in connection with the execution of the Capital and Business Tie-up Agreement; (iii) legal binding force and enforceability of the Capital and Business Tie-up Agreement (iv) absence of conflict with laws and regulations, etc. due to execution and performance of the Capital and Business Tie-up Agreement, (v) acquisition of necessary permits and approvals, etc. for execution of the Transaction, (vi) absence of bankruptcy proceedings, etc., (vii) preparation of financial statements and related documents; (viii) truthfulness and accuracy of information published in annual securities reports and similar documents; (ix) absence of undisclosed material facts; (x) absence of material violations of laws and regulations; (xi) absence of disputes, conflicts, etc.; and (xii) No relationship with antisocial forces as of the execution date of the Capital and Business Tie-up Agreement.

(Note 6) With respect to claims for compensation arising out of breach of representations and warranties, in no event shall the amount of compensation exceed JPY 700 million in the aggregate.

(II) Tender Offer Agreement

As of today, the Company has entered into the Tender Offer Agreement with Pasona Group (number of shares held: 81,210,400 shares; Ownership Ratio: 51.16%), which is the parent company of the Target, and reached an agreement to tender all of its Target Shares held in the Tender Offer. Under the Tender Offer Agreement, the preconditions for Pasona Group to tender such shares in the Tender Offer are set forth as follows: (i) the Tender Offer by the Company has been legally and validly commenced in accordance with applicable laws and regulations and has not been withdrawn in accordance with the conditions set forth in the Tender Offer Agreement; (ii) the Target has passed a Board Resolution to support the Tender Offer (provided, however, that the decision regarding whether to tender their shares in the Tender Offer will be left to the judgment of the Target’s shareholders), such resolution has been announced, and such expression of opinion has not been withdrawn; (iii) there are no material facts concerning the business, etc. of the Target (as provided in Article 166, Paragraph 2 of the Act) and facts concerning the implementation and suspension of tender offer, etc. of the Target Shares (as provided in Article 167, Paragraph 2 of the Act; provided, however, that this excludes facts related to the Tender Offer) that have not yet been publicly announced ("Undisclosed Facts"); (iv) the Company's representations and warranties (Note 1) set forth in the Tender Offer Agreement are true and accurate in all material respects; and

(v) the Company has not materially breached any of its obligations (Note 2) set forth in the Tender Offer Agreement.

(Note 1) In the Tender Offer Agreement, the Company has made the following representations and warranties to Pasona Group, as of the execution date of the Tender Offer Agreement, the commencement date of the Tender Offer and the commencement date of settlement of the Tender Offer: (i) legal and valid establishment and existence; (ii) full capacity to execute the Tender Offer Agreement and to implement internal procedures; (iii) the legal binding force and enforceability of the Tender Offer Agreement; (iv) the acquisition by the Company of permits and approvals, etc. for the execution and performance of the Tender Offer Agreement; (v) the absence of any conflict with laws and regulations by the execution and performance of the Tender Offer Agreement; (vi) the absence of bankruptcy proceedings, etc.; (vii) the non-applicability to anti-social forces and the absence of any relationship with anti-social forces; and (viii) the Company has sufficient funds to pay for tendering shares, etc. in the Tender Offer as of the commencement date of settlement of the Tender Offer.

(Note 2) Under the Tender Offer Agreement, the Company assumes notification and indemnification obligations for breach of representations and warranties or breach of obligations, confidentiality obligations, and obligations relating to prohibition of disposal of its status under the Tender Offer Agreement or its rights and obligations thereunder.

Under the Tender Offer Agreement, in the event that a person other than the Company makes, at least five (5) business days prior to the expiration date of the Tender Offer Period, a sincere offer or announcement ("Counteroffer") to the effect that it will acquire (whether through a tender offer, corporate reorganization or any other means; provided, however, that in the case of a tender offer, the acquisition shall be subject to the number of shares equal to or more the maximum number of shares to be purchased in the Tender Offer) the Target Shares for acquisition consideration (whether in cash, shares or any other type) that is more than the Tender Offer Price, it is provided that Pasona Group may request the Company to enter into consultation. In this case, (i) if the Company does not change the Tender Offer Price to an amount equal to or more than the acquisition consideration for the Counteroffer by the earlier of either the date on which five (5) business days have passed from the date of such request or the day before the expiration date of the Tender Offer Period, or (ii) if Pasona Group reasonably determines that there is a specific possibility that Pasona Group's tendering of all the Tendering Shares in the Tender Offer, its failure to withdraw the application for the Tender Offer or to accept the Counteroffer will breach the duty of care as a good manager as Pasona Group's director, Pasona Group may decide not to tender all the Tendering Shares in the Tender Offer, or to withdraw its application for the Tender Offer or accept the Counteroffer.

Furthermore, the Tender Offer Agreement provides the following as the conditions precedent for the commencement of the Tender Offer by the Company: (i) the Target has passed a Board Resolution to support the Tender Offer (provided, however, that the decision regarding whether to tender their shares in the Tender Offer will be left to the judgement of shareholders), such resolution has been announced, and such expression of opinion has not been withdrawn; (ii) there are no Undisclosed Facts; (iii) the representations and warranties (Note 3) of Pasona Group set forth in the Tender Offer Agreement are true and accurate in all material respects; (iv) Pasona Group has not materially breached any of its obligations (Note 4) set forth in the Tender Offer Agreement; and (v) the Transition Services Agreement between Pasona Group and the Target has been entered into and remain in effect.

(Note 3) In the Tender Offer Agreement, Pasona Group has made the following representations and warranties to the Company as of the execution date of the Tender Offer Agreement, the commencement date of the Tender Offer and the commencement date of settlement of the Tender Offer: (i) legal and valid establishment and existence; (ii) full capacity to execute the Tender Offer Agreement and to implement internal procedures; (iii) the legal binding force and enforceability of the Tender Offer Agreement; (iv) the acquisition by Pasona Group of permits and approvals, etc. for the execution and performance of the Tender Offer Agreement; (v) the absence of any conflict with laws and regulations by the execution and performance of the Tender Offer Agreement, (vi) the absence of bankruptcy proceedings, etc.; and (vii) the non-applicability to anti-social forces and the absence of any relationship with anti-social forces; and (viii) the legal ownership of the shares to be tendered in the Tender Offer and the absence of any burden of security interests, etc.

(Note 4) Under the Tender Offer Agreement, Pasona Group assumes notification and indemnification obligations for breach of representations and warranties or breach of obligations, confidentiality obligations, and obligations relating to prohibition of disposal of its status under the Tender Offer Agreement or its rights and obligations thereunder. In addition, if Pasona Group receives a proposal from a third party for a transaction that is substantially inconsistent with, in conflict with, or in competition with the Tender Offer, it is obligated to promptly notify the Company of such fact.

In addition, under the Tender Offer Agreement, Pasona Group shall (a) not transfer, create security over, or otherwise dispose of the Tendering Shares until the expiration date of the Tender Offer Period, except as permitted under the Tender Offer Agreement, shall not acquire the Target Shares or the right relating thereto, and (b) not communicate, etc. with any third party other than the Company (excluding those making or considering Counteroffers) regarding any transaction that is substantially inconsistent, conflicting or competing with the Tender Offer.

(III) Transition Services Agreement

According to the Target, the Target has entered into the Transition Services Agreement with Pasona Group as of today. The Transition Services Agreement is summarized below. The Transition Services Agreement will become effective subject to the closing of the Tender Offer and the completion of the settlement of the Tender Offer.

(a) Pasona Group and the Target have agreed that the outsourcing of human resources and public relations services by the Target's Group to Pasona Group's group (excluding the Target's Group; hereinafter the same) and the secondment of employees of Pasona Group's group to the Target's Group, which have been undertaken by reason of the Target being a subsidiary of Pasona Group (for the purpose of this (III), "group" collectively means a company and its subsidiaries), will continue after completion of the Tender Offer until June 30, 2024 ("Transition Period") on the same terms and in the same manner as on the date of execution of the Transition Services Agreement. However, the Target may terminate each of the transactions mentioned above in whole or in part during the Transition Period upon one month's prior written notice.

(b) Pasona Group has agreed that, unless otherwise agreed in writing, it will use commercially reasonable efforts to ensure that the sublease of office space from Pasona Group's group to the Target's Group and the use of Pasona Group's software in the Target's Group, which have been undertaken by reason of the Target being a subsidiary of Pasona Group, will continue during the Transition Period on the same terms and in the same manner as on the date of execution of the Transition Services Agreement after completion of the Tender Offer. The Target may terminate each of the transactions mentioned above in whole or in part during the Transition Period upon one month's prior written notice (or six months' prior written notice in the case of subleases of office space).

(c) If, despite the Target's good faith efforts to terminate any transaction or action, the continuation of each of the transactions described in (a) above is required or Pasona Group's efforts to continue each of the transactions or actions described in (b) above is required after the Transition Period, the Target shall explain to Pasona Group the necessity of continuing each such transaction or action at least one month (or six months in the case of subleases of office space) prior to the last day of the Transition Period and may, with the prior written consent of Pasona Group (which consent shall not be unreasonably withheld or refused), extend the Transition Period for the period necessary to continue each such transaction or action. However, the last day of the Transition Period following such extension shall not be later than March 31, 2025.

(IV) Memorandum of Understanding

The Company, the Target, and Pasona Group have entered into the Memorandum of Understanding dated today, which provides that if the tradable share ratio of the Target Shares is in conflict with the delisting criteria of the Prime Market of the TSE, they will discuss and consider in good faith the measures to avoid the delisting of the Target Shares and cooperate with each other in order to maintain the listing of the Target Shares on the Prime Market of the TSE after the Tender Offer. The Memorandum of Understanding will become effective on the condition that the Tender Offer is consummated and the settlement of the Tender Offer is completed.

Other than the Tender Offer Agreement and the Memorandum of Understanding, there is no agreement between the Company and Pasona Group regarding the Tender Offer. Except for the payment of the Tender Offer Price, there are no benefits granted by the Company or the Target to Pasona Group in connection with the Transactions.

2. Outline of Purchase

(1) Outline of Target

(i) Name	Benefit One Inc.	
(ii) Address	3-7-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo	
(iii) Name and title of representative	Norio Shiraishi, President	
(iv) Description of business	Employee benefit service business	
(v) Capital stock (as of March 31, 2023)	1,527 million yen	
(vi) Date of incorporation	March 15, 1996	
(vii) Major shareholders and shareholding ratios (as of March 31, 2023)	Pasona Group Inc.	51.16%
	The Master Trust Bank of Japan, Ltd. (Trust Account)	8.91%
	Custody Bank of Japan, Ltd. (Trust Account)	4.49%
	SSBTC CLIENT OMNIBUS ACCOUNT (Standing Proxy: Tokyo Branch of The Hongkong and Shanghai Banking Corporation Limited)	4.31%
	TAIYO FUND, L.P. (Standing Proxy: MUFG Bank, Ltd.)	1.49%
	Norio Shiraishi	1.16%
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	1.01%
	STATE STREET BANK AND TRUST COMPANY 505001 (Standing Proxy: Mizuho Bank, Ltd., Settlement and Clearing Services Department)	0.88%
	Nippon Life Insurance Company (Standing Proxy: The Master Trust Bank of Japan, Ltd.)	0.81%
	THE BANK OF NEW YORK MELLON SA/NV 10 (Standing Proxy: MUFG Bank, Ltd.)	0.77%
(viii) Relationship between the Company and Target		
Capital relationship	N/A	
Personal relationship	N/A	
Business relationship	There is no material business relationship between the Company and the Target that should be noted. However, the Target has	

	business with M3 Health Design, Inc, a subsidiary of the Company ("M3 Health Design") wherein the Target uses M3 Health Design's system for the operation of healthcare services outsourced by the Target's customers.
Applicability to related parties	N/A

(ix) Operating Results and Financial Position for the Most Recent Three Years (Consolidated) (millions of yen)

Fiscal Year	Fiscal Year Ended in March 2021	Fiscal Year Ended in March 2022	Fiscal Year Ended in March 2023
Sales	37,841	38,362	42,376
Operating profit	9,774	12,770	10,484
Ordinary profit	9,858	12,826	10,565
Net profit attributable to owners of the parent	6,766	8,949	7,655
Net profit per share (yen)	42.52	56.24	48.29
Dividend per share (yen)	30	36	36
Net assets per share (yen)	124.84	156.54	156.77
Net assets	19,865	24,912	24,832
Total assets	36,171	58,047	53,981

(Note) "Major shareholders and shareholding ratios (as of March 31, 2023)" is based on the information stated in "Status of Major Shareholders" of the 28th annual securities report filed by the Target on June 30, 2023 ("Target's Annual Securities Report").

(2) Schedule of Tender Offer

(I) Schedule

Board resolution date	November 14, 2023 (Tuesday)
Tender Offer commencement public notice date	A public notice will be given electronically, and a notice to that effect will be placed in the *Nihon Keizai Shimbun*. (URL of the electronic public notice: https://disclosure2.edinet-fsa.go.jp/)
Tender Offer Registration Statement filing date	November 15, 2023 (Wednesday)

(II) Notified initial period for purchases, etc.

From November 15, 2023 (Wednesday) until December 13, 2023 (Wednesday) (20 business days)

(III) Possibility of extension at the Target's request

If a position statement containing a request for extension of the Tender Offer Period is submitted pursuant to Article 27-10, Paragraph 3 of the Act, the Tender Offer Period will be extended until December 27, 2023 (Wednesday) (30 business days).

(IV) Contact for confirmation of extension

M3, Inc.
1-11-44 Akasaka, Minato-ku, Tokyo
050-1731-3456, Hirofumi Oba, Executive Officer
Available from 9:00 a.m. to 5:00 p.m. on weekdays

(3) Tender Offer Price, etc.

1,600 yen per share of common stock

(4) Basis for Valuation of Tender Offer Price, etc.

(I) Basis for Valuation
On determining the Tender Offer Price, the Company requested SMBC NIKKO, a financial advisor of the Company, to calculate the value of the Target Shares as a third-party valuation organization independent of the Company, the Target and Pasona Group. SMBC NIKKO does not fall under a related party of the Company and the Target, and does not have any material interests relating to the Tender Offer. Although SMBC NIKKO is a member of the Sumitomo Mitsui Financial Group, Inc., as is SMBC, which plans to provide funds to the Company for the settlement of the Tender Offer, the Company has appointed SMBC NIKKO as its financial advisor and third-party valuation organization in light of SMBC NIKKO's track record as a third-party valuation organization, and based on the facts that SMBC NIKKO, as a measure to prevent any harm, has implemented an information blocking measure as stipulated in its internal rules between the department in charge of calculating the value of the Target Shares and other departments in SMBC NIKKO, and SMBC, that the Company and SMBC NIKKO conduct transactions on the same terms and conditions as those applied for other business partners in general, thereby ensuring the independence of SMBC NIKKO as a financial advisor and a third-party valuation organization, that SMBC NIKKO is not a related party to the Company or the Target, and that it is assumed that there is no particular problem with the Company's request to SMBC NIKKO to calculate the value of the Target Shares.
After reviewing the calculation method to be adopted for the calculation of the value of the Target Shares from among the multiple share value calculation methods, SMBC NIKKO adopted (i) the market share price analysis because the Target is listed on the Prime Market of the TSE and a market price information is available, (ii) the comparable company analysis because it is possible to analogize the share value by comparison with comparable listed companies, and (iii) the discounted cash flow method ("DCF Analysis") to reflect future business activities in the valuation, respectively, to calculate the value of the Target Shares, and the Company obtained the Valuation Report as of November 13, 2023 on the value of the Target Shares from SMBC NIKKO. The Company has not obtained an opinion regarding the fairness of the Tender Offer Price (i.e., a fairness opinion) from SMBC NIKKO because the various measures to ensure the fairness of the Tender Offer as described in "(3) 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" in "1. Purpose of Tender Offer" have been implemented.

The results of SMBC NIKKO's calculation of the ranges of the per-share value of the Target

Shares are as follows:
Market share price analysis: 1,063 yen to 1,303 yen
Comparable company analysis: 877 yen to 1,074 yen
DCF Analysis: 1,007 yen to 2,016 yen

Under the market share price analysis, where November 13, 2023 was the reference date, the per-share value of the Target Shares was calculated to be in the range from 1,063 yen to 1,303 yen based on the following prices of the Target Shares on the Prime Market of the TSE: (i) 1,063 yen, which is the simple average of the closing prices over the past one month immediately preceding the reference date, (ii) 1,113 yen, which is the simple average of the closing prices over the past three months immediately preceding the reference date, and (iii) 1,303 yen, which is the simple average of the closing prices over the past six months immediately preceding the reference date.

Under the comparable company analysis, the value of the Target Shares is calculated by comparing the value of the Target Shares with the market share price and the financial indices indicating profitability of listed companies engaged in a business similar to that of the Target, and the per-share value of the Target Shares was calculated to be in the range from 877 yen to 1,074 yen.

Under the DCF Analysis, the corporate value and share value of the Target were calculated by discounting the free cash flows expected to be generated by the Target after the quarter ended on September 30, 2023 to present value at a certain discount rate, based on the Target's revenue forecast to which the Company made some modifications in consideration of the business plan from the fiscal year ending in March 31, 2024 to the fiscal year ending in March 31, 2026 prepared by the Target which the Company has revised in consideration of Company's due diligence review of the Target from middle of September 2023 to late October 2023 and other factors such as publicly disclosed information. Using this method, the per-share value of the Target Shares was calculated to be in the range from 1,007 yen to 2,016 yen.

The Company has finally decided at the resolution of the board of directors dated today to set the Tender Offer Price at 1,600 yen per share, after comprehensively considering the calculation results stated in the Valuation Report obtained from SMBC NIKKO, as well as the results of the due diligence on the Target conducted by the Company, the trend in the market price of the Target Shares, the approval or disapproval of the Tender Offer by the Target's board of directors, and the results of discussions and negotiations with Pasona Group regarding the Tender Offer Price.

The Tender Offer Price of 1,600 yen is the price obtained by adding the respective percentage of premiums to each of the respective prices: 37.58% to 1,163 yen, the closing price of the Target Shares on the Prime Market of the TSE on November 13, 2023, which is the business day immediately before the day of the public announcement of the implementation of the Tender Offer, 50.52% to 1,063 yen, the simple average of the closing prices over the past one month prior to that date, 43.76% to 1,113 yen, the simple average of the closing prices over the past three months prior to that date, and 22.79% to 1,303 yen, the simple average of the closing prices over the six months prior to that date.

(II) Details of valuation

(How Tender Offer Price was determined)
At a meeting with Pasona Group on October 18, 2023, the Company, based on the results of a multifaceted and comprehensive analysis of the Target's business and finances, proposed a Tender Offer Price of 1,400 yen (a 43.44% premium to the closing price of 976 yen for the Target Shares on October 17, 2023), Pasona Group orally requested the Company to reconsider the proposal.
Therefore, based on such request, the Company proposed to increase the Tender Offer Price by 100 yen to 1,500 yen (a 54.48% premium to the closing price of 971 yen of the Target Shares on October 20, 2023) at the meeting with Pasona Group on October 23, 2023, On October 25, 2023, Pasona Group requested that the Company should reconsider the increase in the Tender Offer Price.
Based on the above request to the price proposal from Pasona Group, on October 27, 2023, the Company submitted to Pasona Group and the Target a legally binding letter of intent which provides that (i) the Tender Offer Price be 1,600 yen (a 53.85% premium to the closing price of 1,040 yen of the Target Share on October 26, 2023) after the consideration of a multifaceted and comprehensive analysis of the business and financial affairs of the Target and the fact that Pasona Group had requested to sell its Target Shares at a premium to the share price of the Target Shares, and to conduct the Tender Offer with the minimum number of shares to be purchased of 81,210,400 shares (Ownership Ratio: 51.16%), which is the same as the number of all the Target Shares held by Pasona Group, and with the maximum number of shares to be purchased of 87,307,300 shares (Ownership Ratio: 55.00%), and (ii) Capital and Business Tie-up Agreement be executed with the Target.

The Company considered setting the maximum number of shares to be purchased at a number equivalent to more than 50% in terms of Ownership Ratio for the following reasons: (A) the purpose of the Company's Tender Offer is to make the Target a consolidated subsidiary of the Company; and (B) as the control of the Target will be transferred to the Company if the Tendering Shares are acquired by it, the Company intends to provide more shareholders of the Target with an opportunity to sell their shares with a premium to the market price upon such transfer of control. On the other hand, if the maximum number of shares to be purchased is set at a high level, there is a possibility that the Target Shares may meet the Delisting Criteria, which would be contrary to the Company's policy to maintain the listing of the Target Shares after the Tender Offer. Therefore, the number of shares equivalent to 55.00% in terms of Ownership Ratio has been set as the maximum number of shares to be purchased.

Since October 27, 2023, the Company has been negotiating various terms and conditions regarding the Tender Offer Agreement other than the Tender Offer Price and the maximum and minimum numbers of shares to be purchased.

As a result, on November 13, 2023, the Company was informed by Pasona Group that it would accept the Tender Offer Price of 1,600 yen per share, that the minimum number of shares to be purchased would be 81,210,400 shares (Ownership Ratio: 51.16%), the same number of Target Shares held by Pasona Group, and that the maximum number of shares to be purchased would be 87,307,300 shares (Ownership Ratio: 55.00%).

In parallel with the aforementioned negotiations with Pasona Group regarding the Tender Offer Agreement, the Company has also been continuing negotiations with Pasona Group and the Target regarding the Capital and Business Tie-up Agreement and the Memorandum of Understanding since October 16, 2023.

Following such discussions and negotiations, the Company has decided at the resolution of the board of directors dated today to conduct the Tender Offer.

(a) Name of the third party from which the Company requested opinion for valuation

In determining the Tender Offer Price, the Company referred to the Valuation Report submitted by SMBC NIKKO, a third-party valuation organization independent of the Company, the Target and Pasona Group. SMBC NIKKO does not fall under a related party of the Company and the Target, and does not have any material interests relating to the Tender Offer. The Company has not obtained an opinion regarding the fairness of the Tender Offer Price (i.e., a fairness opinion) from SMBC NIKKO.

(b) Overview of the opinion

SMBC NIKKO calculated the value of the Target Shares using the market share price analysis, the comparable company analysis and the DCF Analysis. The ranges of the per-share value of the Target Shares calculated based on these methods are as follows:
Market share price analysis: 1,063 yen to 1,303 yen
Comparable company analysis: 877 yen to 1,074 yen
DCF Analysis: 1,007 yen to 2,016 yen

(c) How the Tender Offer Price was determined based on the opinion

The Company has finally decided at the resolution of the board of directors dated today to set the Tender Offer Price at 1,600 yen per share, after comprehensively considering the calculation results stated in the Valuation Report obtained from SMBC NIKKO, as well as the results of the due diligence on the Target conducted by the Company, the trend in the market price of the Target Shares, the approval or disapproval of the Tender Offer by the Target's board of directors, and the results of discussions and negotiations with Pasona Group regarding the Tender Offer Price.

(iii) Relationship with third-party valuation organization

SMBC NIKKO does not fall under a related party of the Company and the Target and does not have any material interests relating to the Tender Offer.

(5) Number of share certificates to be purchased

Planned purchase quantity	Minimum planned purchase quantity	Maximum planned purchase quantity
87,307,300 shares	81,210,400 shares	87,307,300 shares

(Note 1) The Company will not purchase all of the Tendered Share Certificates, if the total number of the Tendered Share Certificates is less than the minimum planned purchase quantity (81,210,400 shares). If the total number of the Tendered Share Certificates exceeds the maximum planned purchase quantity (87,307,300 shares), the Company will not purchase all or part of the excess, and delivery and other settlement procedures for the purchase of the share certificates will be made in the pro rata method set forth in Article 27-13(5) of the Act and Article 32 of the Ordinance.

(Note 2) Fractional shares are also subject to the Tender Offer. Please note that, in the event the shareholder exercises its right to demand a purchase of fractional shares in accordance with the Companies Act, the Target may purchase its own shares during the Tender Offer Period in accordance with the procedures set forth in applicable laws and regulations.

(Note 3) There is no plan to acquire the treasury shares owned by the Target in the Tender Offer.

(6) Changes in ownership ratio of share certificates by after Tender Offer

Number of voting rights represented by share certificates owned by Company before Tender Offer	-	(Ownership ratio of share certificates before Tender Offer: - %)
Number of voting rights represented by share certificates owned by specially related parties before Tender Offer	-	(Ownership ratio of share certificates before Tender Offer: - %)
Number of voting rights represented by share certificates owned by Company after Tender Offer	873,073	(Ownership ratio of share certificates after Tender Offer: 55.00%)
Number of voting rights represented by share certificates owned by specially related parties after Tender Offer	-	(Ownership ratio of share certificates after Tender Offer: - %)
Total number of voting rights owned by all shareholders, etc. of Target	1,587,116	

(Note 1) "Number of voting rights represented by share certificates owned by specially related parties before Tender Offer" and "Number of voting rights represented by share certificates owned by specially related parties after Tender Offer" show the total number of voting rights represented by share certificates owned by each specially related party (excluding any persons who are excluded from specially related parties pursuant to Article 3(2)(i) of the Ordinance in the calculation of the ownership ratio of share certificates pursuant to each item of Article 27-2(1) of the Act).

(Note 2) "Total number of voting rights owned by all shareholders, etc. of Target" is the number of the voting rights owned by all shareholders, etc. as of March 31, 2023 as indicated in the Target's Annual Securities Report. Given that the fractional shares are also subject to the Tender Offer, however, for the purpose of calculating the "Ownership ratio of share certificates before Tender Offer" and "Ownership ratio of share certificates after Tender Offer," the denominator is 1,587,405 (the number of voting rights represented by the number of shares (158,740,543 shares), which is obtained by deducting the number of treasury shares owned by the Target as of September 30, 2023 (450,357 shares) from the total number of issued shares as of the same date (159,190,900 shares), both as indicated in the Summary of the Target's Second Quarter Financial Results).

(Note 3) "Ownership ratio of share certificates before Tender Offer" and "Ownership ratio of share certificates after Tender Offer" are both rounded to the nearest hundredth.

(7) Aggregate Tender Offer Price: 139,691,680,000 yen

(Note) The aggregate Tender Offer Price indicated above is calculated by multiplying the maximum planned purchase quantity in the Tender Offer (87,307,300 shares) by the Tender Offer Price per share (1,600 yen).

(8) Settlement method

(I) Name and headquarters address of financial instruments business operator or bank, etc., to settle the purchase, etc.

SMBC Nikko Securities Inc. 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo

(II) Commencement date of settlement of the Tender Offer

December 20, 2023 (Wednesday)

(Note) If the Target submits its position statement requesting an extension of the Tender Offer Period pursuant to Article 27-10(3) of the Act, the above date will be January 10, 2024 (Wednesday).

(III) Settlement method

Without delay after the conclusion of the Tender Offer Period, the Company will post to the address or location of each tendering shareholder, etc. (or, in the case of foreign shareholders, their standing proxies) a notice of purchase, etc., through the Tender Offer. In the case of a tender through Nikko ezTrade, the above notice will be delivered electronically.
Purchases will be made in cash. In accordance with the instructions of the tendering shareholders, etc. (or, in the case of foreign shareholders, their standing proxies), the sales price of the share certificates purchased will be remitted by the tender offer agent to a location designated by the tendering shareholders, etc. (or, in the case of foreign shareholders, their standing proxies) without delay after the commencement date of settlement ofr the Tender Offer.

(IV) Method of returning share certificates

If not all or part of Tendered Share Certificates are purchased in accordance with the conditions set out in "(I) Conditions set forth in each item of Article 27-13(4) of the Act, and detail of such conditions" or "(II) Conditions for withdrawal of the Tender Offer, detail of such conditions and method of disclosure of withdrawal" under "(9) Other conditions and methods of purchase"

below, the tender offer agent will return the share certificates that are required to be returned on the second business day following the last day of the Tender Offer Period (or, if the Tender Offer is withdrawn, the date on which the withdrawal was made), in the condition at the time the application was made (the condition at the time the application was made means the condition in which the execution of the tender order for the Tender Offer was canceled), on the account of the tender offer agent,.
In the event that the book-entry transfer procedures for the share certificates, etc. required to be returned are carried out by a financial instruments business operator other than the tender offer agent, the book-entry transfer date may differ depending on the account classification in which the share certificates, etc. are managed, so please check with the head office or each sales office in Japan of the tender offer agent with whom application was made.

(9) Other conditions and methods of purchase

(I) Conditions set forth in each item of Article 27-13(4) of the Act, and detail of such conditions

The Company will not purchase all of the Tendered Share Certificates, if the total number of the Tendered Share Certificates is less than the minimum planned purchase quantity (81,210,400 shares). If the total number of the Tendered Share Certificates exceeds the maximum planned purchase quantity (87,307,300 shares), the Company will not purchase all or part of the excess, and delivery and other settlement procedures for the purchase of the share certificates will be made in the pro rata method set forth in Article 27-13(5) of the Act and Article 32 of the Ordinance (if the number of Tendered Share Certificates includes shares less than one unit (100 shares), the number of shares to be purchased calculated in the pro rata method shall be limited to the number of the Tendered Share Certificates.
If the total number of shares to be purchased from each tendering shareholder, etc. calculated by rounding the number of shares less than one unit that arises from the calculation under the pro rata method is less than the maximum planned purchase quantity, a purchase, etc. of the Tendered Share Certificates of one unit (or, if the number of Tendered Share Certificates is exceeded as a result of the purchase, etc. of additional one unit, the number of shares until it reaches the number of the Tendered Share Certificates) will be made for each tendering shareholder, etc. in the sequential order from the tendering shareholder, etc. with respect to whom the number of shares rounded down is larger, until such total number becomes equal to or greater than the maximum planned purchase quantity. However, in the event that the maximum planned purchase quantity would be exceeded if purchase, etc. is made in this method from all the tendering shareholders, etc. who have equal numbers of shares rounded down, purchase, etc. will be made from the shareholders determined by lottery from among such tendering shareholders, etc. to the extent that the number to be purchased does not fall below the maximum planned purchase quantity.
If the total number of shares to be purchased from each tendering shareholder, etc. calculated by rounding the number of shares less than one unit that arises from the calculation under the pro rata method exceeds the maximum planned purchase quantity, the number of shares to be purchased from each tendering shareholder, etc. will be reduced by one unit (or, if the number of shares to be purchased calculated under the pro rata method includes a portion of number of shares less than one unit, such number of shares less than one unit) in the sequential order from the tendering shareholder, etc. with respect to whom the number of shares rounded up is larger, until such number does not fall below the maximum planned purchase quantity. However, in

the event that such number falls below the maximum planned purchase quantity if the number of shares to be purchased is reduced in this way for all tendering shareholders, etc. who have equal numbers of shares rounded up, the shareholder for whom the number of shares to be purchased is reduced will be determined by lottery from among such tendering shareholders, etc. to the extent that the number to be purchased does not fall below the maximum planned purchase quantity.

(II) Conditions for withdrawal of the Tender Offer, detail of such conditions and method of disclosure of withdrawal

Upon occurrence of any of the matters as provided in Article 14(1)(i)(a) through (j) and (m) through (s), (iii)(a) through (h) and (j) and Article 14(2)(iii) through (vi) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; the ("Enforcement Order")), the Tender Offer may be withdrawn. "The facts equivalent to those listed in (a) through (i)" as provided in Article 14(1)(iii)(j) of the Enforcement Order refer to the case (i) where any of the statutory disclosure documents filed by the Target in the past is found to contain any false statement with respect to any material matter or omit to state any material matter required to be stated and (ii) where any of the facts listed in Article 14(1)(iii)(a) through (g) occurs in a material subsidiary of the Target.
If the Company intends to withdraw the Tender Offer, it will issue an electronic public notice and publish the notice in the Nihon Keizai Shimbun. However, if it is difficult to give public notice by the last day of the Tender Offer Period, the Company shall make an announcement by the method prescribed in Article 20 of the Ordinance and give public notice immediately thereafter.

(III) Whether there are any conditions for the reduction of the Tender Offcer Price, the details thereof and the method of disclosure of such reduction

Pursuant to the provisions of Article 27-6(1)(i) of the Act, if the Target conducts the act presecribed in Article 13(1) of the Enforcment Order during the Tender Offer Period, the Tender Offer Price may be reduced in accordance with the criteria prescribed in Article 19(1) of the Ordinance.
If the Company intends to reduce the Tender Offer Price, the Company will issue an electronic public notice and publish the notice in the Nihon Keizai Shimbun. However, if it is difficult to give public notice by the last day of the Tender Offer Period, the Company shall make an announcement by the method prescribed in Article 20 of the Ordinance and give public notice immediately thereafter.
If the Tender Offer Price is reduced, the Company will purchase the Tendered Share Certificates prior to the public notice at the reduced Tender Offer Price.

(IV) Matters concerning the right of tendering shareholders, etc. to cancel the contract

The tendering shareholders, etc. may cancel the contract for the Tender Offer at any time during the Tender Offer Period.
If the Company cancels the contract, it shall deliver or send a document to the effect that it intends to cancel the contract for the Tender Offer ("Cancellation Document") to the person designated below by 15:30 p.m. on the last day of the Tender Offer Period, (however, business

hours vary by branch, so please go through the procedure after confirming with business hours of the branch to be used in advance.) However, in the case of sending the Cancellation Document, the Cancellation Document shall be reached to the person designated below by 15:30 p.m. on the last day of the Tender Offer Period, (however, business hours vary by branch, so please go through the procedure after confirming with business hours of the branch to be used in advance.)
To cancel a contract that has been applied for at Nikko ezTrade, please follow the instructions on the screen after logging in to Nikko ezTrade and complete the cancellation procedures by 15:30 p.m. on the last day of the Tender Offer Period.

The person authorized to receive the cancellation document

SMBC Nikko Securities Inc.	3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo (Other domestic branches)

The Company will not seek a payment of damages or penalties from tendering shareholders, etc. in connection with the cancellation of the contract by them. The Company shall also bear costs required for the return of the Tendered Share Certificates. If the cancellation is requested, the Tendered Share Certificates will be returned promptly after the procedures for such request for cancellation are completed, by the method described in "(IV) Method of returning share certificates" under "(8) Settlement method."

(V) The method of disclosure in the case where the terms of tender offer, etc. have been changed

During the Tender Offer Period, the Company may change the terms of tender offer, etc., except as otherwise prohibited by Article 27-6(1) of the Act and Article 13 of the Enforcement Order. If the Company intends to change the terms of tender offer, etc., it shall issue an electronic public notice of the contents, etc. of the change, and publish the notice in the Nihon Keizai Shimbun. However, if it is difficult to give public notice by the last day of the Tender Offer Period, the Company shall make an announcement by the method prescribed in Article 20 of the Ordinance and give public notice immediately thereafter.
If the terms of tender offer, etc. are changed, the Company will purchase, etc. the Tendered Share Certificates tendered prior to the date of the public notice pursuant to the changed terms of tender offer, etc.

(VI) Method of disclosure in the case of submission of an amended statement

If the Company has submitted an amended statement to the Director-General of the Kanto Local Finance Bureau (except for the cases provided for in the proviso of Article 27-8, Paragraph 11 of the Act)), the Company will immediately announce the contents of the amended statement that relate to the contents of the public notice of the commencement of the Tender Offer in the manner provided in Article 20 of the Ordinance. The Company will also immediately amend the tender offer explanation and make the amendments to the tendering shareholders to whom the tender offer explanation has already been delivered by delivering the amended tender offer explanation. However, if the amendments are minor in scope, the Company will make the amendments by preparing a document stating the reason for the amendments, the matters amended, and the details of the amendments and delivering such document to the tendering shareholders.

(VII) Method of Disclosure of the Results of the Tender Offer

The results of the Tender Offer will be announced publicly in the manner provided in Article 9-4 of the Enforcement Order and Article 30-2 of the Ordinance on the day following the last day of the Tender Offer Period.

(VIII) Others

The Tender Offer is not being made, directly or indirectly, in or toward the United States, or by the use of the U.S. postal service or any other means or instrumentality of interstate or international commerce, including, but not limited to, telephone, telex, facsimile, e-mail or Internet communications, nor through a securities exchange facility in the United States. It is not allowed to tender shares in the Tender Offer by any of the aforementioned methods or means, through any of the aforementioned facilities, or from within the United States.
Neither the tender offer statement nor any related purchase documents are or may be sent or distributed in, to, or from the United States by mail or any other means. Applications for the Tender Offer that directly or indirectly violate the above restrictions will not be accepted.
Every party tendering shares in the Tender Offer (or its standing proxy in the case of a foreign shareholder, etc.) is required to make the following representations and warranties:
The tendering party is not located in the U.S. either at the time of application or the time of sending the tender offer application; the tendering party has not received or sent any information or documents relating to the Tender Offer in, to, or from the U.S; the tendering party has not, directly or indirectly, used the U.S. postal service or any other means or instrumentality of interstate or international commerce (including, but not limited to, telephone, telex, facsimile, e-mail, and Internet communications) or any securities exchange facility in the United States in connection with the tender offer or the signing or delivery of the Company application; and that it is not acting as an agent or fiduciary or assignee of any other person without discretionary authority (except for cases where such other person is giving all instructions with respect to the tender offer from outside the United States).

(10) Tender Offer Commencement Public Notice Date

November 15, 2023 (Wednesday)

(11) Tender Offer Agent

SMBC Nikko Securities Inc. 3-1 Marunouchi 3-chome, Chiyoda-ku, Tokyo

3. Policies after the Tender Offer and Future Prospects

(1) Policies after the Tender Offer

For details about the policies after the Tender Offer and future prospects, please see Background, reasons and processes to the decision to implement the Tender Offer"(III) Management Policy after the Tender Offer" in "(2) Background, reasons and processes to the decision to implement the Tender Offer and Management Policy after the Tender Offer", in "1. Purpose of Tender

Offer" above.

(2) Impact on and outlook for the Company's consolidated financial results in the future

The impact of the Tender Offer on the Company's business performance is currently under scrutiny and will be announced promptly if any need to revise the business forecast or any facts that should be announced arise in the future.

(Reference) Forecast of consolidated financial results for the fiscal year ending March 31, 2024 and consolidated results for the previous fiscal year

	Sales revenue	Operating profit	Pretax profit	Current profit	Current profit attributable to owners of the parent	Primary profit per share
Forecast of the current consolidated financial results (Fiscal year ending March 31, 2024)	250,000	75,000	75,000	52,000	50,000	73.65 yen
Consolidated results for the previous fiscal year (Fiscal year ended March 31, 2023)	230,818	71,983	74,318	51,983	49,028	72.22 yen

4. Other Information

(1) Whether the Company and the Target or its officer have reached an agreement and the details of such agreement

According to the Target’s Press Release, at the Target's board of directors meeting held today, it was resolved that the Target is to express its opinion in favor of the Tender Offer and to leave it to the decision of the Target's shareholders as to whether or not to tender their shares in the Tender Offer.
For details of the decision-making process of the Target's board of directors meeting, please see the Target's Press Release and "(iii) Approval by all directors who do not have an interest in the Target (including directors who are members of the Audit and Supervisory Committee)" in "(3) 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" in "1. Purpose of Tender

Offer” above.
The Company has entered into the Capital and Business Tie-up Agreement with the Target as of today. For details of the Capital and Business Tie-up Agreement, please see "(I) Capital and Business Tie-up Agreement" in "(6) Matters related to material agreements concerning Tender Offer" in "1. Purpose of Tender Offer" above.
The Company has executed the Memorandum of Understanding with Pasona Group and the Target as of today. For details of the Memorandum of Understanding, please see "(IV) Memorandum of Understanding" in "(6) Matters related to material agreements concerning Tender Offer" in "1. Purpose of Tender Offer" above.

(2) Other information deemed necessary for investors to decide whether or not to accept the Tender Offer

A) Release of "Summary of Financial Results for the Second Quarter of the Year Ending March 31, 2024 [Japanese GAAP] (Consolidated)"

The Target has released today the Summary of the Target’s Second Quarter Financial Results. The following is a summary of the Target's profit and loss based on such financial results. The said contents have not undergone a quarterly review by an auditing firm pursuant to the provisions of Article 193-2, Paragraph 1 of the Law. For more details, please see to the Summary of the Target’s Second Quarter Financial Results released by the Target on the same day.

(i) Profit and Loss

Accounting period	Second quarter consolidated cumulative period of the fiscal year ending March 31, 2024
Net sales	18,732 million yen
Cost of sales	9,723 million yen
Selling, general and administrative expenses	5,461 million yen
Non-operating profit	83 million yen
Non-operating expenses	36 million yen
Quarterly net profit	2,414 million yen

(ii) Per share

Accounting period	Second quarter consolidated cumulative period of the fiscal year ending March 31, 2024
Quarterly net profit per share	15.24 yen
Dividend per share	0.00 yen

B) Publication of "Notice of Revision of Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2024

The Target today announced revisions to its consolidated earnings forecasts for the full fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024). For details, please see the "Notice of Revision of Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2024" released by the Target on the same day.

	Net sales	Operating profit	Ordinary profit	Net profit attributable to owners of the parent	Net profit per share
Previous forecast (A)	Millions of yen 45,450	Millions of yen 10,830	Millions of yen 10,970	Millions of yen 7,300	Yen 46.09
Revised forecast (B)	44,230	9,800	9,940	6,600	41.66
Increase (Decrease) (B-A)	(1,220)	(1,030)	(1,030)	(700)	-
Increase (Decrease) (%)	(2.7%)	(9.5%)	(9.4%)	(9.6%)	-
(Reference) Results for the previous period (Fiscal year ended March 31, 2023)	42,376	10,484	10,565	7,655	48.29

End

"The Tender Offer will not be conducted, directly or indirectly, in or targeted at the United States, nor through the U.S. postal mail services or other interstate or international commercial methods or means (including, but not limited to, telephone, telex, facsimile, e-mail, and Internet communication), nor through any stock exchange facilities in the United States. No tender of shares in the Tender Offer may be made through any of the aforementioned methods or means, through such stock exchange facilities, or from the United States. In addition, neither the press releases related to the Tender Offer nor other relevant documents will, or may, be sent or distributed in, to, or from the United States by the postal mail services or other means. No tender of shares in the Tender Offer that violates, directly or indirectly, any of the aforementioned restrictions will be accepted.
No solicitation to purchase securities or other equivalent instruments is being made to residents in the United States or within the United States. Even if such securities or other equivalent instruments are sent to the Company by residents in the United States or from the United States, they will not be accepted."