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December 12, 2023
80, Oshimada-machi, Nagano-shi, 381-2287 Japan
SHINKO ELECTRIC INDUSTRIES CO., LTD.
Stock exchange code: 6967, TSE Prime

Notice Concerning Expression of Opinion to Support Commencement of Tender Offer for Company Shares by JICC-04, Ltd. and Recommendation of Tender Thereto

The Company hereby announces that it resolved at its Board of Directors meeting held today to express its current opinion that, if commenced, it will express an opinion to support the tender offer (the "Tender Offer") for the Company's common shares (the "Company Shares") to be conducted by JICC-04, Ltd. (the "Tender Offeror") and recommend that its shareholders tender their shares in the Tender Offer, as below.

According to the Tender Offeror, because the procedures and steps required under domestic and foreign competition laws (at present, while it is believed that procedures will be required in Japan and foreign countries including China and South Korea and that procedures may be required in Vietnam, the decision on whether it is necessary to take procedures may change in the future depending on further confirmation of facts concerning the Company's business or assets and views expressed by relevant authorities; hereinafter the same) and foreign investment control laws and regulations (at present, while it is believed that procedures may be required in the U.S., the decision on whether it is necessary to take procedures may change in the future depending on further confirmation of facts concerning the Company's business or assets and views expressed by relevant authorities; hereinafter the same) will take time to complete, the Tender Offeror plans to commence the Tender Offer on the following date (the "Tender Offer Commencement Date"): a date that is (i) within 10 business days after the aforementioned procedures and steps are completed and other conditions precedent (Note 1) set out in the Master Transaction Agreement (as defined in "(I) Overview of Tender Offer" in "(2) Basis and Reasons for Opinion Regarding Tender Offer" in "3. Details, Basis, and Reasons for Opinion Regarding Tender Offer" below; hereinafter the same) (those conditions precedent, the "Tender Offer Conditions Precedent") (excluding those to be satisfied on the commencement date of the Tender Offer) are satisfied (or waived at the discretion of the Tender Offeror (Note 2)) (however, if a Counter Proposal (as defined in "(1) Master Transaction Agreement" in "4. Matters Concerning Material Agreements Related to Tender Offer" below; hereinafter the same) has been made as of such date, then the earlier of (a) the date on which 20 business days have elapsed since the date on which Fujitsu Limited("Fujitsu") makes a request to the Tender Offeror for consultation regarding changing the Tender Offer Price (as defined in "2. Purchase Price, Etc." below) and the Repurchase Price (as defined in "(I) Overview of Tender Offer" in "(2) Basis and Reasons for Opinion Regarding Tender Offer" in "3. Details, Basis, and Reasons for Opinion Regarding Tender Offer" below; hereinafter the same) or (b) the date on which

Fujitsu covenants in writing that it will not accept the Counter Proposal) and (ii) determined by the Tender Offeror upon consultation with Fujitsu. As of today, the Tender Offeror aims, based on discussions with local law firms concerning such procedures, to commence the Tender Offer in or around late August 2024, but since it is difficult to accurately estimate the amount of time required for the procedures involving foreign competition authorities and authorities having jurisdiction over investment control laws and regulations, the detailed schedule for the Tender Offer will be promptly announced as soon as it is decided. Any changes to the expected timing of the commencement of the Tender Offer will be also announced promptly.

Note 1: Under the Master Transaction Agreement, the Tender Offer Conditions Precedent are stipulated as follows: (i) the permanent Special Committee (as defined in "(III) Process of and Reasons for Decision-Making by Company to Support Tender Offer" in "(2) Basis and Reasons for Opinion Regarding Tender Offer" in "3. Details, Basis, and Reasons for Opinion Regarding Tender Offer" below), established by the Company on June 17, 2022 based on the Corporate Governance Code published by the Tokyo Stock Exchange, has reported to the board of directors of the Company that it is appropriate for the board of directors of the Company to express its opinion in favor of the Transactions (as defined in "(I) Overview of Tender Offer" in "(2) Basis and Reasons for Opinion Regarding Tender Offer" in "3. Details, Basis, and Reasons for Opinion Regarding Tender Offer" below; hereinafter the same) and to recommend that the shareholders of the Company tender their shares in the Tender Offer, and the report has not been changed or withdrawn; (ii) the board of directors of the Company has adopted a resolution with the approval of all disinterested directors to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer, and that opinion has been publicly announced in accordance with laws and regulations and has not been changed or withdrawn, and no resolution in contradiction therewith has been passed; (iii) no judgment has been made or is likely to be made by any judicial or administrative agency that restricts or prohibits the Transactions; (iv) Fujitsu has performed and complied with, in all material respects, all of its obligations under the Master Transaction Agreement (Note 3), and there has been no breach of Fujitsu's representations and warranties under the Master Transaction Agreement (Note 4) that would have a material adverse effect (Note 5) (however, Fujitsu shall be given an opportunity to cure any nonperformance, noncompliance, or breach in advance, and if the nonperformance, noncompliance, or breach is cured within a reasonable period of time, the foregoing conditions shall be deemed satisfied); (v) the acquisition of Clearance (Note 6) has been completed; (vi) confirmation has been obtained in writing from the Company that, as of the business day immediately preceding the Tender Offer Commencement Date, there is no material fact regarding the business, etc. (excluding those publicly announced in accordance with Article 166, Paragraph 4 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the "Act") of the Company as provided for in Article 166, Paragraph 2 of the Act, except for matters relating to the Transactions including the Tender Offer to be announced on that date by the Company; (vii) no settlement failure event (Note 7) has occurred with regard to the financial institution that will become the lender in the borrowings (including mezzanine borrowings) by the Tender Offeror or its parent company for the purpose of financing the Transactions; (viii) the "Memorandum of Understanding Regarding Tender Offer" (the "MOU") between the Tender Offeror and the Company dated as of the date of execution of the Master Transaction Agreement remains in effect, and the Company has performed and complied with, in all material respects, all of its obligations under the MOU (however, the foregoing conditions shall be deemed satisfied unless a breach of such obligations has a material adverse effect); (ix) if the Tender Offer has commenced on or after the date of execution of the Master Transaction Agreement, no circumstances have arisen in the Company that would allow the withdrawal of the Tender Offer pursuant to the provisions of the Article 27-11, Paragraph 1 of the Act (however, limited to the circumstances set out in Article 14, Paragraph 1, Item 3 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended)) (the foregoing condition shall be deemed satisfied unless the circumstances have a material adverse effect); and (x) no proposal for a dividend of surplus to be implemented on or after the execution date of the Master Transaction Agreement has been approved at any shareholders' meeting of the Company. If any Counter Proposal is made before the commencement of the Tender Offer, the Tender Offeror shall not bear an obligation to commence the Tender Offer unless Fujitsu covenants in writing not to accept the Counter Proposal or the Tender Offeror changes the Tender Offer Price to an amount higher than the consideration proposed in the Counter Proposal and changes the Repurchase Price to an amount that, taking tax effects into account, is substantially higher than the consideration proposed in the Counter Proposal. Further, since the Master Transaction Agreement sets out termination events (Note 8), the Tender Offeror will not bear an obligation to commence the Tender Offer in the event that the Master Transaction Agreement terminates. Please refer to "(1) Master Transaction Agreement" in "4. Matters Concerning Material Agreements Related to Tender Offer" below for details of the Master Transaction Agreement.

Note 2: The Master Transaction Agreement stipulates that any or all of the Tender Offer Conditions Precedent may be waived at the discretion of the Tender Offeror.

Note 3: Please refer to "(1) Master Transaction Agreement" in "4. Matters Concerning Material Agreements Related to Tender Offer" below for details of Fujitsu's obligations under the Master Transaction Agreement.

Note 4: Please refer to "(1) Master Transaction Agreement" in "4. Matters Concerning Material Agreements Related to Tender Offer" below for details of the representations and warranties of Fujitsu under the Master Transaction Agreement.

Note 5: "Material adverse effect" means any material adverse effect on the business, financial condition, assets, liabilities, operating results, or cash flow of the Company and its subsidiaries as a whole or on the execution of the Transactions, or any specific risk thereof.

Note 6: "Clearance" means the obtainment (including the expiration of the applicable waiting period without objection from the relevant authorities) of permits and authorizations, etc. (meaning a permit, authorization, license, approval, consent, registration, notification, or any other similar act or procedure by the national government, a local government, or any other public agency or administrative agency as required by relevant laws and regulations; hereinafter the same) under the competition laws and regulations of Japan, China, South Korea, and Vietnam and notification to the Committee on Foreign Investment in the United States (however, after the execution of the Master Transaction Agreement, Fujitsu, the Company, and the Tender Offeror shall consult regarding that notification, and the Tender Offeror shall determine whether or not it will be included in the scope of permits and authorizations, etc. to be obtained for Clearance). If it is found that there are other permits and authorizations, etc. required for the execution or performance of the Master Transaction Agreement in addition to the above, and the Tender Offeror reasonably determines that such permits and authorizations, etc. are necessary, the Tender Offeror may add such permits and authorizations, etc. to the scope of permits and authorizations, etc. to be obtained for Clearance after discussion in good faith with Fujitsu. Any additions will be disclosed in a timely manner.

Note 7: “Settlement failure event” means, with regard to the financial institutions that will become the lenders in the borrowings by the Tender Offeror or its parent company for the purpose of financing the Transactions (referring to MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation, The Hachijuni Bank, Ltd., and Aozora Bank, Ltd.), (i) any natural disaster, war, or outbreak of terrorism, (ii) any breakdown or failure of electric, communication or various clearing systems, (iii) any event where, in the Tokyo Interbank Market, a loan of yen funds cannot be executed, and (iv) any other event that is similar to (i) through (iii) above for any reason not attributable to the financial institutions for which the financial institutions objectively and reasonably determine that it is objectively impossible to conduct the settlement of the financing due to that event.

Note 8: Please refer to “(1) Master Transaction Agreement” in “4. Matters Concerning Material Agreements Related to Tender Offer” below for details of termination events set out in the Master Transaction Agreement.

In light of such situation, as stated in “(V) Unanimous Approval of All Non-Interested Directors of Company” of “(6) Measures to Ensure Fairness of Tender Offer, Such as Measures to Ensure Fairness of Tender Offer Price and Avoid Conflicts of Interest” of “3. Details, Basis, and Reasons for Opinion Regarding Tender Offer” below, the Company also resolved (i) that when the Tender Offer is commenced, the Board of Directors will request that the Special Committee (a) consider whether there are any changes in its opinion as expressed to the Board of Directors as of today regarding inquiring with the Special Committee about the Transactions, and (b) if there are no changes in its opinion, make a statement to that effect, or if there are changes in its opinion, state the changed opinion, to the Board of Directors; and (ii) that based on such opinion of the Special Committee, the Company will express its opinions on the Tender Offer again when the Tender Offer is commenced.

For details of the composition of the Special Committee and its specific activities, please refer to “(II) Procurement by Company of Written Report from Independent Special Committee” of “(6) Measures to Ensure Fairness of Tender Offer, Such as Measures to Ensure Fairness of Tender Offer Price and Avoid Conflicts of Interest” of “3. Details, Basis, and Reasons for Opinion Regarding Tender Offer” below.

The Board of Directors resolution above was made on the assumption that the Tender Offeror intends to acquire all Company Shares through the Tender Offer and a series of subsequent procedures and that the Company Shares will be delisted.

1. Overview of Tender Offeror

(1)	Name	JICC-04, Ltd.
(2)	Location	1-3-1, Toranomon, Minato-ku, Tokyo
(3)	Title and Name of Representative	Osamu Itabashi, Representative Director
(4)	Business Description	(i) Controlling and managing the business activities of a company through the acquisition and holding of the share certificates, etc. that company (ii) Any and all business including or related to the preceding item
(5)	Capital	100,000 yen
(6)	Date of Establishment	September 29, 2023
(7)	Major Shareholders and Shareholding Ratios	JIC Capital, Ltd. 100%
(8)	Relationships Between the Company and the Tender Offeror	
	Capital Relationships	N/A
	Personnel Relationships	N/A
	Transactional Relationships	N/A
	Conditions Applicable to Related Parties	N/A

2. Purchase Price, Etc.

5,920 yen per common share (the "Tender Offer Price")

3. Details, Basis, and Reasons for Opinion Regarding Tender Offer

(1) Details of Opinion Regarding Tender Offer

The Company resolved at its Board of Directors meeting held today to express its current opinion that, if commenced, it will express an opinion to support the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer, based on the basis and reasons stated in "(2) Basis and Reasons for Opinion Regarding Tender Offer" below. According to the Tender Offeror, the Tender Offer is scheduled to commence within 10 business days from the date on which the Tender Offer Conditions Precedent (excluding those to be satisfied on the commencement date of the Tender Offer) are satisfied (or waived by the Tender Offeror; however, if a Counter Proposal has been made as of such date, then the earlier of (a) the date on which 20 business days have elapsed since the date on which Fujitsu Limited ("Fujitsu") makes a request to the Tender Offeror for consultation regarding changing the Tender Offer Price and the Repurchase Price or (b) the date on which Fujitsu covenants in writing that it will not accept the Counter Proposal), and as of today, the Tender Offeror aims to commence the Tender Offer in or around late August 2024, but since it is difficult to accurately estimate the amount of time required for the procedures involving foreign competition authorities and authorities having jurisdiction over investment control laws and regulations.

In light of such situation, as stated in “(V) Unanimous Approval of All Non-Interested Directors of Company” of “(6) Measures to Ensure Fairness of Tender Offer, Such as Measures to Ensure Fairness of Tender Offer Price and Avoid Conflicts of Interest” below, the Company also resolved (i) that when the Tender Offer is commenced, the Board of Directors will request that the Special Committee (x) consider whether there are any changes in its opinion as expressed to the Board of Directors as of today, and (y) if there are no changes in its opinion, make a statement to that effect, or if there are changes in its opinion, state the changed opinion, to the Board of Directors; and (ii) that based on such opinion of the Special Committee, the Company will express its opinions on the Tender Offer again when the Tender Offer is commenced.

(2) Basis and Reasons for Opinion Regarding Tender Offer

Statements in “(2) Basis and Reasons for Opinion Regarding Tender Offer” that pertain to the Tender Offeror are based on explanations provided by the Tender Offeror.

(I) Overview of Tender Offer

The Tender Offeror is a stock company (*kabushiki kaisha*) established on September 29, 2023 and whose business primarily consists of controlling and managing the business activities of the Company through the acquisition and holding of the share certificates, etc. of the Company after the completion of the Tender Offer. As of today, JIC Capital, Ltd. (“JICC”), which is a wholly-owned subsidiary of Japan Investment Corporation (“JIC”), holds all of the issued shares of the Tender Offeror. During the period up to the time of settlement of the Tender Offer, JICC will transfer all of the issued shares of the Tender Offeror to JIC PEF1 Limited Partnership and JIC PEFJ1 Limited Partnership, both managed by JICC. In addition, during the period from the completion of the Tender Offer to the time of settlement of the Tender Offer, the Tender Offeror will commence procedures for a capital contribution by a third-party allotment of common shares through which shares are allotted by the Tender Offeror to the JICC Funds (meaning other investment limited partnerships or other entities in which JICC or its subsidiaries or affiliates act as general partners, including JIC PEF1 Limited Partnership and JIC PEFJ1 Limited Partnership; the same shall apply hereinafter; investment limited partnerships included in the JICC Funds include those in which Hachijuni Sustainability No. 1 Fund (general partner: Hachijuni Investment Co., Ltd. (“Hachijuni Investment”)) will invest as a limited partner), Dai Nippon Printing Co., Ltd. (“DNP”), and Mitsui Chemicals, Inc. (“Mitsui Chemicals”; the JICC Funds, DNP, and Mitsui Chemicals are hereinafter collectively referred to as the “JICC Alliance,” and the capital contribution, the “Contribution (Common Shares)”) and procedures for a capital increase by a third-party allotment of preferred shares (non-voting class shares with no conversion rights to common stock) through which shares are allotted by the Tender Offeror to DNP and Mitsui Chemicals (the “Contribution (Preferred Shares)”; together with the Contribution (Common Shares), the “Contributions”) for the purpose of providing for the funds necessary to execute the Transactions. JIC, the JICC Alliance, and the Tender Offeror do not hold any Company Shares as of today. After the Contributions, the JICC Funds, DNP, and Mitsui Chemicals will hold 80.00%, 15.00%, and 5.00% of common stock of the Tender Offeror, respectively.

Today, the Tender Offeror entered into a master transaction agreement with Fujitsu (the "Master Transaction Agreement"; for details of the Master Transaction Agreement, please refer to "(1) Master Transaction Agreement" in "4. Matters Concerning Material Agreements Related to Tender Offer" below), and decided to conduct the Tender Offer for all of the Company Shares (excluding the Company Shares held by Fujitsu (number of shares held: 67,587,024 shares, ownership percentage (Note 9): 50.02%; the "Fujitsu Holding Shares") and the treasury shares held by the Company) as part of the series of transactions aimed at making the Tender Offeror the sole shareholder of the Company and taking the Company Shares listed on the Prime Market of Tokyo Stock Exchange as of today private (the "Transactions") on the condition that the Tender Offer Conditions Precedent are satisfied or, at the discretion of the Tender Offeror, waived.

Note 9: "Ownership percentage" means the ratio of the shares owned (rounded to two decimal places) to the sum (135,117,512 shares) of the total number of issued shares of the Company as of September 30, 2023 (135,171,942 shares) as stated in the Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (based on Japanese GAAP) announced by the Company on October 26, 2023 minus the treasury shares (54,430 shares) owned by the Company as of September 30, 2023. This applies hereinafter in the calculation of the ownership percentage.

The Transactions consist of the following procedures through which the Tender Offeror intends to ultimately make the Company a wholly-owned subsidiary of the Tender Offeror:

(A) the Tender Offer by the Tender Offeror;

(B) procedures for the Share Consolidation (as defined in "(4) Policy for organizational restructuring after the Tender Offer (matters relating to a so-called "Two-Step Acquisition")" below; hereinafter the same) to be conducted by the Company in order to make the Tender Offeror and Fujitsu the only shareholders of the Company if the Tender Offeror is not able to acquire all of the Company Shares (excluding the Fujitsu Holding Shares and the treasury shares held by the Company) through the Tender Offer (the "Squeeze-Out Procedures");

(C) (i) the provision of funds to the Company by the Tender Offeror (which is expected to be through a capital increase by a third-party allotment through which shares are allotted to the Tender Offeror or through a loan to the Company (the "Financing")) and (ii) a decrease in the amounts of the stated capital, capital reserve, and retained earnings reserve of the Company in accordance with Article 447, Paragraph 1 and Article 448, Paragraph 1 of the Companies Act (Act No. 86 of 2005, as amended, the "Companies Act") (the "Capital Decrease, Etc.") (Note 10), each to be conducted by the Company for the purpose of procuring funds and a distributable amount necessary for conducting the Company's acquisition of the Fujitsu Holding Shares on the condition that the Share Consolidation becomes effective (the "Share Repurchase"); and

(D) the Share Repurchase.

Please refer to "(4) Policy for organizational restructuring after the Tender Offer (matters relating to a so-called "Two-Step Acquisition")" below for details of the Share Consolidation.

Note 10: It is planned that, upon the Capital Decrease, Etc., the Company will transfer (i) part or all of the decreased stated capital and capital reserve to other capital surplus and (ii) all of the decreased retained earnings reserve to retained earnings carried forward.

In connection with the Tender Offer, the Tender Offeror has executed the Master Transaction Agreement with Fujitsu as of today, pursuant to which Fujitsu has agreed (i) not to tender any of the Fujitsu Holding Shares that it holds in the Tender Offer, and (ii) to sell all of the Fujitsu Holding Shares that it holds in response to the Share Repurchase. For details of the Master Transaction Agreement, please refer to "(1) Master Transaction Agreement" in "4. Matters Concerning Material Agreements Related to Tender Offer" below.

If the total number of share certificates, etc. tendered in response to the Tender Offer (the "Tendered Share Certificates, Etc.") is less than the minimum number of shares to be purchased (22,491,400 shares (Note 11), ownership percentage: 16.65%) (Note 12), then the Tender Offeror will not purchase any of the Tendered Share Certificates, Etc. Since the purpose of the Transactions is to take the Company Shares private, the minimum number has been set as the number of shares required to carry out the Transactions given that a special resolution in the shareholders' meeting as provided for in Article 309, Paragraph 2 of the Companies Act is required for carrying out the procedures for the Share Consolidation as described in "(4) Policy for organizational restructuring after the Tender Offer (matters relating to a so-called "Two-Step Acquisition")" below and given that the Tender Offeror has agreed with Fujitsu that Fujitsu will not tender the Fujitsu Holding Shares in the Tender Offer and that the Tender Offeror and Fujitsu will vote in favor of each proposal regarding the Squeeze-Out Procedures if the Tender Offer is successfully completed. On the other hand, because the purpose of the Transactions is to take the Company Shares private, the Tender Offeror has not set a limit on the maximum number of shares to be purchased, and if the total number of Tendered Share Certificates, Etc. is equal to or greater than the minimum number of the shares to be purchased (22,491,400 shares), then the Tender Offeror will purchase all of the Tendered Share Certificates, Etc.

Note 11: The minimum number of shares to be purchased (22,491,400 shares) will be set as the number of shares calculated by (i) subtracting the treasury shares (54,430 shares) owned by the Company as of September 30, 2023 from the total number of issued shares of the Company as of September 30, 2023 (135,171,942 shares) as stated in Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP), (ii) multiplying the number of voting rights (1,351,175 voting rights) represented by that number of shares (135,117,512 shares) by two thirds, (iii) deducting from that number (900,784 voting rights, rounded up to the nearest whole number) the number of voting rights (675,870 voting rights) represented by the Fujitsu

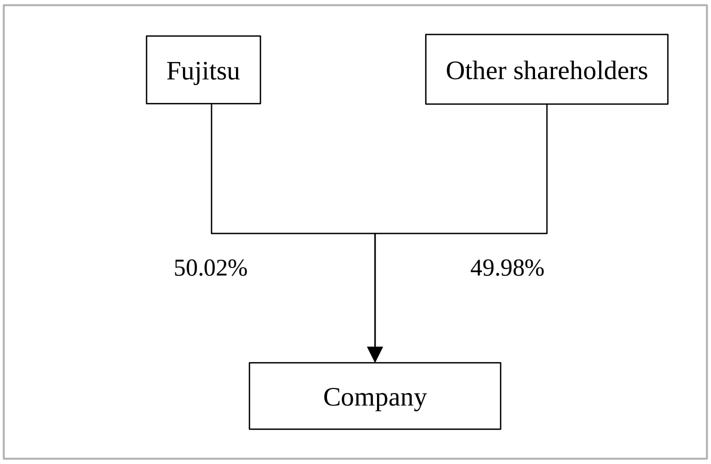
Holding Shares (67,587,024 shares), and then (iv) multiplying that number (224,914 voting rights) by 100.

Note 12: The minimum number of shares to be purchased is temporary and depends on the information as of today, and the actual minimum number of shares to be purchased in the Tender Offer may differ from the number above due to changes in the number of treasury shares held by the Company and the number of Company Shares held by Fujitsu occurring hereafter. While the final minimum number of shares to be purchased is to be determined before the commencement of the Tender Offer based on the latest information available as of the commencement of the Tender Offer, no changes are planned to the basic framework, including the method of calculating the minimum number of shares to be purchased.

Diagrams summarizing the Transactions are provided below.

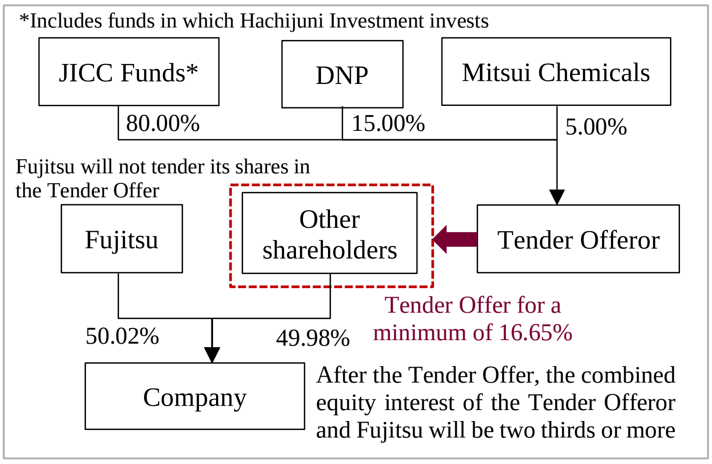
Before the implementation of the Tender Offer (current status)

- As of December 12, 2023, Fujitsu holds 67,587,024 Company Shares (ownership percentage: 50.02%) and other shareholders (excluding the Company) hold the remaining 67,530,488 shares (ownership percentage: 49.98%).



The Tender Offer by the Tender Offeror

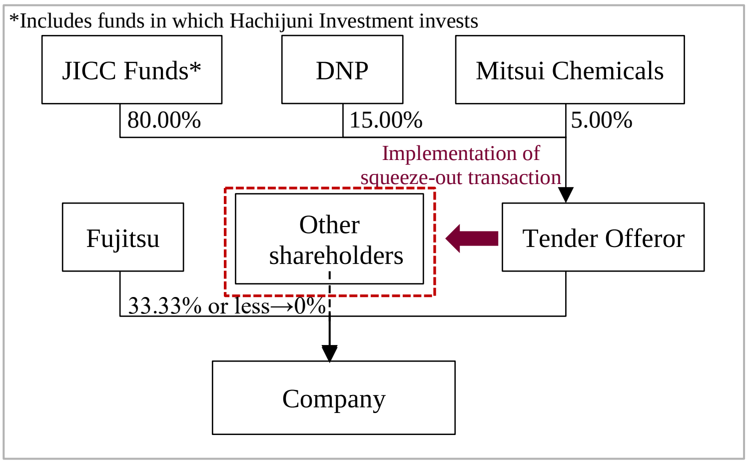
- The Tender Offeror will conduct the Tender Offer for all of the Company Shares (excluding the Fujitsu Holding Shares and the treasury shares held by the Company).



* Investment limited partnerships included in the JICC Funds include those in which Hachijuni Investment will invest as a limited partner. The same shall apply hereinafter.

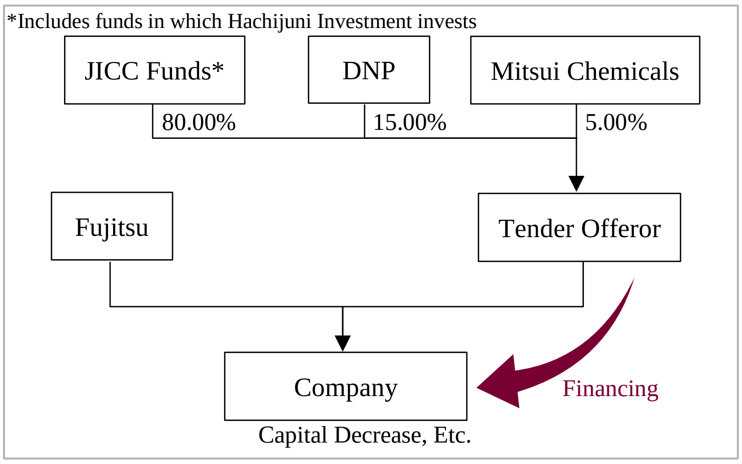
The Squeeze-Out Procedures through the Share Consolidation by the Tender Offeror

- If the Tender Offer has been successfully completed, but the Tender Offeror is unable to acquire all of the Company Shares (excluding the Fujitsu Holding Shares and the treasury shares held by the Company) in the Tender Offer, then the Tender Offeror intends to request the Company to conduct the Share Consolidation and carry out procedures for making the Tender Offeror and Fujitsu the only shareholders of the Company.



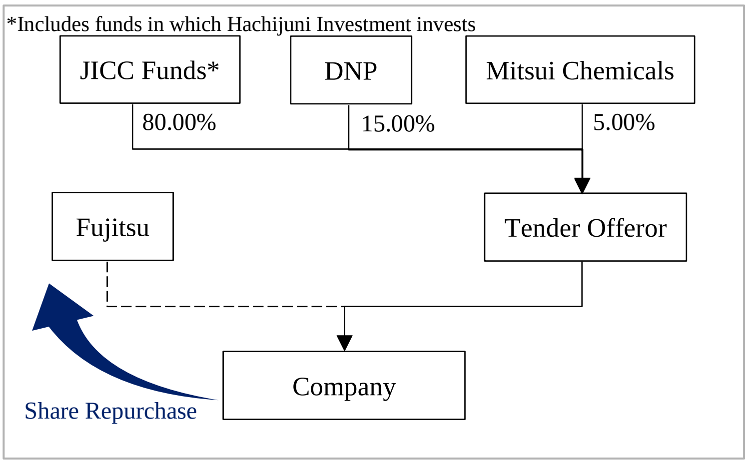
The Financing and the Capital Decrease, Etc. to be conducted for the purpose of procuring funds for the Share Repurchase and a distributable amount

- After the Company Shares are delisted and the Share Consolidation takes effect, the Tender Offeror will provide the Financing to the Company, and the Company will conduct the Capital Decrease, Etc. in order to procure funds required for the Share Repurchase and a distributable amount.



The Share Repurchase from Fujitsu by the Company

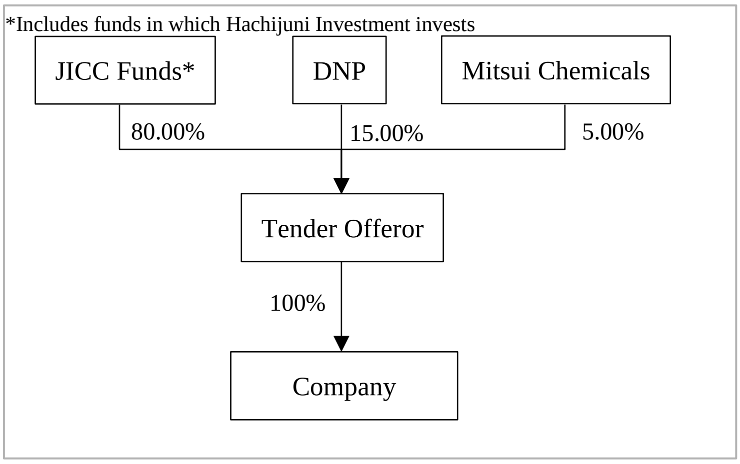
- After the Capital Decrease, Etc. has been completed, the Company will use the funds and distributable amount procured by the Funding and Capital Decrease, Etc. to conduct the Share Repurchase to acquire all of the Fujitsu Holding Shares.



- While there is a possibility that the Share Repurchase will be conducted after the Share Consolidation prior to the approval of the exemption from the obligation to file an annual securities report, the Share Repurchase is intended to be conducted after the delisting of the Company Shares. As the delisted shares will not constitute "listed share certificates, etc." (Article 24-6, Paragraph 1 of the Act and Article 4-3 of the Order for Enforcement of the Financial Instruments and Exchange Act), which would be subject to a tender offer of treasury shares (Article 27-22-2 of the Act), a tender offer of treasury shares is not planned to be conducted upon the execution of the Share Repurchase.

After the Transactions

- After the Transactions, the Tender Offeror will hold all of the issued shares of the Company (excluding the treasury shares held by the Company).



The Tender Offeror plans to cover the funds required for settlement of the Tender Offer through the Contributions and borrowing from MUFG Bank, Ltd., Sumitomo

Mitsui Banking Corporation, The Hachijuni Bank, Ltd., and Aozora Bank, Ltd. (the "Bank Loan"). The Tender Offeror intends to receive the Contributions and the Bank Loan by the business day immediately preceding the commencement date of settlement of the Tender Offer subject to the successful completion of the Tender Offer and other conditions. The details of the loan terms of the Bank Loan will be specified in the loan agreement for the Bank Loan upon separate discussion with each bank. The loan agreement for the Bank Loan will stipulate that all of the issued shares of the Tender Offeror to be held by the JICC Funds and certain assets, including the Company Shares to be acquired by the Tender Offeror through the Tender Offer, will be provided as security. Of the assets to be provided as security for the Bank Loan, the assets held by the Company and its consolidated subsidiaries will be provided as security after the Squeeze-Out Procedures are completed.

In addition, although the Share Repurchase will be conducted within the limit of the distributable amount of the Company, the Tender Offeror intends to provide the Financing after the Share Consolidation, taking into account the funds required for the Share Repurchase, the amount of deposits held by the Company, and the level of deposits required for business operations after the Share Consolidation. Additionally, the Tender Offer Price and the consideration for the repurchase of treasury shares in the Share Repurchase (per share prior to share consolidation; the "Repurchase Price") were calculated so that (i) the amount calculated as the after-tax earnings of Fujitsu if the Share Repurchase were to be conducted at the Repurchase Price is equal to (ii) the amount of earnings that Fujitsu would receive if it were to tender its shares in the Tender Offer at the Tender Offer Price. Accordingly, Fujitsu will not receive greater benefits than the minority shareholders of the Company.

(II) Background, Purpose, and Decision-Making Process of Tender Offeror's Decision to Implement Tender Offer; Management Policy Thereafter

(i) Background to, and Purpose of, Tender Offeror's Decision to Implement Tender Offer

(a) Business Environment Surrounding the Company

The Company was founded in February 1946 as Nagano Katei Denki Saisei-jo with the main goal of recycling household lightbulbs, and it reorganized and renamed itself SHINKO ELECTRIC INDUSTRIES CO., LTD. in September of the same year to expand operations. In 1957, thanks to capital funding from Fujitsu, the Company newly expanded its operations into the semiconductor field. As a leading company of semiconductor packaging in the ever-advancing electronics industry, the Company has developed, manufactured, and sold products based on a wide range of semiconductor packaging technologies. Specifically, as of today, the Company group, comprising the Company and nine subsidiaries (the "Company Group"), engages in the following main businesses with an integrated production system (from development/design to shipment): development, manufacture, and sale of various semiconductor packages, such as flip-chip type packages (Note 13), plastic BGA substrates (Note 14), and leadframes (Note 15), each of which has a world-leading market share; assembly and sale of ICs; and development, manufacture, and sale of ceramic electrostatic chucks (Note 16) for semiconductor manufacturing equipment. Furthermore, the Company Shares came to be listed on the Second Section of the Tokyo Stock Exchange in December 1984, reassigned to the First Section in September 1996, and after the reorganization of the Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”) they came to be listed on the Prime Market of the Tokyo Stock Exchange.

The Company Group aims for “Progress without Limits” in the electronics industry, which is expected to grow in the medium to long term, by supporting the evolution of semiconductors, working to create products that enrich the lives of people around the world based on technology that links the superb functions of semiconductors with people’s lives, and developing, manufacturing, and selling superb products that start with the needs of customers. Furthermore, the Company Group upholds as its corporate visions “Global Outlook” and “Responsibility to Individual,” in addition to “Technology Leadership” and “Long Term Vision”; in accordance with these visions, the Company Group is committed to coexisting and prospering in the international community as a global company that engages in business with customers around the world and operates offices in various regions, striving to create an environment that brings together the talents of diverse human resources and enables each and every employee to achieve personal growth, and promoting business with a management stance that takes into consideration “respect for the global environment and humanity,” thereby aiming to contribute to the healthy development of society and creation of a brighter future.

Note 13: Flip-chip type packages are semiconductor packages used for high-performance semiconductors, such as CPUs for computers and servers, that meet the need for higher speed and higher density semiconductors with fine line patterning, multilayered structures, and excellent electrical characteristics.

Note 14: Plastic BGA substrates are semiconductor packages used primarily for semiconductor memory for smartphones and micro-control units (MCU) for automobiles that meet the need for size reduction as well as thinner and higher density semiconductors with fine line patterning and multilayered structures.

Note 15: Leadframes are widely used in smartphones, computers, automobiles, and home appliances. The Company provides various types of leadframes through stamping using precise dies and etching processes.

Note 16: Ceramic electrostatic chucks are parts used for semiconductor manufacturing equipment such as etching; they adsorb and fix silicon wafers using static electricity, and meet the need for higher performance in semiconductor manufacturing equipment.

Economic and societal structures are being changed by the spread of fifth-generation mobile communications systems (5G) and the progression of Digital transformation (DX) (Note 17) due to the increasing use of big data, artificial intelligence (AI), the Internet of things (IoT), and other advanced technologies. These technologies have the potential to create innovation on a different order of magnitude than ever before. It is expected that semiconductors, as the key technology for achieving this potential, will continue to evolve. At the same time, the importance of semiconductors is growing from a strategic perspective. Moreover, the markets for semiconductors are expected to continue expanding in the future, including in the automotive market, where technological developments, such as autonomous driving and EVs, are accelerating, as well as in the medical field to support people's health. In addition, semiconductor needs are expected to become more sophisticated and diverse as key devices that speed up the transition to a decarbonized society and support the evolution of technologies that is essential for realizing green transformation (GX). Meanwhile, in terms of the semiconductor manufacturing process, progress in miniaturization during the upstream process of forming circuit patterns on wafers previously led to improvements in semiconductor performance. In recent years, however, the importance of the downstream packaging process has increased to meet the need for more advanced and multifunctional semiconductors. In particular, the Company's main business of semiconductor packages, beginning with flip-chip type packages used in high-performance semiconductors such as CPUs for computers and servers, is increasing needs and attracting attention in the semiconductor industry, as core products indispensable for semiconductors with advanced functionality and speed as well as power saving.

Note 17: "Digital transformation (DX)" refers to, in the case of business enterprises, the response to rapid changes in the business environment and reforms to a company's products, services, and business model in response to customer and social needs by utilizing data and digital technology. At the same time, it involves the implementation of reforms in the business operation itself, the organization, business processes, corporate culture and climate, in order to establish a competitive advantage.

In such industry, the Company Group is committed to developing highly competitive products and innovating the art of manufacturing, beginning with various semiconductor packages that have a leading product share in the industry based on diverse, cutting-edge semiconductor packaging technologies that it has cultivated to date. The Company Group strives to provide customers with high-value products and services in terms of function/performance, cost, and quality, and to support their success. Through these initiatives, the Company Group pursues its own development and growth. In addition, the Company Group focuses on cash flow and on building a solid management foundation able to continually generate profits, as well as fulfilling corporate governance, while executing a management strategy that emphasizes "focus on growth areas," "building a robust production system" and "promoting the Shinko Way."

As for the future business environment, in the U.S., personal consumption is expected to remain firm due to solid employment and incomes. In Japan, a gradual recovery is expected as socioeconomic activities normalize. However, the global and Japanese economies are expected to remain uncertain due to soaring energy and raw material prices, as well as concerns about economic recessions caused by the prolonged Russia-Ukraine conflict and ongoing global inflation, monetary tightening in the U.S. and Europe, and the slowing Chinese economy, among others.

The semiconductor industry is expected to face a severe market environment: Negative growth is expected in the semiconductor market in 2023 due to factors such as the decline in demand for PCs and smartphones and prolonged inventory adjustments due to the underlying global economic slowdown and the backlash from COVID-related special demand, as well as the impact of semiconductor export restrictions. On the other hand, with the spread of 5G, the increasing use of AI and IoT, and the progression of digital transformation (DX), etc., society and the economy are becoming digitized. Consequently, the applications for semiconductors are expected to keep growing, further increasing the demand over the medium to long term, as well as the need for even higher functionality and performance. Moreover, the significance of semiconductors as key technologies to support the promotion of green transformation (GX), including the transition to renewable energy and advancements in energy conservation, is growing while efforts to achieve a decarbonized society accelerate. At the same time, global competition is expected to intensify, requiring that development and production systems that can adapt rapidly and flexibly to increasingly sophisticated and diverse market needs and changing demand be set up.

In such a severe environment, the Company Group is working hard, across the board, to boost productivity and cut costs. The Company Group also developed proactive sales drives to generate consistent revenues. The Company Group has been making continual, focused capital investments in markets with promising growth and has augmented its production capacity to increase sales. The Company Group's focus is on steadily making capital investments in and technological developments for these growing markets, with sights set on the Company Group's future development. For flip-chip type packages, which meet the need for semiconductors with enhanced functionality, speed, and power saving, the Company Group is committed to reinforcing its production system and broadening the customer base in view of the expansion of the cutting-edge semiconductor market, especially for servers. The Company Group is focusing on the construction, which started last year, of its Chikuma Plant (Chikuma City, Nagano Prefecture), the Company's sixth production plant, with operations set to begin in fiscal year 2024. Furthermore, in order to meet the needs of the high-performance computing (HPC) market, which is expected to experience significant growth in the medium to long term, the Company plans to make further capital investments in the Chikuma Plant to launch next-generation flip-chip type packages developed by the Company, beginning with i-THOP® (integrated Thin film High density Organic Package). This plan is certified as a "plan for ensuring supply" under the Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures (the "Economic Security Promotion Act"). As the semiconductor manufacturing equipment market continues to grow, the Company anticipates steady demand for ceramic electrostatic chucks as a key component. Accordingly, the Company is trying to expand its mass production system through the construction of a new building and introduction of a production facility in its Takaoka Plant (Nakano City, Nagano Prefecture). Further, at its Arai Plant (Myoko City, Niigata Prefecture), the Company has begun construction planning for a new building to increase the production capacity of its plastic BGA substrates to meet the demand for semiconductor memory with higher speeds and lager capacities, aiming to further develop the market for its products that contribute to higher performance semiconductors.

In addition, in order to further strengthen its earnings base in this severe business environment, the Company strives to establish a production system that can provide a stable supply of superb products by ensuring quality at all stages, from development and design to production, and is focusing on the development and commercialization of highly-competitive new products based on its diverse semiconductor packaging technologies that it has cultivated to date, while accurately identifying market trends.

In the above described business environment surrounding the Company, in order to identify the potential for medium- to long-term market growth of its products and technologies and aim for "Progress without Limits," it will become increasingly important to develop technologies that anticipate market needs and to make flexible capital investments, and the size of funds required for these investments is expected to increase as well. In an increasingly severe competitive environment, the Company has been considering various measures to achieve continued enhancement of its corporate value, including its capital structure, such as faster decision-making, diversification of financing methods, and expansion of human capital, which is fundamental to the promotion of its business, while taking into consideration minority shareholder interests.

(b) Discussions Among Tender Offeror, Company, and Fujitsu; Decision-Making Process of Tender Offeror

JICC aims to achieve both a financial return and the policy objectives of promoting business portfolio transformation to enhance the international competitiveness of Japanese industries, creating new businesses and industries to realize Society 5.0, establishing next-generation social infrastructure to promote digital transformation (DX), solving social issues, and serving as a catalyst for private funds. JICC, which was established based on this philosophy, aims to conduct the Transactions for the main purposes of (a) enhancing the Company's corporate value by making it a private entity that is not limited by its current capital structure and is not affected by short-term fluctuations in business performance and (b) thereby providing an opportunity for acquisition of private funds to strengthen the international competitiveness of the semiconductor industry in which the Company operates.

JICC is a wholly-owned subsidiary of JIC, which is a corporation established to generate a virtuous cycle of risk capital to support next-generation industries in Japan. To achieve this vision, JIC promotes open innovation (Note 18) as a means of supporting the growth and enhancing the competitiveness of businesses. JIC approaches these challenges by stimulating private sector investments through the provision of funds while fostering the development of investment professionals. JICC aims to achieve both a financial return and the policy objectives of promoting business portfolio transformation to enhance the international competitiveness of Japanese industries, creating new businesses and industries to realize Society 5.0 (Note 19), establishing next-generation social infrastructure to promote Digital Transformation (DX), solving social issues, and serving as a catalyst for private sector investment through the supply of large-scale, long-term, neutral risk capital.

Note 18: "Open innovation" refers to the intentional and proactive utilization of the flow of internal and external resources, such as technologies and ideas, in and out of the organization to promote internal innovation and then deploying the resulting internal innovations outside the organization to increase market opportunities.

Note 19: "Society 5.0" was proposed in the 5th Science and Technology Basic Plan approved by the Cabinet on January 22, 2016 as a future society that Japan should aspire to. It refers to a human-centered society that balances economic advancement with the resolution of social problems by a system that highly integrates cyberspace (virtual space) and physical space (real space).

Since its establishment in September 2020, JICC has studied investment opportunities as a fund responsible for buyout investments (Note 20) and large growth investments (Note 21) within the JIC Group (collectively referring to JIC and its subsidiaries and affiliates). Specifically, as announced in August 2022, JICC plans to acquire 80% of the voting stock of the new combined company in the business combination of Toyo Aluminium K.K. and UACJ Foil Corporation. The domestic aluminum foil industry finds itself confronting increasingly difficult challenges due to the increase in imports of overseas manufactured aluminum foils, but it is believed that through this investment, it will be possible to streamline the manufacturing structure in the short term, thereby securing a stable supply capacity matching demand for further supply of aluminum foil (including lithium-ion battery foil), which will in turn support all industries in Japan. Through the planning of a growth strategy and enhancing facilities in the medium term, JICC's aim is to realize technical development and manufacturing capacity that will withstand international competition, and it will support the new combined company in establishing its position as a globally competitive aluminum foil manufacturer to further enhance the presence and corporate value of Japan's aluminum foil industry. In addition to this, JICC has completed its capital participation in Hitachi Astemo, Ltd. in October 2023. Through JICC's capital participation, JICC will utilize its extensive track record of investment and support, including in the automotive industry, as well as its knowledge and information network based on that experience to support Hitachi Astemo, Ltd. in realizing sustained growth by leveraging its competitive software development technology with accelerating investment in advanced fields.

Note 20: "Buyout investment" refers to an investment strategy aimed at reforming industrial structures and strengthening international competitiveness through reorganization and integration of domestic and foreign companies.

Note 21: "Large growth investment" refers to an investment strategy aimed at strengthening the international competitiveness of a company by investing in domestic and foreign high-growth companies.

Additionally, in the semiconductor materials field, JICC announced on June 26, 2023 that it intends to take JSR Corporation ("JSR") private through a tender offer. Through the privatization of JSR, JICC, as a partner of JSR, will support the smooth restructuring and integration of the semiconductor materials industry in Japan by taking advantage of its neutral position as a government-affiliated fund and will also support JSR in achieving increased corporate value by promoting structural reforms without being affected by short-term fluctuations in business performance.

Furthermore, several members have joined JICC with investment experience at Innovative Network Corporation Japan ("INCJ"), in which JIC holds all shares and which has a similar mission to that of JICC. In addition to a wide network of corporations and industries in Japan and overseas across private and public sectors, JICC has accumulated knowledge through investments in adjacent fields, domestic industry reorganization projects and large-scale and complex projects, as mentioned above.

As an example of investment in the semiconductor field, in 2012, INCJ invested in Renesas Electronics Corporation ("Renesas"), formerly the semiconductor businesses of Mitsubishi Electric Corporation, Hitachi, Ltd. and NEC Corporation. This investment was intended to support Renesas with its world-leading technology in promoting reforms and growth investments to build a solid earnings structure to thrive in the extremely volatile semiconductor industry, thus aiming to restore and strengthen the international competitiveness of Japan's semiconductor industry. Since INCJ made that investment, Renesas has established governance under a new shareholder structure while executing comprehensive structural reforms encompassing production, operation, and talent management, enabling the company to transform into a profit making entity. Furthermore, since 2017, Renesas has acquired semiconductor companies, including Intersil Corporation, Integrated Device Technology, Inc., and Dialog Semiconductor Plc, and has succeeded in accelerating its growth as a global semiconductor manufacturer by expanding its product lineup and customer base.

While the Company was deliberating various management strategies to enhance its corporate value in the business environment stated in "(a) Business Environment Surrounding Company" above, in response to Fujitsu's plan to sell all or part of the Fujitsu Holding Shares, Fujitsu announced in September 2021, in January 2021, the Company began to have discussions with Fujitsu concerning the specific method of selling the Fujitsu Holding Shares. Subsequently, Fujitsu held meetings with multiple potential buyer candidates and deliberated on various options, such as means of carve-out from the Fujitsu Group and a capital and business alliance with potential buyer candidates. During this time, although there were intermittent discussions, there was no progress in the discussions as there were no specific negotiations between Fujitsu and the Company. However, as the Company subsequently received a specific proposal from Fujitsu in June 2022, in July 2022, the Company appointed Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("MUMSS") as its financial advisor and third-party valuation organization, SMBC Nikko Securities Inc. ("SMBC Nikko") as its financial advisor, and Nishimura & Asahi (currently Nishimura & Asahi (*Gaikokuho Kyodo Jigyo*); "N&A") as its legal advisor.

The Company then carefully deliberated the various options, including maintaining its listed status in order to both maximize the interests of its minority shareholders in addition to those of the Fujitsu group and further enhance the Company Group's corporate value in light of the discussions it engaged in with Fujitsu from July 2022 to March 2023. As a result, the Company reached the decision that it would be desirable for the Company and its shareholders to implement a bidding procedure in relation to the Company's capital policy by selling all Fujitsu Holding Shares to multiple candidates who are expected to show a strong interest in the Company's business (the "Bidding Process"). Based on this decision, since late March 2023, the Company and Fujitsu have been making initial approaches to potential buyers, including a business company and investment funds with a sufficient investment track record in the Japanese market, which were assumed to be interested in collaborating with the Company in light of business synergies, and commenced the primary bidding process for one business company and eight investment funds (including JICC) who showed an interest in participating in the Bidding Process.

JICC had been continually exchanging opinions regarding various investment opportunities, including investment in the Company, through meetings with Fujitsu, and as part of the primary bidding process, JICC was approached by Nomura Securities Co., Ltd. ("Nomura Securities"), Fujitsu's financial advisor, regarding participation in that bidding process and decided to participate.

In response to being approached, JICC conducted initial studies based on information on the outlook of the Company's business, management policies, and other similar matters provided by the Company, and on May 12, 2023, JICC submitted a non-legally binding letter of intent proposing to take the Company Shares private through a tender offer for the Company Shares and squeeze-out procedures in order to increase the Company's corporate value from a medium-to-long-term perspective (the "Initial Letter of Intent").

Because multiple candidates, including the Tender Offeror, submitted letters of intent premised on a transaction method involving the acquisition of Fujitsu shares from Fujitsu in late May of the same year, after carefully deliberating their content, the Company and Fujitsu selected four investment funds, including JICC, to whom they would make initial approaches concerning their participation in the secondary bidding process.

After that, the Company and Fujitsu started the secondary bidding process in late June of the same year, and after due diligence on the Company by the candidates, the Company and Fujitsu received a written non-legally binding proposal from JICC in September of the same year, a written non-legally binding final proposal from another candidate in October of the same year, and a written legally binding final proposal from JICC in November of the same year. Since no legally binding final proposal was submitted by the other candidates, the Company and Fujitsu comprehensively reviewed the proposals of each candidate, and as a result, later in the same month, the Company and Fujitsu decided to select JICC as the final candidate from among JICC and the other candidates, with the transaction price, transaction certainty, and transaction speed as the main decision-making criteria, and began discussions and deliberations toward implementing the Transactions, including the Share Repurchase, with JICC.

After submitting the Initial Letter of Intent, in late June 2023, JICC received notification from Nomura Securities, the financial advisor of Fujitsu, and MUMSS, the financial advisor of the Company, that it had successfully cleared the primary bidding process and was asked to confirm whether it intended to participate in the secondary bidding process. Additionally, JICC had been exchanging information with DNP and separately with Mitsui Chemicals since before the commencement of the Bidding Process in order to jointly examine new investment opportunities, including investments in corporations other than the Company. As part of that information exchange, they also identified the Company as a potential investment opportunity and exchanged information in regard thereto, and when doing so, taking into account the publication of a speculative article by Bloomberg regarding the sale of Fujitsu’s subsidiaries on June 1, 2023, they began specific discussions in regard to cooperating to conduct the Transactions. Subsequently, when considering the Transactions in the secondary bidding process, in late June 2023, JICC requested the Company and Fujitsu to allow cooperation between JICC, DNP, and Mitsui Chemicals and received notification approving that request. Taking these facts into account, in order to further increase the likelihood of procuring funds for the Transactions, maximize the corporate value of the Company by leveraging the knowledge of DNP and Mitsui Chemicals, and obtain further understanding from stakeholders, JICC began considering participating in the secondary bidding process in cooperation with DNP and Mitsui Chemicals. JICC conducted due diligence on the Company from late July to mid-September 2023 in cooperation with DNP and Mitsui Chemicals to develop a deeper understanding of the Company’s businesses, management environment, growth strategies, and management issues, as well as to confirm accounting, tax, legal, and environmental matters involving the Company. While conducting due diligence, JICC, DNP, and Mitsui Chemicals confirmed their understanding that the Transactions are valuable opportunities to work with the Company in maintaining the Company’s position as a world-leading entity and came to strongly believe that the Tender Offeror, a consortium composed of JICC, DNP, and Mitsui

Chemicals, was the best partner for the Company. Specifically, the JICC, DNP, and Mitsui Chemicals believe that by JICC, which is a government-affiliated fund that is able to provide large-scale, long-term, neutral risk capital, playing the lead role in taking the Company private, the Tender Offeror would promote initiatives that contribute to the enhancement of corporate value from a medium-to-long-term perspective without being affected by short-term fluctuations in business performance even in the midst of an uncertain economic environment. In the business environment surrounding the Company, JICC expects that it will become increasingly important to develop technologies that anticipate market needs and to promptly make capital investments and that the funds required to do so will grow larger in scale as well, and therefore, JICC believes that it is particularly important to expedite initiatives and decision-making from a medium-to-long-term perspective without being affected by short-term fluctuations in business performance by taking the Company private. Additionally, JICC, DNP, and Mitsui Chemicals believe that DNP would contribute to the next-generation semiconductor business that the Company aims to achieve by combining DNP's micromachining technology, fine coating technology, and material development technology developed over many years with the Company's semiconductor packaging technology, and that Mitsui Chemicals would aim to strengthen and maintain the Company's market competitiveness in the field of next-generation semiconductor packages substrates and strengthen its ability to provide solutions to customers by integrating the semiconductor packaging substrate technology of the Company and the materials technology of Mitsui Chemicals. Accordingly, JICC, DNP, and Mitsui Chemicals believe that it will be able to greatly contribute to improving the corporate value of the Company over the medium to long term that they work together on the matters stated above.

JICC believes that there are no particular significant demerits to taking the Company private. Specifically, although the possible effects of the Company leaving the Fujitsu group include a loss of the creditworthiness that the Company possesses as a member of the Fujitsu group and a loss of operational support from Fujitsu, JICC believes that it will be possible to supplement the creditworthiness of the Company even after taking it private through JICC, a fund affiliated with the government of Japan, and DNP and Mitsui Chemicals, major corporations in Japan, becoming shareholders of the Company, and that operational support from Fujitsu can be replaced through outsourcing and other such means even after taking the Company private. Therefore, JICC believes that there are no significant demerits to the Company leaving the Fujitsu group.

Additionally, in late August 2023, JICC received communication from The Hachijuni Bank, Ltd., with which JICC was engaged in discussions as a candidate to provide funding for the Tender Offer, to the effect that it wished to also cooperate in the Transactions through Hachijuni Investment, its group company, in order to provide more multi-faceted support for the increase of the corporate value of the Company over the medium to long term. In early September 2023, JICC received notification from the Company and Fujitsu that they would allow Hachijuni Investment to cooperate in the Transactions, and in late September 2023, Hachijuni Investment conducted due diligence on the Company, as a result of which Hachijuni Investment decided to invest in the JICC Funds as a limited partner through Hachijuni Sustainability No. 1 Fund.

Through achieving the privatization of the Company, which is considered to be one of the companies that fulfills a central role in the development of advanced semiconductors in Japan, JICC desires to create a way to contribute to the further development of industry in Japan by fully drawing out the latent growth potential of each business of the Company, thereby maintaining and evolving its globally top-level technologies. Specifically, JICC believes that the Company holds an important position as a components and materials company that will support technological innovation in the future from the perspective of strengthening the foundations of semiconductor manufacturing as envisioned by the Ministry of Economy, Trade and Industry.

With the spread of 5G, the increasing use of AI and IoT, and the progression of digital transformation (DX), etc., society and the economy are becoming digitized, and consequently, the applications for semiconductors are expected to keep growing, further increasing the demand over the medium to long term, as well as the need for even higher functionality and performance. On the other hand, global competition is expected to intensify, such as requiring that development and production systems that can adapt rapidly and flexibly to such needs be set up.

Against this background, in order to enable the Company to promote initiatives that contribute to the enhancement of corporate value from a medium-to-long-term perspective without being affected by short-term business performance, JICC believes that through the Tender Offer and the privatization of the Company, together with DNP, Mitsui Chemicals, and Hachijuni Investment, it would strongly support the commercialization of the field of advanced semiconductor packaging, such as chiplet technology and photonic-electronic integration technology, based on the diverse semiconductor packaging technologies that the Company has cultivated to date.

JICC believes that by doing so, the businesses and technologies of the Company will be able to greatly contribute to technological development in advanced fields centered around fine-lining competition and three-dimensional packaging for semiconductor processes and to achieving practical implementation of next-generation semiconductor technologies such as photonic-electronic integration ahead of other countries.

In this way, the JICC Alliance consisting of JICC, DNP, and Mitsui Chemicals believes that by means such as providing knowledge based on its rich investment experience in related industries, offering referrals to portfolio companies, and engaging in technical cooperation, it is possible to maximize the interests of the Company as well as its shareholders, management, and other stakeholders.

Based on the examinations above, JICC made a non-legally binding proposal in writing to Fujitsu and the Company on September 15, 2023 to set the Tender Offer Price per Company Share at 6,000 yen and the Repurchase Price per Company Share at 4,320 yen. (The proposal of the Tender Offer Price per Company Share at 6,000 yen represents (i) a discount of 0.25% (rounded to two decimal places; the same applies in the calculations of premium and discount rates below) on 6,015 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of September 14, 2023, which is the business day immediately preceding the date on which the proposal was made (September 15, 2023), (ii) a premium of 1.57% on 5,907 yen, the simple average closing price for the preceding one-month period ending on that date (rounded to the nearest whole yen; the same applies in the calculations of simple average closing prices below), (iii) a premium of 3.13% on 5,818 yen, the simple average closing price for the preceding three-month period ending on that date, and (iv) a premium of 17.49% on 5,107 yen, the simple average closing price for the preceding six-month period ending on that date.)

Following that, in response to receiving a request from Fujitsu to consider raising the Tender Offer Price and the Repurchase Price on September 21, 2023, JICC made a non-legally binding proposal in writing to Fujitsu and the Company on September 26, 2023 to raise the Tender Offer Price per Company Share at 6,100 yen and the Repurchase Price per Company Share at 4,391 yen. (The proposal of the Tender Offer Price per Company Share at 6,100 yen represents (i) a premium of 3.48% on 5,895 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of September 25, 2023 (which is the business day immediately preceding the date on which the proposal was made (September 26, 2023)), (ii) a premium of 2.99% on 5,923 yen, the simple average closing price for the preceding one-month period ending on that date, (iii) a premium of 4.40% on 5,843 yen, the simple average closing price for the preceding three-month period ending on that date, and (iv) a premium of 17.02% on 5,213 yen, the simple average closing price for the preceding six-month period ending on that date.) At that time, among the methods of procuring the funds necessary for the Transactions, the Tender Offeror had not obtained commitment letters from investors for contributions through common stock and contributions through non-voting class preferred shares and had not obtained commitment letters from financial institutions for senior loans.

Subsequently, on October 18, 2023, JICC received an explanation from the Company regarding the latest outlook on its business performance for the third quarter of the fiscal year ending March 2024 and thereafter (the "October 18, 2023 Business Performance Explanation"). In the October 18, 2023 Business Performance Explanation, the Company explained that based on the latest market conditions, the recovery in the Company's business performance would be delayed beyond the initial outlook, and that therefore the outlook of sales for the fiscal year ending March 2024 had been revised downwards. Taking the content of that explanation into consideration, JICC repeatedly engaged in continual discussions and negotiations with Fujitsu regarding the contents of the proposal, the Tender Offer Price, and the

Repurchase Price, as a result of which JICC determined that the cash flows that could be created by the Company had decreased, particularly in the short term, and that as a result, the capability of the Company to make additional investments in future upsides had declined. Therefore, on November 7, 2023, ahead of the submission of a final proposal, JICC made a proposal to Fujitsu to lower the Tender Offer Price to 5,700 yen per Company Share. (The proposal of the Tender Offer Price per Company Share at 5,700 yen represents (i) a premium of 6.64% on 5,345 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of November 6, 2023, which is the business day immediately preceding the date on which the proposal was made (November 7, 2023), (ii) a premium of 4.86% on 5,436 yen, the simple average closing price for the preceding one-month period ending on that date, (iii) a discount of 0.26% on 5,715 yen, the simple average closing price for the preceding three-month period ending on that date, and (iv) a premium of 2.61% on 5,555 yen, the simple average closing price for the preceding six-month period ending on that date.) Following that, on November 7, 2023, JICC received a request from Fujitsu to consider raising the Tender Offer Price, and on November 7, 2023, JICC made a proposal to Fujitsu to raise the Tender Offer Price to 5,900 yen per Company Share as a price that is within the range considered appropriate by JICC. (The proposal of the Tender Offer Price per Company Share at 5,900 yen represents (i) a premium of 10.38% on 5,345 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of November 6, 2023, which is the business day immediately preceding the date on which the proposal was made (November 7, 2023), (ii) a premium of 8.54% on 5,436 yen, the simple average closing price for the preceding one-month period ending on that date, (iii) a premium of 3.24% on 5,715 yen, the simple average closing price for the preceding three-month period ending on that date, and (iv) a premium of 6.21% on 5,555 yen, the simple average closing price for the preceding six-month period ending on that date.) Additionally, Fujitsu subsequently made a request to JICC on November 8, 2023 to again consider raising the Tender Offer Price, and in response, on November 8, 2023, JICC made a proposal to Fujitsu to raise the Tender Offer Price to 5,910 yen per Company Share as a price that is within the range considered appropriate by JICC. (The proposal of the Tender Offer Price per Company Share at 5,910 yen represents (i) a premium of 16.87% on 5,057 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of November 7, 2023, which is the business day immediately preceding the date on which the proposal was made (November 8, 2023), (ii) a premium of 9.10% on 5,417 yen, the simple average closing price for the preceding one-month period ending on that date, (iii) a premium of 3.68% on 5,700 yen, the simple average closing price for the preceding three-month period ending on that date, and (iv) a premium of 6.45% on 5,552 yen, the simple average closing price for the preceding six-month period ending on that date.)

Following that, on November 11, 2023, JICC made a non-legally binding proposal in writing to Fujitsu and the Company to set the Tender Offer Price at 5,910 yen per Company Share and the Repurchase Price at 4,211 yen per Company Share. (The proposal of the Tender Offer Price per Company Share at 5,910 yen represents (i) a premium of 10.94% on 5,327 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of November 10, 2023, which is the business day immediately preceding the date on which the proposal was made (November 11, 2023), (ii) a premium of 9.81% on 5,382 yen, the simple average closing price for the preceding one-month period ending on that date, (iii) a premium of 4.18% on 5,673 yen, the simple average closing price for the preceding three-month period ending on that date, and (iv) a premium of 5.91% on 5,580 yen, the simple average closing price for the preceding six-month period ending on that date.) Based on the opinion of the Special Committee after it considered the content of that proposal, on November 16, 2023, the Company requested JICC to raise the Tender Offer Price on the grounds that it could not be concluded to be at a sufficient level to ensure the interests of the minority shareholders of the Company, but on November 20, 2023, JICC made a legally binding final proposal (the "Final Proposal") in writing to Fujitsu and the Company to set the Tender Offer Price at 5,910 yen per Company Share and the Repurchase Price at 4,211.1 yen per Company Share. (The proposal of the Tender Offer Price per Company Share at 5,910 yen represents (i) a premium of 8.14% on 5,465 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of November 17, 2023 (which is the business day immediately preceding the date on which the proposal was made (November 20, 2023)), (ii) a premium of 11.22% on 5,314 yen, the simple average closing price for the preceding one-month period ending on that date, (iii) a premium of 4.69% on 5,645 yen, the simple average closing price for the preceding three-month period ending on that date, and (iv) a premium of 5.10% on 5,623 yen, the simple average closing price for the preceding six-month period ending on that date.) When submitting the Final Proposal, among the methods of procuring the funds necessary for the Transactions, JICC had finished obtaining commitment letters from investors (namely, JICC, DNP, Mitsui Chemicals, and Hachijuni Investment) for contributions through common stock and contributions through non-voting class preferred shares and had finished obtaining commitment letters from financial institutions (namely, MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation, The Hachijuni Bank, Ltd., and Aozora Bank, Ltd.) for senior loans. Based on the opinion of the Special Committee after it considered the content of the Final Proposal, on November 21, 2023, the Company again requested JICC to raise the Tender Offer Price on the grounds that a decrease in the price was undesirable given that the medium-to-long-term outlook of the Company's business had not changed and that the price could not be concluded to be at a sufficient level to ensure the interests of the minority shareholders of the Company, but JICC determined that it was not necessary to revise the Tender Offer Price based on a comprehensive judgment in light of factors such as the latest semiconductor market conditions.

Subsequently, following the submission of the Final Proposal, as JICC, Fujitsu, and the Company repeatedly engaged in continual discussions and negotiations regarding the content of the Final Proposal, the Tender Offer Price, and the Repurchase Price, on November 27, 2023, JICC received a written inquiry from the Special Committee regarding the views and reasons on which the Tender Offeror based its proposed Tender Offer Price of 5,910 yen per Company Share and regarding the reasons for the Tender Offer Price and the Repurchase Price in the Final Proposal being lower than those set out in the proposal dated September 26, 2023. In response, on November 30, 2023, JICC replied in writing to the Special Committee stating (i) that based on factors such as financial information and other materials disclosed by the Company and the results of the due diligence conducted by JICC regarding the Company from late July to mid-September 2023, JICC conducted a multifaceted and comprehensive analysis of the Company's business and financial status, prepared a financial model reflecting that analysis, and calculated a tender offer price that secures a return on investment as required by JICC and (ii) that JICC lowered the Tender Offer Price and the Repurchase Price due to a comprehensive judgment based not only on the October 18, 2023 Business Performance Explanation and the second quarter financial results announced on October 26, 2023 but also on uncertainties in the macro environment, such as the latest semiconductor market conditions and interest rate trends.

Additionally, on November 28, 2023, JICC received from Fujitsu a written request to raise the Tender Offer Price. Moreover, on December 4, 2023, JICC received a document from the Company stating the views of the Company and the Special Committee and requesting that the Tender Offer Price be raised. Taking into consideration the opinion of the Special Committee after it considered JICC's response regarding the views and reasons on which the Tender Offer Price was based and the reasons for lowering the price, that document requested that the Tender Offer Price be raised on grounds such as (i) that there had been no change in the medium-to-long-term business outlook of the Company, which is the basis of the Company's intrinsic value on which the Company and the Special Committee place emphasis when making decisions, (ii) that although the Company revised its business performance forecast for the fiscal year ending March 2024 due to an expected delay in the recovery of the semiconductor market, that delay would not have any substantial impact on the intrinsic value of the Company, and (iii) that although the Company and the Special Committee believed that a significant amount of consideration must be given to the premiums based on the share price of the business day preceding the announcement of the Tender Offer, at the level of premiums based on the current Tender Offer Price of 5,910 yen, there were concerns regarding the likelihood of the Tender Offer being successfully completed.

Subsequently, on December 5, 2023, JICC received a further written inquiry from the Special Committee regarding matters such as the reasons for lowering the Tender Offer Price despite there being no change in the medium-to-long-term business outlook of the Company and whether there had been a change in JICC's evaluation of the macro environment, such as semiconductor market conditions and interest trends, in the short period from September 26 to November 20, 2023, the day on which the Final Proposal was submitted.

In response, on December 6, 2023, JICC replied to the Company in writing that it would maintain the Tender Offer Price at 5,910 yen. In that reply, JICC stated that lowering the price was appropriate due to factors such as (i) the

Company's financial results for the second quarter, the revision to the performance forecast for the entire year, and the risk that growth investment would be delayed due to that downward revision, (ii) macro environment considerations such as delayed recovery and volatility in the semiconductor market, unpredictable interest rate trends, and potential geopolitical risks due to an unstable global situation, and (iii) the views regarding premiums in past transactions in regard to which speculative media reports had been made, and that therefore, JICC would maintain the Tender Offer Price at 5,910 yen.

Additionally, on December 7, 2023, JICC responded to the inquiry from the Special Committee to the effect that lowering the price was appropriate based on the macro environment considerations stated above.

Following that, on December 8, 2023, JICC received a document from the Company stating the views of the Company and the Special Committee and requesting that the Tender Offer Price be raised. On the same day, taking into consideration the opinion of the Special Committee after it considered the content of JICC's response, that document requested that the Tender Offer Price be raised on grounds such as (i) that the short-term changes in macro economic conditions asserted by JICC would not have any substantial impact on the intrinsic value of the Company and (ii) that at the level of premiums based on the current Tender Offer Price of 5,910 yen, there were concerns regarding the likelihood of the Tender Offer being successfully completed.

In response, on December 10, 2023, JICC sent a reply in writing to the Company stating that it would maintain the Tender Offer Price at 5,910 yen due to a comprehensive judgment based not only on the medium-to-long-term business outlook but also the impact on future upsides caused by the worsened short-term business outlook, macro factors such as the semiconductor market outlook and macro economic conditions, and other such factors.

Subsequently, on December 12, 2023, taking into consideration the opinion of the Special Committee after it considered the content of JICC's response, JICC received an oral explanation from the Company and Fujitsu regarding the views of the Company, the Special Committee, and Fujitsu and requesting that the Tender Offer Price be raised on grounds such as that although the previous responses from JICC could be found to be reasonable to a certain extent, it remained difficult to conclude that the interests of the minority shareholders of the Company had been sufficiently ensured.

In response to these requests from the Company, the Special Committee, and Fujitsu, on December 12, 2023, JICC made a proposal in writing to the Company and Fujitsu to set the Tender Offer Price at 5,920 yen per Company Share and the Repurchase Price at 4,218.1 yen per Company Share in order to increase the likelihood of the Tender Offer being successfully completed while setting a price within the evaluated range of the Company's intrinsic value on the grounds that JICC had received repeated requests from the Special Committee, the Company, and Fujitsu. Following that, on December 12, 2023, JICC received a response in writing from the Company and Fujitsu agreeing to JICC's proposal.

The Tender Offer Price of 5,920 yen represents (i) a premium of 12.98% (rounded to two decimal places; the same applies for calculations of premium rates hereinafter) on 5,240 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of December 11, 2023 (which was the business day immediately preceding the submission date of the proposal (December 12, 2023)), (ii) a premium of 10.10% on 5,377 yen (rounded to the nearest whole yen; the same applies for calculations of simple average closing prices hereinafter), the simple average closing price for the preceding one-month period ending on that date, (iii) a premium of 7.60% on 5,502 yen, the simple average closing price for the preceding three-month period ending on that date, and (iv) a premium of 4.63% on 5,658 yen, the simple average closing price for the preceding six-month period ending on that date. Additionally, the Tender Offer Price represents (i) a premium of 18.88% on 4,980 yen, the closing price of the Company Shares as of the business day immediately preceding the publication of a speculative article by Bloomberg regarding the sale of Fujitsu's subsidiaries on June 1, 2023 that triggered changes in the share price of the Company due to expectations that the Fujitsu group would undergo a reorganization, (ii) a premium of 31.00% on 4,519 yen, the simple average closing price for the preceding one-month period ending on that date, (iii) a premium of 44.60% on 4,094 yen, the simple average closing price for the preceding three-month period ending on that date, and (iv) a premium of 51.87% on 3,898 yen, the simple average closing price for the preceding six-month period ending on that date.

That proposal set out the scheme for the Transactions after setting the Tender Offer Price and the Repurchase Price based on the belief that it is possible to both maximize the Tender Offer Price and ensure fairness among shareholders by increasing the amounts distributed to the minority shareholders of the Company, taking into consideration that it is expected that the provisions of the Corporation Tax Act on excluding deemed dividends from gross profits will be applied in regard to Fujitsu. Additionally, the Tender Offer Price and the Repurchase Price were calculated so that (i) the amount calculated as the after-tax earnings of Fujitsu if the Share Repurchase were to be conducted at the Repurchase Price is equivalent to (ii) the amount of earnings that Fujitsu would receive if it were to tender its shares in the Tender Offer at the Tender Offer Price. Accordingly, Fujitsu will not receive greater benefits than the minority shareholders of the Company.

(ii) Management policy after the Tender Offer

As stated in "(I) Overview of Tender Offer" in "(2) Basis and Reasons for Opinion Regarding Tender Offer" above, if the Tender Offer is successfully completed, the Tender Offeror intends to make Fujitsu and the Tender Offeror the only shareholders of the Company through the Squeeze-Out Procedures. Following that, after the completion of the Squeeze-Out Procedures, through the Company conducting the Share Repurchase for all of the Company Shares owned by Fujitsu at that time, the Tender Offeror will come to own 100% of the Company Shares (excluding treasury shares).

After the Transactions are completed, JICC desires to create a way to contribute to the further development of industry in Japan by fully drawing out the latent growth potential of each business of the Company, thereby maintaining and evolving its globally top-level technologies. Specifically, JICC believes that the Company holds an important position as a components and materials company that supports technological innovation from the perspective of strengthening the foundations of semiconductor manufacturing, and that its businesses and technologies can greatly contribute to (i) technological development in advanced fields centered around three-dimensional packaging for semiconductor processes and (ii) the practical implementation of next-generation semiconductor technologies such as photonic-electronic integration. Additionally, JICC, together with the officers and employees of the Company, will aim to further grow the Company's business and enhance its corporate value by utilizing the solid business foundation that the Company has built thus far and, given that several members have joined JICC with investment experience at INCJ, which has a similar mission to that of JICC, by utilizing the knowledge and networks gained through INCJ's extensive investment experience in the semiconductor and electrical component industry. JICC's basic policy is to re-list the Company Shares after business growth and enhancement of corporate value are realized for the Company through the Transactions.

Additionally, according to JICC, the Company conducts its business based on its corporate vision regarding technology leadership, the art of manufacturing, long-term vision, global outlook, and responsibility to individuals as well as its founder's philosophy of economizing and achieving innovation through the manufacturing site. After the Transactions are completed, JICC will aim to achieve a leap in the growth of the Company that enables it to further contribute to international society and regional communities by supporting the business operation of the Company while giving priority to respecting the corporate vision and philosophy and also taking into consideration DNP's group vision, "The DNP Group connects individuals and society and provides new value," and Mitsui Chemicals' management vision, "Contributing to society by providing high-quality products and services to customers through innovation and the creation of materials while remaining in harmony with the global environment." The Tender Offeror intends to promote a partnership that can provide new value to society by combining the strengths possessed by the Company, JICC, DNP, and Mitsui Chemicals.

After the Transactions are completed, in order to increase management efficiency, the Tender Offeror plans to transition the Company from a company with an audit and supervisory committee to a company with corporate auditors and to appoint persons nominated by JICC as directors and corporate auditors of the Company, but the specific number and candidates for the directors and corporate auditors have not yet been decided and will be decided upon consultation with the Company moving forward. Additionally, after the Transactions are completed, the Tender Offeror plans to appoint one person nominated by DNP as a director of the Company, but as the specific candidate and other such details have not yet been decided, they will also be decided upon consultation with the Company moving forward.

For the time being after the completion of the Transactions, the Tender Offeror plans to make efforts to continue the employment of the employees who are employed by the Company as of the completion of the Transactions and to maintain their working conditions. The Tender Offeror also plans to introduce an incentive plan, such as stock options, for the officers and employees of the Company and to establish a system that has the Tender Offeror and the officers and employees of the Company aim to improve the long-term corporate value of the Company together. Additionally, after the Transactions, the Tender Offeror will continue to respect the business relationships between the Company and its material clients and business partners.

(III) Process of and Reasons for Decision-Making by Company to Support Tender Offer

As stated in "(II) Background, Purpose, and Decision-Making Process of Tender Offeror's Decision to Implement Tender Offer; Management Policy Thereafter" above, while the Company was deliberating various management strategies to enhance its corporate value in the business environment, as described in "(a) Business Environment Surrounding Company" above, in response to Fujitsu's plan to sell all or part of the Company Shares, as announced in September 2021, in January 2022, the Company began to have discussions with Fujitsu concerning the specific method of sale of the Fujitsu Holding Shares. Subsequently, Fujitsu held meetings with multiple potential buyer candidates and deliberated on various options, such as means of carve-out from the Fujitsu Group, and a capital and business alliance with potential buyer candidates. During this time, although there were intermittent discussions, there was no progress in the discussions as there were no specific negotiations between Fujitsu and the Company. However, as the Company subsequently received a specific proposal from Fujitsu in June 2022, in July 2022, the Company appointed MUMSS as its financial advisor and third-party valuation organization, SMBC Nikko as its financial advisor, and N&A as its legal advisor. Then, in light of the discussions the Company engaged in with Fujitsu from July 2022 to March 2023, the Company carefully deliberated the various options in relation to its capital policy in order to both maximize the interests of its minority shareholders in addition to those of the Fujitsu group and further enhance the Company's corporate value, and reached the decision that it would be desirable for the Company and its shareholders to implement the Bidding Process, and commenced the same. To be specific, since late March 2023, the Company and Fujitsu have commenced a Bidding Process comprised of the primary and secondary bidding processes and conducted the bidding processes, including due diligence covering multiple candidates and discussions with each candidate. Subsequently, the Company and Fujitsu received a written non-legally binding proposal from JICC in September of the same year, a written non-legally binding final proposal from another candidate in October of the same year and a written legally binding final proposal from JICC in November of the same year. However, as no legally binding final proposal was submitted by the other candidates, as a result of a comprehensive review of the proposals of each candidate, JICC was selected as the final purchase candidate from among JICC and the other candidates later in the same month, with the transaction price, transaction certainty and transaction speed as the main decision-making criteria, the Company and JICC commenced discussions and deliberations on the implementation of the Transactions, including the Share Repurchase.

To be specific, JICC made a non-legally binding proposal in writing to Fujitsu and the Company on September 26, 2023 to raise the Tender Offer Price per Company Share at 6,100 yen and the Repurchase Price per Company Share at 4,391 yen.

Subsequently, on October 18, 2023, the Company provided the October 18, 2023 Business Performance Explanation to JICC. In the October 18, 2023 Business Performance Explanation, the Company explained that based on the latest market conditions, the recovery in the Company's business performance would be delayed beyond the initial outlook, and that therefore the outlook of sales for the fiscal year ending March 2024 had been revised downwards.

Following that, on November 11, 2023, JICC made a non-legally binding proposal in writing to Fujitsu and the Company to set the Tender Offer Price at 5,910 yen per Company Share and the Repurchase Price at 4,211 yen per Company Share. Based on the opinion of the Special Committee after it considered the content of that proposal, on November 16, 2023, the Company requested JICC to raise the Tender Offer Price on the grounds that it could not be concluded to be at a sufficient level to ensure the interests of the minority shareholders of the Company, but on November 20, 2023, JICC made a legally binding final proposal in writing to Fujitsu and the Company to set the Tender Offer Price at 5,910 yen per Company Share and the Repurchase Price at 4,211.1 yen per Company Share.

Following the submission of the Final Proposal, as JICC, Fujitsu, and the Company repeatedly engaged in continual discussions and negotiations regarding the content of the legally binding Final Proposal, based on the opinion of the Special Committee after it considered the content of the Final Proposal, on November 21, 2023, the Company again requested JICC to raise the Tender Offer Price on the grounds that a decrease in the price was undesirable given that the medium-to-long-term outlook of the Company's business had not changed and that the price could not be concluded to be at a sufficient level to ensure the interests of the minority shareholders of the Company, but JICC had determined that it was not necessary to revise the Tender Offer Price.

Subsequently, on November 27, 2023, JICC received a written inquiry regarding the underlying idea and rationale for the Tender Offer Price and the reasons for the price reduction from the Special Committee , and sent answers in writing to the Special Committee on November 30, 2023. On November 28, 2023, JICC received from Fujitsu a written request to raise the Tender Offer Price. Moreover, on December 4, 2023, JICC received a document from the Company stating the views of the Company and the Special Committee and requesting that the Tender Offer Price be raised. Taking into consideration the opinion of the Special Committee after it considered JICC's response regarding the views and reasons on which the Tender Offer Price was based and the reasons for lowering the price, that document requested that the Tender Offer Price be raised on grounds such as that there had been no change in the medium-to-long-term business outlook of the Company, which is the basis of the Company's intrinsic value on which the Company and the Special Committee place emphasis when making decisions, at the level of premiums based on the current Tender Offer Price of 5,910 yen, there were concerns regarding the likelihood of the Tender Offer being successfully completed. Subsequently, on December 5, 2023, JICC received a further written inquiry from the Special Committee regarding matters such as the reasons for lowering the Tender Offer Price despite there being no change in the medium-to-long-term business outlook of the Company and whether there had been a change in JICC's evaluation of the macro environment, such as semiconductor market conditions and interest trends, in the short period from September 26 to November 20, 2023, the day on which the Final Proposal was submitted. In response, on December 6, 2023, JICC sent a reply in writing to the Company that it would maintain the Tender Offer Price at 5,910 yen. In that reply, JICC stated that lowering the price was appropriate due to factors such as (i) the Company's financial results for the second quarter, the revision to the performance forecast for the entire year, (ii) macro environment considerations such as delayed recovery and volatility in the semiconductor market, unpredictable interest rate trends, and potential geopolitical risks due to an unstable global situation, and (iii) the views regarding premiums in past transactions in regard to which speculative media reports had been made, and that therefore, JICC would maintain the Tender Offer Price at 5,910 yen. Additionally, on December 7, 2023, in response to its second inquiry, JICC sent a reply to the Special Committee to the effect that lowering the price was appropriate based on the macro environment considerations stated above.

Following that, on December 8, 2023, the Company again sent JICC a document stating the views of the Company and the Special Committee and requesting that the Tender Offer Price be raised. Taking into consideration the opinion of the Special Committee after it considered the content of JICC's response, that document requested that the Tender Offer Price be raised on grounds such as (i) that the short-term changes in macro economic conditions asserted by JICC would not have any substantial impact on the intrinsic value of the Company and (ii) that at the level of premiums based on the current Tender Offer Price of 5,910 yen, there were concerns regarding the likelihood of the Tender Offer being successfully completed. In response to this, on December 10, 2023, JICC sent a reply in writing to the Company stating that it would maintain the Tender Offer Price at 5,910 yen due to a comprehensive judgment based not only on the medium-to-long-term business outlook but also the impact on future upsides caused by the worsened short-term business outlook, macro factors such as the semiconductor market outlook and macro economic conditions, and other such factors.

Subsequently, on December 12, 2023, taking into consideration the opinion of the Special Committee after it considered the content of JICC's response, JICC received an oral explanation from the Company and Fujitsu regarding the views of the Company, the Special Committee and Fujitsu requesting that the Tender Offer Price be raised on grounds such as that although the previous responses from JICC could be found to be reasonable to a certain extent, it remained difficult to conclude that the interests of the minority shareholders of the Company had been sufficiently ensured.

Subsequently, on December 12, 2023, JICC sent a proposal in writing to the Company and Fujitsu to set the Tender Offer Price at 5,920 yen per Company Share and the Repurchase Price at 4,218.1 yen per Company Share in order to increase the likelihood of the Tender Offer being successfully completed while setting a price within the evaluated range of the Company's intrinsic value on the grounds that JICC had received repeated requests from the Special Committee, the Company, and Fujitsu. Subsequently, on December 12, 2023, JICC received a response in writing from the Company and Fujitsu agreeing to JICC's proposal.

In light of the possibility that the interests of Fujitsu and those of the Company's minority shareholders do not necessarily align, as stated in "(6) Measures to Ensure Fairness of Tender Offer, Such as Measures to Ensure Fairness of Tender Offer Price and Avoid Conflicts of Interest" below, the Company consulted with the permanent special committee established on June 17, 2022 in accordance with the Corporate Governance Code established by the Tokyo Stock Exchange (the "Special Committee") on April 14, 2023, immediately after commencing the primary bidding process, regarding matters such as fairness and appropriateness of the procedures concerning the Transactions in order to eliminate any arbitrariness in the Company's decision-making in relation to the Transactions and the candidate selection process during the Bidding Process, and enhance its corporate value and ensure the interests of its minority shareholders, as well as to deliberate and make decisions as to the justification and reasonableness of the purpose of the Transactions, fairness of the procedures concerning the Transactions, and fairness of the terms of the Transactions (for details of the composition of the Special Committee and the specific matters of inquiry, please refer to "(II) Procurement by Company of Written Report from Independent Special Committee" in "(6) Measures to Ensure Fairness of Tender Offer, Such as Measures to Ensure Fairness of Tender Offer Price and Avoid Conflicts of Interest" below). Additionally, the Company took the measures stated in "(6) Measures to Ensure Fairness of Tender Offer, Such as Measures to Ensure Fairness of Tender Offer Price and Avoid Conflicts of Interest" below, in light of the content of the share valuation report obtained from MUMSS, the Company's financial advisor and third-party valuation organization, as well as the legal advice from N&A, the Company's legal advisor, the Company carefully discussed and deliberated matters such as whether it is appropriate for the board of directors to express an opinion to support the Tender Offer and recommend that the Company's shareholders tender in the Tender Offer, and whether implementing the Transactions is disadvantageous to the Company's minority shareholders, giving the utmost respect to the written report submitted by the Special Committee on December 12, 2023 (the "Written Report").

Specifically, the Company conducted the Bidding Process and comprehensively deliberated on the proposal by the candidates who participated in the secondary bidding process, taking into consideration the perspectives such as: the assessed value of the share value, the Tender Offer price, the transactional structure, the ability to raise funds/conditions for raising funds, and the management strategy after implementation of the Transactions and the structure to support the same, including the measures to enhance corporate value; management policy and other terms and conditions such as employee compensation and governance structure, the certainty of procedures such as obtaining clearances under competition laws and other applicable laws and regulations; and the perspective of maximizing the interests of minority shareholders. As a result, in light of the fact that only the final proposal presented by JICC on December 12, 2023 was a legally-binding proposal and the presented assessed value of the share value and the Tender Offer Price being 5,920 yen, the Tender Offeror would be the best partner for the Company to aim for "Progress without Limits" in light of the measures to enhance corporate value, the management strategy after implementation of the Transactions and the structure to support the same, including value-increasing measures; and that it is important to have an accurate understanding of the potential for medium- to long-term market expansion for the Company's products and technologies, and to make flexible and agile management decisions in the semiconductor industry, where market conditions change rapidly, the Company came to conclude that by promoting measures such as the expansion of human capital, which is fundamental to the promotion of our business, will contribute to increasing our corporate value in the future. By conducting the Transactions with a tender offeror that is focused on JICC as a government-affiliated fund, which basically supports the Company's business policy of focusing on capital investment and technological development in growth markets, the Company will be able to promote initiatives that contribute to enhancing corporate value from a medium- to long-term perspective, without being swayed by short-term fluctuations in business performance, as its partner, and since the Company is planning to execute the Transactions with JICC as a partner, the Company will be able to make decisions more quickly than before, and promote measures such as the expansion of human capital, which is fundamental to the promotion of the Company's business, which will contribute to future enhancement of corporate value. The Company also believes that the superb, unique technologies of DNP and Mitsui Chemicals, combined with the Company's semiconductor packaging technologies, will contribute to promotion of the next-generation semiconductor business the Company aims to pursue, and reinforce the Company's market competitiveness in next-generation products, thereby contributing to the enhancement of the Company's medium- to long-term corporate value.

In light of the above, the Company determined that the Transactions would contribute to the enhancement of the Company's corporate value.

Furthermore, the Company determined that the Tender Offer provides the Company's shareholders with a reasonable opportunity to sell shares, in light of the following factors relating to the Tender Offer Price (5,920 yen):

(a) As stated above, the assessed value of the share value and the Tender Offer Price presented by JICC was the only proposal presented as a legally binding proposal and the Tender Offer Price was 5,920 yen.

(b) Among the results of the Company Shares calculated by MUMSS, as stated in "(I) Procurement by Company of Share Valuation Report from Independent Financial Adviser and Third-Party Valuation Organization" of "(3) Matters Regarding Calculation" the Tender Offer Price is above the upper end of the range of calculation results using market share price analysis and the mid-point of the range calculated by the comparable companies analysis, and close to the median of the range of the results of the calculation based on the Discounted Cash Flow analysis ("DCF analysis").

(c) The Tender Offer Price includes: a premium of 18.88% on 4,980 yen, the closing price of the Company Shares as of May 31, 2023, which is the business day immediately preceding June 1, 2023, the date on which the leaked report on the Transactions that triggered a fluctuation in the Company Shares was published; a premium of 31.00% on 4,519 yen, the simple average closing price for the past one month (from May 1 to 31, 2023); a premium of 44.60% on 4,094 yen, the simple average closing price for the past three months (from March 1 to May 31, 2023); and a premium of 51.87% on 3,898 yen, the simple average closing price for the past six months (from December 1, 2022 to May 31, 2023), respectively. Furthermore, the Tender Offer Price includes: a premium of 12.98% on 5,240 yen, the closing price of the Company Shares on the Tokyo Stock Exchange as of December 11, 2023, which is the business day immediately preceding the day implementation of the Tender Offer was announced; a premium of 10.10% on 5377 yen, the simple average closing price for the past one month; a premium of 7.60% on 5,502yen, the simple average closing price for the past three months; and a premium of 4.63% on 5,658 yen, the simple average closing price for the past six months, respectively. Under the circumstances where it is not unreasonable to assume that the share price before the publication of the leaked media report and the subsequent multiple speculative reports had a considerable impact on the expected value of the Transaction, etc., if the share price is used as the basis for the price before the publication of the leaked media report, it is not unreasonable to assume that the premium is sufficiently reasonable in comparison with the level of premiums in 185 cases of other takeover bids for listed companies aiming to go private since the publication of the "Guidelines on Fair M&A -Towards enhancing corporate value and securing shareholder interests-" by the Ministry of Economy, Trade and Industry, is sufficiently reasonable in comparison with the level of premiums in 185 cases of other tender offers for the purpose of taking listed companies private after 28 June 2019, the date of the publication of the said article (Note 22). The premium level for the closing price on the reference date and the simple average closing price for the last one month on the reference date, which are sensitive to the share price fluctuations in the immediate past, is relatively low, while the premium level for the simple average closing price for the last three months on the reference date and the last six months on the reference date, which reflect more medium- to long-term share price trends, is relatively high. The share price of the Company increased by 25.60% from December 1, 2022, which is six months prior to May 31, 2023 (the "Reference Date"), the business day immediately preceding the publication of the leaked media report. However, since 95.10% of this 25.60% increase is accounted for by the 24.34% increase from April 3, 2023 (which is two months prior to the Reference Date) to the Reference Date, it can be confirmed that the increase within two months prior to the Reference Date was particularly significant. While such a rapid increase is considered difficult to explain rationally, even in light of the information disclosed by the Company, it is appropriate to consider the level of the premium on the market share price by considering the average value over a longer period of time, rather than judging it in light of the simple average closing price on the current reference date and over the most recent one month. It is not unreasonable to consider that it is appropriate to consider the premium level of the Tender Offer Price in light of the simple average of the closing prices for the three months preceding the current reference date or the six months preceding the current reference date, and that the premium level of the Tender Offer Price is sufficiently reasonable.

(d) The measures to ensure fairness of Tender Offer stated in "(6) Measures to Ensure Fairness of Tender Offer, Such as Measures to Ensure Fairness of Tender Offer Price and Avoid Conflicts of Interest" below have been taken, and therefore the interests of general shareholders have been taken into consideration.

Note22: The average premium is 41.46% of the closing price on the same day, 44.89% of the simple average closing price over the past month up to the same day, 47.05% of the simple average closing price over the past three months up to the same day and 47.57% of the simple average closing price over the past six months up to the same day, using the business day before the day of publication as the reference date. The median premium was 38.74% over the closing price on the same day, 40.46% over the simple average closing price over the past month up to the same day, 41.05% over the simple average closing price over the past three months up to the same day and 44.59% over the simple average closing price over the past six months up to the same day.

For the reasons above, the Company resolved at its board of directors meeting held today that it will express its current opinion that, if commenced, it will express an opinion to support the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer.

As stated above, the Tender Offeror plans to commence the Tender Offer on a date that is (i) within 10 business days after the Tender Offer Conditions Precedent (excluding those to be satisfied on the commencement date of the Tender Offer) are satisfied (or waived at the discretion of the Tender Offeror) (however, if a Counter Proposal has been made as of such date, then the earlier of (a) the date on which 20 business days have elapsed since the date on which Fujitsu makes a request to the Tender Offeror for consultation regarding changing the Tender Offer Price and the Repurchase Price or (b) the date on which Fujitsu covenants in writing that it will not accept the Counter Proposal) and (ii) separately notified to the Company in advance by the Tender Offeror. As of today, the Tender Offeror aims to commence the Tender Offer in or around late August 2024, based on discussions with local law firms about the procedures required under domestic and foreign competition laws and foreign investment control laws and regulations, but it is difficult to accurately estimate the amount of time required for the procedures involving foreign competition authorities and authorities having jurisdiction over investment control laws and regulations (please refer to the recitals of this document for details).

In light of the above circumstances, at the above board of directors meeting, the Company also resolved (i) that when the Tender Offer is commenced, the board of directors will request that the Special Committee (x) consider whether there are any changes in its opinion as expressed to the board of directors as of today, and (y) if there are no changes, make a statement to that effect, or if there are changes, state the changed opinion, to the board of directors; and (ii) that based on such opinion of the Special Committee, the Company will express its opinions on the Tender Offer again when the Tender Offer is commenced.

For details of the resolution at the board of directors meeting of the Company above, please refer to "(V) Unanimous Approval of All Non-Interested Directors of the Company" in "(6) Measures to Ensure Fairness of Tender Offer, Such as Measures to Ensure Fairness of Tender Offer Price and Avoid Conflicts of Interest" below.

(3) Matters Regarding Calculation

(I) Procurement by Company of Share Valuation Report from Independent Financial Adviser and Third-Party Valuation Organization

(i) Name of Third-Party Valuation Organization and its Relationship with Company and Tender Offeror

In determining its opinion on the Tender Offer and to ensure fairness, the Company appointed MUMSS as its financial advisor and third-party valuation organization independent from the Tender Offeror, Fujitsu, and the Company and received advice from a financial viewpoint. The Company requested a calculation of the value of the Company's shares acquired a share valuation report (the "Share Valuation Report") dated December 12, 2023 from MUMSS, subject to the conditions precedent set forth in (ii) below and certain other conditions.

In addition, same as MUFG Bank, Ltd. (“MUFG Bank”), MUMSS is a member of the Mitsubishi UFJ Financial Group companies and MUFG Bank conducts financing transactions for the Company as part of a series of ordinary banking transactions, and plans to provide the Tender Offeror with funds for settlement of the Tender Offer. According to MUMSS, in compliance with the applicable provisions of Article 36, Paragraph 2 of the Act and Article 70-4 of the Cabinet Office Order on Financial Instruments Business (Cabinet Office Order No. 52 of 2007; as amended), MUMSS, the Company’s financial advisor, and MUFG Bank have, between them and within each company, established and implemented a means to prevent adverse effects, including an appropriate management structure for conflicts of interest, such as an information barrier to strictly manage information regarding the Company. Therefore, MUMSS has performed its duties as a financial advisor without being affected by MUFG Bank’s decisions and has calculated the Company’s share value in a position that is independent from MUFG Bank’s position as a lender. Based on the fact that a strict information management structure has been established for information management between MUMSS and MUFG Bank and within each of them, as well as the fact that MUMSS was formerly a third-party valuation organization for a similar transaction, the Company has appointed MUMSS as its financial advisor and third-party valuation organization independent from the Tender Offeror and the Company.

Furthermore, the compensation payable to MUMSS in connection with the Transactions includes contingent compensation payable subject to public announcement of the Transactions, including the Tender Offer, and completion of the Squeeze-Out Procedures. By taking into consideration general customary practices in similar types of transactions, as well as the propriety of a compensation system that imposes a reasonable monetary burden on the Company when the Transactions are not completed, the Company has decided that MUMSS’s independence is not ruled out by the inclusion of contingent compensation payable subject to public announcement of the Transactions, including the Tender Offer, and completion of the Squeeze-Out Procedures.

In addition, in consideration of the interests of minority shareholders, the Company has implemented various measures as stated in “(6) Measures to Ensure Fairness of Tender Offer, Such as Measures to Ensure Fairness of Tender Offer Price and Avoid Conflicts of Interest” below, in the Tender Offeror and the Company, to ensure fairness of the Tender Offer. Therefore, the Company has not obtained from MUMSS an opinion on fairness of the Tender Offer Price (fairness opinion).

(ii) Outline of Calculation

As a result of considering the valuation method for the Tender Offer, MUMSS calculated the value of the Company Shares using each of (i) the market share price analysis because the Company Shares are listed on the Prime Market of the Tokyo Stock Exchange and a market share price exists, (ii) the comparable companies analysis because there are multiple listed companies similar and comparable to the Company and it is possible to infer by analogy the share value of the Company by comparing the Company with such similar listed companies, and (iii) the DCF analysis so as to reflect the Company's intrinsic value based on the status of future business activities, from the perspective that it would be appropriate to assess the share value of the Company Shares in multiple ways.

The ranges of the per-share value of the Company Shares calculated using such methods are as follows:

Market share price analysis:	5,240 yen to 5,658 yen
Comparable companies analysis:	5,238 yen to 6,220 yen
DCF analysis:	5,077 yen to 6,780 yen

Under the market share price analysis, where December 11, 2023 was the reference date, the per-share value of the Company Shares was calculated as ranging from 5,240 yen to 5,658 yen, based on the following prices of the Company Shares on the Prime Market of the Tokyo Stock Exchange: the closing price as of the reference date (5,240 yen); the simple average of the closing price for the one month immediately preceding the reference date (5,377 yen); the simple average of the closing price for the three months immediately preceding the reference date (5,502 yen); and the simple average of the closing price for the six months immediately preceding the reference date (5,658 yen).

Under the comparable companies analysis, the per-share value of the Company Shares was calculated as ranging from 5,238 yen to 6,220 yen, through comparison with market share prices and financial indices indicating profitability, etc. of similar listed companies engaged in business that is relatively similar to that of the Company.

Under the DCF analysis, the Company's corporate value and share value were calculated by making certain financial adjustments, such as adding the values of the Company's cash equivalents, etc. (including excess cash and deposits held by the Company) to the business values calculated by rebating the free cash flow that is expected to be generated by the Company in the future at a certain discount rate to the present value, in light of the Company's future projections in and after the fiscal year ending in March 2024, which takes into account various factors, such as the Company's business plan for fiscal years from the fiscal year ending in March 2024 through the fiscal year ending in March 2028, recent business result trends, and publicly available information. Using this methodology, the per-share value of the Company Shares was calculated as ranging from 5,077 yen to 6,780 yen.

MUMSS has used the information provided by the Company and publicly available information in calculating the Company's share value, has assumed that that information is all accurate and complete, and has not independently verified the accuracy or completeness thereof. In addition, information regarding the Company’s financial projections is assumed to have been reasonably prepared based on the Company’s best projections and judgments currently available. With regard to the financial projections, questions have been asked to and answers have been received from the Special Committee, and the reasonability of the contents and conditions precedent, etc. thereof has been confirmed. Furthermore, MUMSS has not independently evaluated or appraised the assets and liabilities of the Company (including off-balance sheet assets and off-balance sheet liabilities, and other contingent liabilities) and has not requested any appraisals or evaluations from third-party organizations. The calculation by MUMSS reflects the above information as of December 11, 2023.

Moreover, the Company’s business plan, which MUMSS used as the basis for the DCF analysis calculation, includes a fiscal year in which significant increases or decreases in profits are expected in comparison with the previous year. Specifically, the semiconductor industry is expected to face a severe market environment; negative growth is expected in 2023.

The Company has been making continual, focused capital investments in markets with promising growth, and is committed to reinforcing its production system and broadening the customer base in view of the growing markets by: establishing the Chikuma Plant (Chikuma City, Nagano Prefecture) as a new production plant for flip-chip type packages used in high-performance semiconductors; expanding its mass production system through the construction of a new building completed in 2023 at its Takaoka Plant (Nakano City, Nagano Prefecture) for ceramic electrostatic chucks for semiconductor manufacturing equipment; and beginning construction planning for a new building at its Arai Plant (Myoko City, Niigata Prefecture) for producing plastic BGA substrates for cutting-edge memories. In the business plan prepared by the Company, although the consolidated operating profit of approximately 35 billion yen for the fiscal year ending March 31, 2024 is expected to decrease significantly by approximately 50% year-on-year due to the sluggish semiconductor market, the Company anticipates continuous growth with steady year-on-year increase by approximately 50% in the consolidated operating profit, which will reach 52 billion yen in the fiscal year ending March 31, 2025, due to the above initiatives as well as further productivity improvement and cost reduction throughout the Company. In addition, consolidated operating profit of approximately 87 billion yen for the year ending March 31, 2027 is expected to increase significantly by approximately 40% compared to the previous year. The consolidated free cash flow used in the DCF analysis is expected to increase or decrease significantly in each financial year due to the above increase and decrease in profits and the impact of the Company’s capital expenditure. Specifically, the significant increase and decrease in consolidated free cash flow due to the above-mentioned increase/decrease in profits and the Company’s capital expenditure is expected to be approximately -36 billion yen in the year ending March 31, 2024, a decrease of approximately 88 billion yen compared to the previous year; approximately -4 billion yen in the year ending 31 March 2025, an increase of approximately 32 billion yen compared to the previous year; approximately 38 billion yen in the year ending March

31, 2026, an increase of approximately 42 billion yen compared to the previous year; 68 billion yen in the year ending March 31, 2027, a decrease of approximately 30 billion yen compared to the previous year; and 42 billion yen in the year ending March 31, 2028, a decrease of approximately 26 billion yen compared to the previous year. Further, since it is difficult to make a specific estimation of synergies that are expected to be realized by executing the Transactions at present, such synergies were not taken into account in the business plan.

(II) Method of Calculation by Tender Offeror

In determining the Tender Offer Price, JICC conducted a multifaceted and comprehensive analysis of the Company's business and financial status based on the Company's disclosed financial information and other similar materials and the results of due diligence conducted with respect to the Company from late July 2023 to mid-September 2023 and then prepared a financial model reflecting that analysis. As a result, a tender offer price that secures a return on investment as required by JICC has been calculated. In light of the fact that the Company Shares are traded on a financial instruments exchange, in order to ascertain the valuation of the Company's corporate value by the equity market, JICC also referred to (i) the closing price (5,240 yen) of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of December 11, 2023, which was the business day immediately preceding the announcement date of the planned commencement of the Tender Offer (December 12, 2023), and (ii) the simple average closing prices of the Company Shares over the preceding one-month period (from November 13, 2023 to December 11, 2023), three-month period (from September 12, 2023 to December 11, 2023), and six-month period (from June 12, 2022 to December 11, 2023) (5,377 yen, 5,502 yen, and 5,658 yen, respectively). Similarly, JICC referred to (i) the closing price (4,980 yen) of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of May 31, 2023, which was the business day immediately preceding the date of the speculative article published by Bloomberg (June 1, 2023) that triggered changes in the share price of the Company due to expectations that the Fujitsu group would undergo a reorganization, and (ii) the simple average closing prices of the Company Shares over the preceding one-month period (from May 1, 2023 to May 31, 2023), three-month period (from March 1, 2023 to May 31, 2023), and six-month period (from December 1, 2022 to May 31, 2023) (4,519 yen, 4,094 yen, and 3,898 yen, respectively).

As JICC has determined the price by comprehensively taking into consideration the factors described above, JICC has not obtained a share valuation report from any third-party appraiser.

The Tender Offer Price per Company Share (5,920 yen) also represents (i) a premium of 12.98% on 5,240 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of the business day immediately preceding the announcement date of the planned commencement of the Tender Offer (December 11, 2023), (ii) a premium of 10.10% on 5,377 yen, the simple average closing price for the preceding one-month period ending on that date, (iii) a premium of 7.60% on 5,502 yen, the simple average closing price for the preceding three-month period ending on that date, and (iv) a premium of 4.63% on 5,658 yen, the simple average closing price for the preceding six-month period ending on that date.

In addition, the Tender Offer Price per Company Share (5,920 yen) also represents (i) a premium of 18.88% on 4,980 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of May 31, 2023, which was the business day immediately preceding the date of the speculative article published by Bloomberg regarding the sale of Fujitsu's subsidiaries (June 1, 2023), (ii) a premium of 31.00% on 4,519 yen, the simple average closing price for the preceding one-month period ending on that date, (iii) a premium of 44.60% on 4,094 yen, the simple average closing price for the preceding three-month period ending on that date, and (iv) a premium of 51.87% on 3,898 yen, the simple average closing price for the preceding six-month period ending on that date.

Also, in the process of calculation above, on December 12, 2023, JICC decided on the Tender Offer Price per Company Share of 5,920 yen based on the discussions and negotiations with the Company while comprehensively taking into account the matters stated above as well as whether or not the Company supports the Tender Offer and the prospect of the successful completion of the Tender Offer. Since JICC decided on the Tender Offer Price upon discussions and negotiations with the Company while taking into consideration the factors described above, and JICC believes that sufficient consideration has been given to the interests of the minority shareholders of the Company since JICC and the Company have taken measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest (specifically, the measures stated in "(6) Measures to Ensure Fairness of Tender Offer, Such as Measures to Ensure Fairness of Tender Offer Price and Avoid Conflicts of Interest" below), JICC did not obtain a share valuation report or fairness opinion from a third-party appraiser.

(4) Possibility of Delisting and Reasons Therefor

The Company Shares are currently listed on the Prime Market of the Tokyo Stock Exchange as of today. However, since the Tender Offeror has not set a limit on the maximum number of share certificates to be purchased in the Tender Offer, the Company Shares may be delisted through prescribed procedures in accordance with the stock delisting criteria of the Tokyo Stock Exchange, depending on the result of the Tender Offer.

Also, even in the event that the delisting standards are not met upon completion of the Tender Offer, if the Squeeze-Out Procedures are carried out as stated in "(4) Policy for organizational restructuring after the Tender Offer (matters relating to a so-called "Two-Step Acquisition")" above after the successful completion of the Tender Offer, then the Company Shares will be delisted through the prescribed procedures in accordance with the stock delisting criteria of the Tokyo Stock Exchange. After delisting, the Company Shares will no longer be traded on the Prime Market of the Tokyo Stock Exchange.

For the reasons for aiming for delisting, the effects on minority shareholders, and ideas relating thereto, please see "(II) Background, Purpose, and Decision-Making Process of Tender Offeror's Decision to Implement Tender Offer; Management Policy Thereafter" of "(2) Basis and Reasons for Opinion Regarding Tender Offer" above and "(5) Policy for Organizational Restructuring, Etc. After Tender Offer (Matters Relating to So-Called "Two-Step Acquisition")" below.

(5) Policy for Organizational Restructuring, Etc. After Tender Offer (Matters Relating to So-Called "Two-Step Acquisition")

As stated in "(2) Basis and Reasons for Opinion Regarding Tender Offer" above, if the Tender Offeror fails to acquire all of the Company Shares (excluding Fujitsu Holding Shares and the treasury shares owned by the Company) in the Tender offer, the Tender Offeror will request the Company, after the completion of the settlement of the Tender Offer, to hold an extraordinary shareholders' meeting at which the following proposals will be submitted (the "Extraordinary Shareholders' Meeting"): (i) to conduct a consolidation of the Company Shares (the "Share Consolidation") under Article 180 of the Companies Act and (ii) to make a partial amendment to the Company's Articles of Incorporation to abolish the share unit number provisions on the condition that the Share Consolidation becomes effective. The Tender Offeror and Fujitsu intend to approve each of those proposals at the Extraordinary Shareholders' Meeting. If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders' Meeting, the shareholders of the Company will come to own the number of Company Shares proportionate to the ratio of the Share Consolidation that is approved at the Extraordinary Shareholders' Meeting as of the effective date of the Share Consolidation. In such case, if, due to the Share Consolidation, the number Is a fraction less than one, each shareholder of the Company who holds such fractional shares will receive an amount of cash obtained by selling the Company Shares equivalent to the total number of shares less than one unit (with such aggregate sum rounded down to the nearest whole number; the same applies hereinafter) to the Company or the Tender Offeror as per the procedures specified in Article 235 of the Companies Act and other relevant laws and regulations. The purchase price for the aggregate sum of the Company Shares that are less than one unit will be valued so that the amount of cash received by each shareholder who did not tender its shares in the Tender Offer as a result of the sale will be equal to the price obtained by multiplying the Tender Offer Price by the number of Company Shares owned by each such shareholder. The Tender Offeror will request the Company to file a petition to the court for permission to purchase such Company Shares on this basis. Although the ratio of the Share Consolidation of the Company Shares has not been determined as of today, it is intended that the shares of shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror, Fujitsu, and the Company) will be classified as shares less than one unit in order for the Tender Offeror and Fujitsu to become the sole owners of all of the Company Shares.

According to the provisions of the Companies Act that aim to protect the rights of minority shareholders in relation to the Share Consolidation, the Companies Act provides that if the Share Consolidation occurs and there are shares less than one unit as a result thereof, each shareholder of the Company may request that the

Company purchase all such shares less than one unit at a fair price, and such shareholders may file a petition to the court to determine the price of the Company Shares in accordance with the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations. The purchase price per share by this method will be finally determined by the court.

The Tender Offer is not intended to solicit the shareholders of the Company to approve the proposal at the Extraordinary Shareholders' Meeting.

With regard to the procedures described above, it is possible that, depending on circumstances such as the interpretation of the relevant laws and regulations by authorities, more time may be required or alternative methods may be utilized to implement the procedures. However, even in such a case, the Tender Offeror intends to make the Company a wholly-owned subsidiary of the Tender Offeror by a method whereby the shareholders of the Company who do not tender their shares in the Tender Offer (excluding the Tender Offeror, Fujitsu, and the Company) will ultimately receive cash consideration equal to the number of Company Shares held by such shareholders multiplied by the Tender Offer Price.

The specific procedures, timing of implementation, and other such matters in the case set out above will be announced promptly by the Company once it has decided them after consultation with the Tender Offeror. Shareholders of the Company are requested to confirm with tax experts regarding tax treatment relating to tendering in the Tender Offer and the procedures set out above at their own responsibility.

(6) Measures to Ensure Fairness of Tender Offer, Such as Measures to Ensure Fairness of Tender Offer Price and Avoid Conflicts of Interest

As of today, the Company is not a subsidiary of the Tender Offeror, and the Tender Offer does not fall under a tender offer by a controlling shareholder. Furthermore, the Tender Offer is not a tender offer for which the Tender Offeror is an officer of the Company or a person who is conducting the Tender Offer at the request of an officer of the Company and who has a common interest with the Company's officers. The Transactions, including the Tender Offer, also do not fall under a so-called management buy-out (MBO) transaction.

However, since the Transactions are transactions proposed by Fujitsu, as the controlling shareholder (parent company) of the Company, and in light of the possibility that the interests of Fujitsu and those of the Company's minority shareholders do not necessarily align, the Tender Offeror and the Company implemented the following measures to ensure fairness of the Tender Offer Price and to avoid conflicts of interest.

Since Fujitsu, the parent company of the Company, holds 67,587,024 Company Shares (ownership percentage: 50.02%) as stated in "(I) Overview of Tender Offer" in "(2) Basis and Reasons for Opinion Regarding Tender Offer" above, and given that setting a so-called "majority of minority" minimum number of shares to be purchased may make the completion of the Tender Offer uncertain because the minimum number of shares to be purchased in the Tender Offer would be high, and doing so may cause the Tender Offer not to contribute to the interests of minority shareholders wishing to tender their shares therein, the Tender Offeror has not set a "majority of minority" minimum number of shares to be purchased in the Tender Offer. The Tender Offeror believes that the interests of the Company's minority shareholders are sufficiently taken into consideration because the Tender Offeror and the Company have carried out the measures described below.

Also, of the measures described below, descriptions regarding those implemented by the Tender Offeror are based on the Company's Press Release and explanations received from the Tender Offeror.

(I) Implementation of bidding procedure

As stated in "(II) Background, Purpose, and Decision-Making Process of Tender Offeror's Decision to Implement Tender Offer; Management Policy Thereafter Tender Offeror" in "(2) Basis and Reasons for Opinion Regarding Tender Offer" above, the Company and Fujitsu implemented the Bidding Process, which targeted multiple candidates, including a business company and investment funds with a sufficient investment track record in the Japanese market, which were assumed to be interested in collaborating with the Company in light of business synergies, starting from late March 2023, and commenced the first bidding process for one business company and eight investment funds that were interested in participating in this bidding process. In late May, 2023 of the same year, several candidates, including the Tender Offeror, submitted letters of intent premised on a transaction method involving the acquisition of Fujitsu shares from Fujitsu, and after careful consideration of the contents, four investment funds, including the Tender Offeror, were selected to participate in the second bidding process. Subsequently, after due diligence from late June to mid-September, 2023, the Company and Fujitsu received non-legally binding proposal from JICC in September of the same year, a written non-legally binding proposal from another candidate in October of the same year and a written legally binding final proposal from JICC in November of the same year. However, as no legally binding final proposal was submitted by the other candidates, as a result of a comprehensive review of the proposals of each candidate, JICC was selected as the final purchase candidate from among JICC and the other candidates later in the same month, with the transaction price, transaction certainty and transaction speed as the main decision-making criteria, JICC and the Tender Offeror commenced discussions and deliberations on the implementation of the Transaction, including the Share Repurchase Subsequently, JICC, Fujitsu and the Company held ongoing discussions and negotiations, the Tender Offer Price, and the Repurchase Price, and as a result, in light of the fact that only the final proposal presented by JICC on December 12, 2023 was a legally-binding proposal and the presented assessed value of the share value and the Tender Offer Price being 5,920 yen, the Company decided that, the Tender Offeror is the best partner for the Company to aim for "Progress without Limits" in terms of the proposed management strategy and support system after implementation of the Transaction, including measures to enhance corporate value, and the Tender Offeror is also the best partner for the Company in the semiconductor industry where the market environment is changing rapidly and the Company's products and technologies have the potential to expand the market in the medium to long term. Based on the recognition that it is important to accurately grasp the potential for medium- and long-term market expansion for the Company's products and technologies and to make flexible and agile management decisions, the Tender Offeror basically supports the Company's business policy of focusing on capital investment and technology development for growth markets and, as a government-affiliated fund, will not be swayed by short-term fluctuations in business performance and will promote initiatives that contribute to the enhancement of corporate value from a medium- and long-term perspective. The Company reached the conclusion that executing the Transactions with the Tender Offeror as a partner, which consists mainly of JICC, which is capable of promoting initiatives that contribute to the enhancement of corporate value from a medium- to long-term perspective without being swayed by short-term performance fluctuations as a sovereign wealth fund, and promoting measures such as the expansion of human capital, which is fundamental to the promotion of our business, to accelerate decision-making even further, will contribute to enhancing our corporate value in the future. The decision was reached to accelerate the decision-making process even more than before. In addition, by combining the excellent proprietary technologies of DNP and Mitsui Chemicals with the semiconductor packaging-related technologies of the Company, the Company believes that it will be possible to make a significant contribution to the medium- to long-term corporate value of the Company by promoting the next-generation semiconductor business and strengthening the market competitiveness of next-generation products, which are the goals of the Company.

In light of the above, the Company determined that the Transactions would contribute to the enhancement of the Company's corporate value, and no candidate existed that offered more favorable terms to the Company's shareholders compared to the proposal made by JICC.

(II) Procurement by Company of Written Report from Independent Special Committee

In light of the fact that the Tender Offer is part of the Transactions for the purpose of delisting the Company Shares, on April 14, 2023, immediately after commencement of the primary bidding process, the board of directors of the Company consulted with the Company's permanent Special Committee, established based on the Corporate Governance Code published by the Tokyo Stock Exchange and composed of three members—Mr. Jun Niimi (Outside Director of the Company), Ms. Namiko Araki (Outside Director and Audit and Supervisory Committee Member of the Company), and Mr. Kunikazu Kobayashi (Outside Director and Audit and Supervisory Committee Member of the Company)—independent of the Tender Offeror, the Company, and completion of the Transactions, as to the following matters, in order to secure fairness of the Tender Offer Price, eliminate arbitrariness in the Company's decision making regarding the Transactions, ensure fairness, transparency, and objectivity of the Company's decision-making process, and avoid conflicts of interest: (i) justification and reasonableness of the purpose of the

Transactions (including whether the Transactions contribute to enhancement of the Company's corporate value), (ii) fairness of the procedures concerning the Transactions, (iii) fairness and appropriateness of the terms of the Transactions, (iv) whether it is appropriate for the board of directors of the Company to express an opinion to support the Tender Offer and recommend that the Company's shareholders tender in the Tender Offer, and (v) whether implementing the Transactions (including the board of directors expressing an opinion to support the Tender Offer and recommending that the Company's shareholders tender in the Tender Offer) is disadvantageous to the Company's minority shareholders (collectively referred to as the "Matters of Inquiry"). Also, the board of directors of the Company entrusted the Special Committee with submitting to the Company a written report regarding the Matters of Inquiry. The Special Committee was established on June 17, 2022 as a permanent special committee, based on the Corporate Governance Code (Supplementary Principle 4.8.3) published by the Tokyo Stock Exchange, without taking the Transactions as an opportunity, for the purpose of deliberating on material transactions and actions that may give rise to conflicts of interest between the controlling shareholder and minority shareholders and reporting to the board of directors. The members of the Special Committee have not changed since the establishment thereof. Furthermore, regardless of the particulars of the report, a fixed amount of remuneration will be paid to each member as consideration for their duties.

In addition, the Company has also resolved that the board of directors of the Company will make decisions concerning the Transactions while respecting the opinions of the Special Committee to the utmost extent and that it will oppose the Transactions (and the Tender Offer) if the Special Committee decides that the transaction terms of the Transactions are not appropriate. Moreover, the board of directors of the Company resolved to grant to the Special Committee (i) the authority to independently appoint an attorney-at-law, third-party valuation organization, certified public accountant, and other advisors and (ii) the authority to get substantially involved in the process of negotiating the transaction terms by confirming in advance the policy for negotiating the transaction terms of the Transactions, receiving reports on the status of the negotiations in a timely manner, and stating opinions and making instructions or requests on material aspects. However, the Special Committee has not exercised its authority to independently appoint advisors, because each of MUMSS (the Company's financial advisor and third-party valuation organization), SMBC Nikko (financial advisor), and N&A (legal advisor) have no issues regarding independence or expertise.

The Special Committee held meetings during the period from April 14, 2023 to December 12, 2023, 13 times in total. In addition, the Special Committee carefully considered the Matters of Inquiry by collecting information and deliberating as necessary.

Specifically, the Special Committee approved the appointment of MUMSS (the Company's financial advisor and third-party valuation organization), SMBC Nikko (financial advisor), and N&A (legal advisor) after confirming that there were no issues regarding their independence or expertise.

As stated in “(I) Procurement by Company of Share Valuation Report from Independent Financial Adviser and Third-Party Valuation Organization” in “(3) Matters Regarding Calculation” above, MUMSS is not a related party of the Tender Offeror, Fujitsu, or the Company and does not have any material interest in the Transactions, including the Tender Offer, that is required to be disclosed. In addition, as stated in “(I) Procurement by Company of Share Valuation Report from Independent Financial Adviser and Third-Party Valuation Organization” in “(3) Matters Regarding Calculation” above, same as MUFG Bank, MUMSS is a member of the Mitsubishi UFJ Financial Group companies and MUFG Bank conducts financing transactions for the Company as part of a series of ordinary banking transactions, and plans to provide the Tender Offeror with funds for settlement of the Tender Offer. According to MUMSS, in compliance with the applicable provisions of Article 36, Paragraph 2 of the Act and Article 70-4 of the Cabinet Office Order on Financial Instruments Business (Cabinet Office Order No. 52 of 2007; as amended), MUMSS, the Company’s financial advisor, and MUFG Bank have, between them and within each company, established and implemented a means to prevent adverse effects, including an appropriate management structure for conflicts of interest, such as an information barrier to strictly manage information regarding the Company. Therefore, MUMSS has performed its duties as a financial advisor without being affected by MUFG Bank’s decisions and has calculated the Company’s share value in a position that is independent from MUFG Bank’s position as a lender.

As stated in “(I) Procurement by Company of Share Valuation Report from Independent Financial Adviser and Third-Party Valuation Organization” in “(3) Matters Regarding Calculation” above, based on the fact that a strict information management structure has been established for information management between MUMSS and MUFG Bank and within each of them, as well as the fact that MUMSS was formerly a third-party valuation organization for a similar transaction, the Company has appointed MUMSS as its financial advisor and third-party valuation organization independent from the Tender Offeror and the Company.

Furthermore, SMBC Nikko is not a related party of the Tender Offeror, the Company, or Fujitsu, and does not have any material interest in the Transactions, including the Tender Offer. Like Sumitomo Mitsui Banking Corporation, SMBC Nikko is a member of the group companies of Sumitomo Mitsui Financial Group, Inc. The Company appointed SMBC Nikko as a financial advisor in accordance with SMBC Nikko’s actual performance as a financial advisor, and based on the fact that (a) as a measure to prevent adverse effects, the required information barrier has been implemented between the department providing financial advisory services and the other departments at SMBC Nikko, and Sumitomo Mitsui Banking Corporation, (b) SMBC Nikko’s independence as a financial advisor is secured because the transaction has been conducted between the Company and SMBC Nikko on transaction terms similar to those of general clients, and (c) SMBC Nikko is not a related party of the Tender Offeror, the Company, or Fujitsu. The compensation payable to SMBC Nikko in connection with the Transactions includes contingent compensation payable subject to completion of the Transactions, including the Tender Offer, and other conditions; however, by taking into consideration general customary practices in similar types of transactions, the Company has appointed SMBC Nikko as the Company's financial advisor with the compensation structure described above.

Based on the background stated above, as a result of carefully deliberating and considering the Matters of Inquiry, taking into consideration each of the explanations above, advice from each advisor, and other explanatory materials for consideration, the Special Committee submitted to the board of directors of the Company the Written Report mainly to the following effect, as of December 12, 2023, with the unanimous consent of its members.

(i) Justification and reasonableness of the purpose of the Transactions (including whether it contribute to the enhancement of the Company's corporate value)

Given the business environment surrounding the Company, the Company believes that in order to identify the potential for medium- to long-term market growth of its products and technologies and to aim for "Progress without Limits," it will become increasingly important to develop technologies that anticipate market needs and to make flexible capital investments, and the size of funds required for these investments is expected to increase as well. In this increasingly severe competitive environment, the Company came to the conclusion that it could enhance its corporate value through faster decision-making and expansion of human capital, which is fundamental to the promotion of its business, and that with JICC as a government-affiliated fund, which basically supports the Company's business policy of focusing on capital investments and technological developments in growth markets, the Company will be able to promote initiatives that contribute to enhancing corporate value from a medium- to long-term perspective, without being swayed by short-term fluctuations in business performance, and that since the Company is planning to execute the Transactions with the Tender Offeror, consisting mainly of JICC as a partner, the Company will be able to make decisions more quickly than before, and promote measures such as expansion of human capital, which is fundamental to the promotion of the Company's business, which will contribute to future corporate value enhancement. The Company also believes that the superb, unique technologies of DNP and Mitsui Chemicals, combined with the Company's semiconductor packaging technologies, will contribute to promotion of the next-generation semiconductor business the Company aims to pursue, and reinforce the Company's market competitiveness in next-generation products, thereby contributing to enhancement of the Company's medium- to long-term corporate value. Fujitsu and the Company's management team, are not deemed to be using their positions to benefit themselves or third parties at the expense of general shareholders (the term "general shareholder" is synonymous with "minority shareholder" in Rule 441-2 of the Securities Listing Regulations of the Tokyo Stock Exchange; the same applies hereinafter), and the Transactions are considered reasonable because they will lead to the sustainable development of the Company Group, improve its earnings, and enhance the corporate value of the Company's group.

Furthermore, the growth strategy and corporate value enhancement plan expected by JICC do not contain any unreasonable points that raise suspicion concerning the possibility of realizing them and are considered to be reasonable because it is assumed that they will to contribute to faster decision-making and further expansion of human capital than before. There are no other points in the management policy explained by JICC that might be unreasonable.

Based on the foregoing, the Transactions are believed to contribute to enhancement of the Company's corporate value.

On the other hand, the following are believed to be matters with regard to which the Transactions may have an adverse effect on enhancement of the Company's corporate value: (i) the effects of dissolution of the capital relationship with Fujitsu, (ii) the effects of going private, (iii) the effects of the Company's liabilities, etc., and (iv) the effects on existing customers and business partners of the JICC Affiliate becoming a shareholder of the Company. However, since appropriate measures for handling and resolving all of these matters can be taken, it is considered that they will not have a material adverse effect on the Company's corporate value.
As referenced above, the Transactions have the possibility of contributing to enhancement of the Company's corporate value, and the purpose of the Transactions is considered to be justifiable and reasonable.

(ii) Fairness of the procedures concerning the Transactions

Based on facts like the various following measures being taken to secure the fairness of the Transactions, the procedures relating to the Transactions are deemed to be fair.

The procedures relating to the Transactions are believed to be fair, in light of the following aspects of the Transactions: (a) the independent Special Committee has been involved in the Transactions since the candidate's initial presentation of transaction terms in the primary bidding process and has been granted the authority to appoint/approve advisors, and other relevant matters, as well as to get substantially involved in the process of negotiating the transaction terms and other aspects of the Transactions. Given that, a resolution was passed at the meeting of the board of directors of the Company requiring that the Company make decisions concerning the Transactions while respecting the particulars of the report of the Special Committee to the utmost extent. By exercising its authority, the Special Committee was found to have been substantially involved in the process of negotiating the transaction terms of the Transactions between the candidate and Fujitsu as relevant to the overall process, including the method by which to conduct the Bidding Process. Moreover, no particular problems were found with the establishment of the Special Committee and the timing of consultations, members of the Special Committee, the process for establishment, consultation, and appointment of members of the Special Committee, appointment of advisors, etc., information acquisition, compensation, and the Company's internal consideration structure, etc.; (b) the Company selected N&A as its legal advisor independent of the Company, Fujitsu, the JICC Affiliate, the Tender Offeror, and the candidate, and has received various legal advice from N&A; (c) the Company requested that MUMSS, the Company's financial advisor and a third-party valuation organization independent from the Company, Fujitsu, the JICC Affiliate, the Tender Offeror, and the candidate, calculate the Company's share value, and has acquired the Share Valuation Report dated December 12, 2023; (d) the Bidding Process was carried out by Fujitsu and the Company with the substantial involvement of the Special Committee, and it can be determined that the market check for the Bidding Process was performed with proper consideration; (e) while the Tender Offer period for the Tender Offer is set at 20 business days, in consideration of the fact that the Tender Offer is a tender offer with advance notice, and a relatively long period was secured after the announcement of the series of transaction terms and before commencement of the Tender Offer, it can be determined that an appropriate opportunity for the Company's shareholders to decide whether to tender in the Tender Offer, as well as an opportunity for persons other than the Tender Offeror to make competing tender offers for the Company Shares, was secured; (f) the MOU contains an obligation to maintain the Opinion (defined in "(2) Memorandum of Understanding Regarding Tender Offer" in "4. Matters Concerning Material Agreements Related to Tender Offer" below) and an obligation not to enter into agreements with third parties, offer to enter into agreements, invite offers, or accept, discuss, negotiate, solicit, or provide information, etc. concerning competing transactions. If a serious acquisition proposal is made, depending on the concreteness of the competing acquisition proposal and the appropriateness and realizability of its purpose, then the board of directors' avoidance of serious consideration will be objectively and reasonably deemed to constitute a breach of the duty of care of a prudent manager by Directors, and the Company may either revoke or amend the Opinion, or pass a resolution or carry out a conflicting transaction that contradicts the Opinion, based on the following under the MOU: (i) if the Company reasonably determines that Directors' (a) maintaining the Opinion without making any changes or (b) avoiding passing a resolution or carrying out a conflicting transaction (in certain cases, including consulting or providing information regarding suggestions concerning the conflicting transaction) contradictory to the Opinion will constitute a breach by the Directors of their duty of care of a prudent manager, then the Company should explain the details and reasons therefor to the Tender Offeror in advance and engage in good faith consultations with the Tender Offeror to determine the handling thereof, and (ii) if, even after good-faith consultations with the Tender Offeror, the Company's (a) maintaining the Opinion without making any changes or (b) avoiding passing a resolution or carrying out a conflicting transaction contradictory to the Opinion is still deemed to constitute a breach of the duty of care of a prudent manager by Directors, then the Company may revoke or amend the Opinion, or pass a resolution or carry out a conflicting transaction contradictory to the Opinion. Also, the provisions above will contribute, to a certain extent, to enhancement of the stability of the Transactions, based on the fact that the Company, Fujitsu, and the JICC Affiliate have conducted the Bidding Process at a considerable amount of time and cost. Therefore, the provisions are believed not to immediately and inappropriately restrict competing acquisition proposals; and (g) attention has been paid to not coercing general shareholders.

A “majority of minority” is not set for the Transactions. However, in consideration of the fact that (a) Fujitsu, the Company’s parent company, holds 67,587,024 Company Shares (ownership ratio: 50.02%), and if a “majority of minority” is set, then the lower limit of the number of shares planned to be purchased in the Tender Offer will become high and successful completion of the Tender Offer would become uncertain, resulting in the possibility of non-contribution to the interests of general shareholders who wish to tender their shares in the Tender Offer; (b) measures to secure fairness have been adopted, as stated above; and (c) the transaction terms of the Transactions are considered to be fair and appropriate, as stated in (iii) below, the Company believes that the fairness of the Transactions will not be damaged by not establishing a “majority of minority.”

(iii) Fairness and appropriateness of the terms of the Transactions

The transaction terms of the Transactions were agreed to as a result of the Bidding Process conducted by the Company and Fujitsu, during which, pursuant to the Special Committee’s request, the Company, Fujitsu, and JICC agreed on the Tender Offer Price after negotiating it multiple times even after JICC submitted the legally-binding final proposal. Accordingly, the process of consultations and negotiations for the transaction terms of the Transactions is determined to be on fair terms negotiated between independent parties, and circumstances were secured under which reasonable efforts were made to ensure that the Transactions were conducted on terms as favorable as possible to general shareholders while enhancing corporate value. Furthermore, according to the Share Valuation Report, the range of the calculated share value per Company Share is 5,240 yen to 5,658 yen using market share price analysis, 5,238 yen to 6,220 yen using comparable companies analysis, and 5,077 yen to 6,780 yen using DCF analysis. The Tender Offer Price of 5,920 yen exceeds the upper end of the range of calculation results using market share price analysis and exceeds the midpoint of the range of calculation results using the comparable companies analysis and is close to the median of the range of calculation results using DCF analysis.

The premium on the Company’s market share price based on the business day immediately preceding the preparation date of the Written Report is not necessarily high compared to premiums in past similar cases as described in “(III) Process of and Reasons for Decision-Making by Company to Support Tender Offer” in “(2) Basis and Reasons for Opinion Regarding Tender Offer” above. However, considering that there were speculative media reports containing observations concerning the sale of a Fujitsu subsidiary that caused a fluctuation in the market price of the Company Shares, it is not irrational to consider that the share price during the period pertaining to the above calculation of the premium was considerably impacted by expectations about the sale of Fujitsu Holding Shares due to those speculative media reports and multiple speculative media reports that followed. Furthermore, compared to premiums in past similar cases as described in "(III) Process of and Reasons for Decision-Making by Company to Support Tender Offer" in "(2) Basis and Reasons for Opinion Regarding Tender Offer" above, considering a fluctuation in the market price of the Company Shares, it is not unreasonable to conclude that it is appropriate to consider the average price over a longer time period than in light of the simple average closing price on the record date of May 31, 2023, which is the business day preceding the speculative media report date, and the simple average closing price over the most recent one month, and the premium of the Tender Offer Price is sufficiently reasonable in light of the simple average of the closing prices for the three months immediately preceding the relevant reference date or the six months immediately preceding the relevant reference date..

Moreover, the Transactions include the Share Consolidation, which is to take place after the Tender Offer. Sufficient consideration is found to have been given to the interests of general shareholders after the Share Consolidation such that they will not be placed in a situation where they could expect to be treated unfavorably if they did not tender in the Tender Offer. Furthermore, the Transactions include the Share Repurchase after the Share Consolidation, with the Repurchase Price of 4,218.1 yen. Adopting a scheme that involves a combination of the Tender Offer and the Share Repurchase enables the price of the Tender Offer in which general shareholders tender their shares to be set higher compared to Fujitsu selling the Company Shares via the Tender Offer. It can also be evaluated as a fair distribution of the tax benefits enjoyed by Fujitsu to general shareholders and thus would not be disadvantageous to them. Accordingly, the transaction terms with a scheme involving the Share Repurchase are not unfair or inappropriate. Additionally, the Tender Offeror's financing would not have a material adverse impact on the Company's financial status.

Consequently, the Company's corporate value has been appropriately assessed, and the transaction terms of the Transactions, including the Tender Offer Price, and the compensation to be paid upon the Share Consolidation to the Company's shareholders who did not tender their shares in the Tender Offer, are assessed to have been set appropriately. Therefore, the terms of the Transactions are fair and appropriate.

(iv) Whether it is appropriate for the board of directors of the Company to express an opinion to support the Tender Offer and recommend that the Company's shareholders tender in the Tender Offer

As stated in (i) through (iii) above, because the Transactions contribute to enhancement of the Company's corporate value, and the purpose of the Transactions is justified and reasonable, it is appropriate for the board of directors to express an opinion to support the Tender Offer.

Furthermore, as appropriateness of the procedures for the Transactions has been ensured, and thus the transaction terms of the Transactions are found to be fair and appropriate, recommending that the Company's shareholders tender their shares in the Tender Offer is considered to be appropriate.

However, it is expected to take a considerable amount of time from announcement of the Tender Offer to its commencement. As such, other considerations may become necessary if, for example, during the period before commencement of the Tender Offer, there are fluctuations in the Company's market price causing it to exceed the Tender Offer Price. Accordingly, the response to (iv) of the Special Committee's Matters of Inquiry is premised on the situation as of the date of the Written Report (December 12, 2023).

(v) Whether implementing the Transactions (including the board of directors of the Company expressing an opinion to support the Tender Offer and recommending that the Company's shareholders tender in the Tender Offer) is disadvantageous to the Company's minority shareholders

As stated in (i) through (iv) above, the Company came to the conclusion that providing the Company's general shareholders with an opportunity to sell their common shares of the Company at an appropriate price through the Tender Offer would be the best option that takes shareholder interests into consideration. Accordingly, the Transactions are justifiable and reasonable, the appropriateness of procedures for the Transactions is ensured, and the transaction terms of the Transactions are fair and appropriate. Therefore, conducting the Transactions (including the board of directors passing a resolution to express an opinion to support the Tender Offer and recommend that the Company's shareholders tender in the Tender Offer) is not considered to be disadvantageous to the Company's general shareholders.

(III) Procurement of Advice to Company from Independent Legal Advisor

In order to ensure fairness, transparency, and objectivity of the Company's decision-making concerning the Transactions, including the Tender Offer, as stated in "(b) Discussions Among Tender Offeror, Company, and Fujitsu; Decision-Making Process of Tender Offeror" in "(II) Background, Purpose, and Decision-Making Process of Tender Offeror's Decision to Implement Tender Offer; Management Policy Thereafter" in "(2) Basis and Reasons for Opinion Regarding Tender Offer" above, the Company selected N&A as its legal advisor independent of the Tender Offeror, Fujitsu, and the Company, and has received necessary legal advice from the same in relation to decision-making methods and processes for the Transactions, as well as other points to note in decision-making concerning the Transactions. Furthermore, N&A is not a related party of the Tender Offeror, Fujitsu, or the Company, and has no material interest in the Transactions, including the Tender Offer. Fees to N&A only consist of fees based on hourly rates to be paid irrespective of whether or not the Transactions are consummated, and does not include any conditional fees contingent upon consummation of the Transactions.

(IV) Procurement by Company of Share Valuation Report from Independent

Financial Advisor and Third-Party Valuation Organization

In determining its opinion on the Tender Offer and as a measure to ensure fairness, as stated in “(b) Discussions Among Tender Offeror, Company, and Fujitsu; Decision-Making Process of Tender Offeror” in “(II) Background, Purpose, and Decision-Making Process of Tender Offeror’s Decision to Implement Tender Offer; Management Policy Thereafter” in “(2) Basis and Reasons for Opinion Regarding Tender Offer” above, the Company appointed MUMSS as its financial advisor and third-party valuation organization independent from the Tender Offeror, Fujitsu, and the Company and received advice from a financial viewpoint. The Company acquired Share Valuation Report dated December 12, 2023 from MUMSS, subject to the conditions precedent set forth in (ii) below and certain other conditions.

For an overview of the Share Valuation Report, please refer to “(I) Procurement by Company of Share Valuation Report from Independent Financial Advisor and Third-Party Valuation Organization” of “(3) Matters Regarding Calculation” above. Furthermore, MUMSS is not a related party of the Tender Offeror, Fujitsu, or the Company, and has no material interest in the Transactions, including the Tender Offer.

(V) Unanimous Approval of All Non-Interested Directors of the Company

As stated in “(III)Process of and Reasons for Decision-Making by Company to Support Tender Offer” in “(2) Basis and Reasons for Opinion Regarding Tender Offer” above, the board of directors of the Company carefully discussed and considered whether the Transactions, including the Tender Offer, would contribute to improvement of the Company’s corporate value and whether the transaction terms related to the Transactions, including the Tender Offer Price, were appropriate, taking into consideration the legal advice received from N&A, the advice from a financial perspective received from MUMSS, and the content of the Share Valuation Report, while giving the utmost respect to the Special Committee’s decision as shown in the Written Report.

As a result, the Company determined that the transaction terms related to the Transactions, including the Tender Offer Price, were appropriate as they ensured the benefits that should be enjoyed by minority shareholders of the Company and that the Tender Offer would provide minority shareholders of the Company with a reasonable opportunity to sell the Company Shares, and consequently adopted a resolution at the board of directors meeting held today to express an opinion in support of the Tender Offer and to recommend that shareholders of the Company tender their shares in the Tender Offer via a unanimous decision of all seven of the eight directors of the Company participating in the deliberations and resolutions, excluding Mr. Yasuhisa Makino as explained below. Furthermore, as stated in “(III) Process of and Reasons for Decision-Making by Company to Support Tender Offer” of “(2) Basis and Reasons for Opinion Regarding Tender Offer” above, the Tender Offer is planned to be commenced promptly on a date that is (i) within 10 business days from the date on which the Tender Offer Conditions Precedent (excluding those to be satisfied on the commencement date of the Tender Offer) are satisfied (or waived by the Tender Offeror) (however, if a Counter Proposal has been made as of such date, then the earlier of (a) the date on which 20 business days have elapsed since the date on which Fujitsu makes a request to the Tender Offeror for consultation regarding changing the Tender Offer Price and the Repurchase Price or (b) the date on which Fujitsu covenants in writing that it will not accept the Counter Proposal) and (ii) separately notified to the Company in advance by the Tender Offeror, and as of today, the Tender Offeror aims to commence the Tender Offer around late August 2024 based on the discussions with local law firms regarding necessary procedures and measures under domestic and foreign competition laws and foreign investment control laws and regulations, etc.; however, it seems difficult to accurately estimate the period required for, among others, procedures involving foreign competition authorities and authorities supervising inward direct investments. Therefore, at the board of directors meeting mentioned above, the Company also resolved (i) that when the Tender Offer is commenced, the board of directors will request that the Special Committee (x) consider whether there are any changes in its opinion as expressed to the board of directors of the Company as of today, and (y) if there are no changes in its opinion, make a statement to that effect, or if there are changes in its opinion, state the changed opinion, to the board of directors of the Company; and (ii) that based on such opinion of the Special Committee, the Company will express its opinion on the Tender Offer again when the Tender Offer is commenced.

Furthermore, in light of the fact that among the Company's directors, Mr. Yasuhisa Makino is originally from Fujitsu, and only two years have passed since his employment at Fujitsu, he did not participate in any deliberations or resolutions relating to the Transactions at board of directors meetings, including the deliberations and resolutions at the board of directors meeting mentioned above, nor did he, in the capacity as a representative of the Company, participate in any discussions or negotiations with the Tender Offeror, in order to avoid suspicions of conflicts of interest and to ensure fairness of the Transactions. Moreover, Mr. Masami Fujita is originally from Fujitsu and has acted as the Corporate Senior Executive Vice President and Representative Director of Fujitsu, and as the President and Representative Director of Fujitsu Marketing Limited (currently Fujitsu Japan Limited) ("Fujitsu Marketing"), a wholly-owned Fujitsu subsidiary, as well as the Executive Advisor of Fujitsu (until the end of March 2018) and the Executive Advisor of Fujitsu Marketing (until the end of March 2019); however, he has participated in deliberations and resolutions relating to the Transactions at board of directors meetings, including the deliberations and resolutions at the board of directors meeting mentioned above, and, in the capacity as a representative of the Company, participated in discussions and negotiations with the Tender Offeror, in light of facts such as five or more years having passed since his employment at Fujitsu, and four or more years having passed since he left Fujitsu Marketing, which therefore obviously makes it impossible for him to be involved in Fujitsu's decision-making, and subsequently there has been no relationship between him and Fujitsu or Fujitsu Marketing that could give rise to a conflict of interests with the

Company and therefore his relationship with Fujitsu seemingly being poor. In addition, Mr. Takashi Ozawa is originally from Fujitsu, but he has participated in deliberations and resolutions relating to the Transactions at board of directors meetings, including the deliberations and resolutions at the board of directors meeting mentioned above, and, in the capacity as a representative of the Company, participated in discussions and negotiations with the Tender Offeror, in light of the fact that 20 or more years have passed since his employment at Fujitsu, which therefore obviously makes it impossible for him to be involved in Fujitsu's decision-making, and subsequently there has been no relationship between him and Fujitsu that could give rise to a conflict of interests with the Company and therefore his relationship with Fujitsu seemingly being poor.

(VI) Measures to Ensure Opportunities for Purchase for Parties Other Than Tender Offeror

According to the Tender Offeror, although the offer period of the Tender Offer has been set at 20 business days, which is the minimum period stipulated by law, the Tender Offer is a so-called prior disclosure-type tender offer, where the transaction terms including the Tender Offer Price are disclosed in advance. As a result, a relatively long period is ensured from the announcement of the transaction terms until the commencement of the Tender Offer. Further, the Tender Offeror has not reached an agreement with the Company that would excessively restrict the Company from contacting competing offerors. The Tender Offeror therefore believes that it has ensured that the Company's shareholders have an opportunity to properly determine whether to tender their shares, etc. in the Tender Offer and that it has provided an opportunity for competing offerors to make offers.

4. Matters Concerning Material Agreements Related to Tender Offer

(1) Master Transaction Agreement

As stated in "(I) Overview of Tender Offer" in "(2) Basis and Reasons for Opinion Regarding Tender Offer" in "3. Details, Basis, and Reasons for Opinion Regarding Tender Offer" above, the Tender Offeror has, in connection with the Tender Offer, executed the Master Transaction Agreement with Fujitsu regarding the Transactions on December 12, 2023. In the Master Transaction Agreement, Fujitsu has agreed (i) that it will not tender the Fujitsu Holding Shares in the Tender Offer and that it will not conduct any transaction that competes, contradicts, or conflicts with the Tender Offer or impedes or is likely to impede the implementation of the Tender Offer (a "Competing Transaction"), (ii) that it will not reach an agreement regarding a Competing Transaction with a third party, make any application for such agreement, or make any invitation for, approve, discuss, negotiate about, make any solicitation for, or exchange information about a Competing Transaction, and (iii) that if it is engaged in any consultation or negotiation regarding any Competing Transaction at the time of execution of the Master Transaction Agreement, it will promptly suspend such consultation or negotiation. However, in the case where Fujitsu receives a proposal on a

Competing Transaction from a third party other than the Tender Offeror without any breach of such agreement, if, by the last day of the Tender Offer Period (the period during which the Tender Offeror intends to make the Offer. According to the Tender Offeror, it is planned to be 20 business days; hereinafter the same) and Fujitsu reasonably determines that the proposal is sincere and reasonably expected to lead to a tender offer to acquire all of the shares of common stock of the Company with no limit on the maximum number of shares to be purchased through a transaction in which the consideration is equivalent to an amount that exceeds the Tender Offer Price by a certain percentage or more (a "Counter Proposal"), Fujitsu may consult with or provide information to the third party with respect to the proposal to the minimum extent necessary. If Fujitsu or the Company receives a written proposal regarding a Competing Transaction during the period from the execution date of the Master Transaction Agreement until the last day of the Tender Offer Period, Fujitsu shall immediately notify the Tender Offeror to that effect and of the details of the proposal and, at the request of the Tender Offeror, consult with the Tender Offeror to a reasonable extent regarding the progress of the consultations and negotiations regarding the Competing Transaction.

If a Counter Proposal is commenced by a third party set out above whom Fujitsu may consult with or provide information to by the last day of the Tender Offer Period, Fujitsu may request the Tender Offeror to consult regarding changing the Tender Offer Price and the Repurchase Price, and, even taking into account such consultation, if the Tender Offeror does not, by the earlier of the date on which 20 business days have elapsed since the date of the request or the last day of the Tender Offer Period, change the Tender Offer Price to an amount higher than the consideration proposed in the Counter Proposal and change the Repurchase Price to an amount that, taking tax effects into account, is in substance higher than the consideration proposed in the Counter Proposal, Fujitsu may accept the Counter Proposal in regard to all of the Fujitsu Holding Shares, unless Fujitsu is in violation of its obligations set out in the Master Transaction Agreement. If any Counter Proposal is made before the commencement of the Tender Offer, the Tender Offeror shall not bear an obligation to commence the Tender Offer unless Fujitsu covenants in writing not to accept the Counter Proposal or the Tender Offeror conducts the acts set out above.

Additionally, the Master Transaction Agreement sets out the conditions precedent for the commencement of the Tender Offer (the "Tender Offer Conditions Precedent" set out in the preamble), the representations and warranties of the Tender Offeror and Fujitsu (Note 1), obligations of Fujitsu (Note 2), obligations of the Tender Offeror (Note 3), and termination events (Note 4).

Note 1: In the Master Transaction Agreement, the Tender Offeror represents and warrants (i) its incorporation, existence, and the existence of the power necessary for the execution and performance of the Master Transaction Agreement, (ii) the validity and enforceability of the Master Transaction Agreement, (iii) the obtainment or implementation of permits and authorizations, etc. necessary for the execution and performance of the Master Transaction Agreement, except for the acquisition of Clearance, and the implementation of the procedures necessary for the execution and performance of the Master Transaction Agreement, (iv) the absence of any conflict with laws and regulations regarding the execution and performance of the Master Transaction Agreement, (v) the absence of any bankruptcy procedures, (vi) that it is not an antisocial force and has no relationship with any antisocial forces, and (vii) the sufficiency of funds necessary for the settlement of the Tender Offer and the existence of reasonable prospects for securing such funds. In addition, in the Master Transaction Agreement, Fujitsu represents and warrants (i) its incorporation, existence, and the existence of the power necessary for the execution and performance of the Master Transaction Agreement, (ii) the validity and enforceability of the Master Transaction Agreement, (iii) the obtainment or implementation of permits and authorizations, etc. necessary for the execution and performance of the Master Transaction Agreement and the implementation of the procedures necessary for the execution and performance of the Master Transaction Agreement, (iv) the absence of any conflict with laws and regulations regarding the execution and performance of the Master Transaction Agreement, (v) the absence of any bankruptcy procedures, (vi) that it does not fall under an antisocial force and has no relationship with any antisocial forces, (vii) matters relating to the legal and valid holding, etc. of the Fujitsu Holding Shares, (viii) matters relating to the Company's shares, (ix) the accuracy of securities reports of the Company filed after April 1, 2021, and (x) the accuracy of the information disclosed in due diligence.

Note 2: The following is a summary of the obligations owed by Fujitsu in the Master Transaction Agreement: (i) obligation not to tender in the Tender Offer or transfer or otherwise dispose of the Fujitsu Holding Shares, (ii) obligation regarding the implementation of the Squeeze-Out Procedures, (iii) obligation to cause the Company to conduct the Financing and the Capital Decrease, Etc., (iv) obligation regarding the conduct of the Share Repurchase, (v) obligation to cooperate and make efforts for the satisfaction of the Tender Offer Conditions Precedent, (vi) obligation to notify the Tender Offeror if it breaches any of its representations and warranties, breaches any of its obligations, or finds that it might be unable to satisfy the Tender Offer Conditions Precedent, (vii) obligation to cooperate and make efforts for the prompt execution of the Transactions, (viii) obligation to consult in good faith in regard to continuing the services provided by Fujitsu and its subsidiaries to the Company Group for the period necessary to support transition procedures, (ix) obligation regarding certain patents that the Company Group holds and uses, (x) obligation to take certain measures in relation to the Company's health insurance system and retirement pension system, (xi) non-competition obligations for a certain period after the date of the

Share Repurchase, (xii) obligation not to solicit the officers and employees of the Company Group for a certain period after the execution date of the Master Transaction Agreement, (xiii) obligation to cooperate with the Tender Offeror in financing, (xiv) obligation to cooperate in the acquisition of Clearance, (xv) obligation to pay compensation if it breaches any of its representations and warranties or breaches any of its obligations, (xvi) confidentiality obligations, (xvii) obligation to bear taxes and public charges and expenses it incurs, and (xviii) obligation not to assign any of its contractual rights and obligations.

Note 3: The following is a summary of the obligations owed by the Tender Offeror in the Master Transaction Agreement: (i) obligation to commence the Tender Offer on or after the date on which the Conditions Precedent are satisfied, (ii) obligation to make efforts to conduct all acts necessary under laws and regulations for the acquisition of Clearance and efforts to complete the acquisition of Clearance, (iii) obligation regarding the implementation of the Squeeze-Out Procedures, (iv) obligation to cause the Company to conduct the Financing and the Capital Decrease, Etc., (v) obligation regarding the conduct of the Share Repurchase, (vi) obligation to cooperate and make efforts for the satisfaction of the Tender Offer Conditions Precedent, (vii) obligation not to amend the MOU without the prior written consent of Fujitsu, (viii) obligation not to make any communication with any judicial or administrative agency in relation to Fujitsu's burdens arising out of or in connection with the Transactions without the prior written consent of Fujitsu, (ix) obligation to notify Fujitsu if it breaches any of its representations and warranties, breaches any of its obligations, or finds that it might be unable to satisfy the Tender Offer Conditions Precedent, (x) obligation to cooperate and make efforts for the prompt execution of the Transactions, (xi) obligation to take certain measures in relation to the Company's health insurance system and retirement pension system, (xii) obligation not to solicit the officers and employees of the Company Group for a certain period after the execution date of the Master Transaction Agreement, (xiii) obligation to pay compensation if it breaches any of its representations and warranties or breaches any of its obligations, (xiv) confidentiality obligations, (xv) obligation to bear taxes and public charges and expenses it incurs, (xvi) obligation not to assign any of its contractual rights and obligations, and (xvii) obligation to make efforts in relation to the extension of the effective terms of commitment letters or the execution of new commitment letters (see Note 4).

Note 4: Under the Master Transaction Agreement, the Tender Offeror and Fujitsu may terminate the Master Transaction Agreement by notifying the other party in writing by the end of the Tender Offer Period if (i) there is a breach of any of the other party's representations and warranties that may have a material adverse effect on the implementation of the Transactions, (ii) the other party fails to perform or comply with any of its obligations under the Master Transaction Agreement in any material respect and, despite being requested in writing to remedy such nonperformance or noncompliance, fails to remedy such nonperformance or noncompliance within a reasonable period of time, (iii) a petition is filed against the other party for commencement of bankruptcy proceedings, (iv) the Tender Offer is not commenced by September 30, 2024 (however, if the effective term of a commitment letter regarding the borrowings by the Tender Offeror from a financial institution necessary for the implementation of the Transactions is extended to a date after the same date, or if a substitute new commitment letter is executed with a financial institution, then the expiration date of the extended commitment letter or the expiration date of the new commitment letter) due to any event not attributable to itself (the Tender Offeror shall use its reasonable best efforts to extend the effective term of such commitment letter or to execute a new commitment letter; if the Tender Offeror commences consultation with a financial institution regarding the extension of the effective term of such commitment letter or the execution of a new commitment letter, the Tender Offeror shall provide Fujitsu with information regarding the status of consultation with the financial institution; if the Tender Offeror becomes aware of a specific risk that would make it difficult to extend the effective term of the commitment letter or execute a new commitment letter, the Tender Offeror shall promptly notify Fujitsu of such risk, as well as the details of relevant matters considered by the Tender Offeror and the status of negotiations with the financial institution, and shall consult with Fujitsu in good faith regarding the response to the situation before the Tender Offeror exercises its termination right; JICC has submitted to Fujitsu today a document to the effect that JICC covenants these matters as summarized above), (v) the Tender Offer is not commenced by June 30, 2025 due to any reason not attributable to itself, or (vi) there is any change in a person who directly or indirectly controls the Tender Offeror through the exercise of voting rights or the exercise of contractual rights or any other change of control in relation to the Tender Offeror. The Master Transaction Agreement provides that the Master Transaction Agreement will automatically terminate if any of the following events occurs: (i) the Tender Offeror lawfully withdraws the Tender Offer in accordance with the Act and other applicable laws and regulations, (ii) a tender offer under a Counter Proposal is commenced, Fujitsu becomes able to accept the Counter Proposal, and Fujitsu announces that it will accept the Counter Proposal, or (iii) the total number of share certificates, etc. tendered in response to the Tender Offer is less than the minimum number of shares to be purchased.

(2) Memorandum of Understanding Regarding Tender Offer

Upon the Tender Offer, the Tender Offeror and the Company have entered into the MOU regarding the Transactions on December 12, 2023. The MOU sets out the obligations of the Company (Note 5), the obligations of the

Tender Offeror (Note 6), and termination events (Note 8).

Note 5: The following is a summary of the obligations owed by the Company in the MOU: (i) obligation to adopt a resolution to express its opinion in support of the Tender Offer and recommending that the Company's shareholders tender their shares in the Tender Offer (the "Opinion") and maintain such resolution, and obligation not to conduct any Competing Transaction (Note 7), (ii) obligation to implement and cooperate in procedures necessary for the implementation of the Transactions, (iii) obligation to cooperate in the acquisition of Clearance, (iv) obligation to conduct its business within the ordinary course thereof, (v) obligation to make efforts so that the balance of its deposit account as of the end of the last day of the Tender Offer Period is no less than a certain amount, (vi) obligation of the Company Group to maintain permits and authorizations, etc. and comply with laws and regulations, (vii) obligation to grant the Tender Offeror access to information on the Company Group and its officers and employees, (viii) obligation to cooperate with the Tender Offeror in financing, (ix) obligation not to be involved with anti-social forces or conduct any anti-social act, (x) obligation to make efforts to obtain consent from certain business partners in relation to the Transactions, (xi) obligation to notify certain business partners of the Transactions, (xii) obligation to provide explanations, etc. regarding the Transactions to the Shinko Electric Workers Union, (xiii) obligation to cooperate in the tendering of shares in the Tender Offer by a directors and officers shareholding association or employees shareholding association of the Company or a member thereof, (xiv) obligation to make indemnity if it breaches any of its obligations, (xv) confidentiality obligations, (xvi) obligation to bear taxes and public charges and other expenses it incurs, and (xvii) obligation not to assign any of its contractual rights and obligations.

Note 6: In the MOU, the Tender Offeror owes the obligations (i) to make efforts to, in principle, continue the employment and maintain the working conditions of the Company Group's employees for the meantime after the completion of the Transactions, (ii) not to propose an amendment of the articles of incorporation to change in the Company's trade name for the time being after the completion of the Transactions, (iii) to respect business relationships between the Company and its material clients and business partners, (iv) to respect the Company Founder's Philosophy and Corporate Vision, etc., (v) to make efforts to complete the acquisition of Clearance, (vi) not to be involved with anti-social forces or conduct any anti-social act, (vii) to make indemnity if it breaches any of its obligations, (viii) to maintain confidentiality, (ix) to bear taxes and public charges and other expenses it incurs, and (x) not to transfer any of its contractual rights and obligations.

Note 7: The MOU sets out provisions regarding the maintenance of the Opinion and provisions that restrict the Company from reaching an agreement regarding a Competing Transaction with a third party, making any application for such agreement, or making any invitation for, approving, discussing, negotiating about, making any solicitation for, or exchanging information about a Competing Transaction. However, under the MOU, it is provided that if the Company reasonably determines that it would violate the fiduciary duty of its directors to maintain the Opinion without change, not to make a resolution that conflicts with the Opinion, or not to conduct a Competing Transaction (including consultation or information exchange regarding a proposal in relation to a Competing Transaction in certain cases), the Company shall provide the Tender Offeror with prior explanation of the details and reasons therefor and discuss in good faith with the Tender Offeror regarding the response to that situation. It is also provided that if, even after discussion in good faith with the Tender Offeror, it is objectively and reasonably considered that it would violate the fiduciary duty of the Company's directors to maintain the Opinion without change, not to make a resolution that conflicts with the Opinion, or not to conduct a Competing Transaction, the Company may withdraw or change the Opinion, make a resolution that conflicts with the Opinion, or conduct a Competing Transaction.

Note 8: The MOU provides that the MOU will automatically terminate in the event that the Master Transaction Agreement terminates.

(3) Shareholders' agreement

Upon the Tender Offer, JICC, DNP, and Mitsui Chemicals plan to enter into a shareholders' agreement (the "Shareholders' Agreement") before the commencement date of the Tender Offer and agree on matters regarding the management of the Tender Offeror and the Company, the handling of shares, and the like. Specifically, as matters relating to the Company, JICC, DNP, and Mitsui Chemicals plan to agree on matters regarding the governance, etc. of the Company (Note 9), matters regarding the business operation of the Company (Note 10), and matters regarding the disposal, etc. of the Company Shares (Note 11). Matters regarding the Company in the Shareholders' Agreement shall be applicable from the time of completion of the Share Repurchase, except for certain provisions such as prohibition of assignment of the Company Shares.

Note 9: The number of directors of the Company to be nominated after the completion of the Share Repurchase, matters requiring the prior consent of DNP and Mitsui Chemicals (the "Joint Investors") with respect to the Company's decision making, and other such matters are planned to be set out in the Shareholders' Agreement.

Note 10: The following matters are planned to be set out in the Shareholders' Agreement: (i) JICC, DNP, and Mitsui Chemicals will not bear any obligation to make additional contributions or warranties, etc. to the Tender Offeror or the Company, (ii) JICC, DNP, and Mitsui Chemicals will use their best efforts for the successful business operation of the Company Group, and (iii) JICC, DNP, and Mitsui Chemicals will consult regarding business collaboration between each of the Joint Investors and the Company Group (including a business alliance between each of the Joint Investors and the Company leveraging each other's strengths, including the development and expansion of next-generation technologies in the semiconductor business) and cooperate toward the execution of an agreement regarding such alliance, and other such matters.

Note 11: The following matters are planned to be set out in the Shareholders' Agreement: (i) if the Company conducts an issuance, etc. of shares, JICC, DNP, and Mitsui Chemicals will have preemptive rights in accordance with their voting rights ratio, and (ii) the assignment, etc. of the Company Shares will be prohibited for a certain period.

5. Details of Profit Sharing by Tender Offeror or Its Special Related Parties

N/A

6. Policies for Responses in Relation to Basic Policies Regarding Control of Company

N/A

7. Questions to Tender Offeror

N/A

8. Requests to Extend Tender Offer Period

N/A

9. Future Outlook

N/A

10. Matters Regarding Transactions, Etc. with Controlling Shareholder

(1) Applicability to Transactions, etc. with Controlling Shareholder; Status of Compatibility with Policies Regarding Measures for Protecting Minority Shareholders

The Tender Offeror has executed Master Transaction Agreement with Fujitsu, the Company's controlling shareholder (parent company), and as part of the Transactions, the Tender Offeror is scheduled to conduct the Tender Offer with a plan to acquire Fujitsu Holding Shares through the Share Repurchase, after the Tender Offer and completion of the share consolidation. Therefore, the Company has determined that the opinions expressed at the Board of Directors meeting regarding the Tender Offer conform with the transactions, etc. with a controlling shareholder.

The "Policy Regarding Measures for Protection of Minority Shareholders in Transactions, etc. with Controlling Shareholder," indicated in the Corporate Governance Report disclosed by the Company on July 14, 2023, states that "similar to other general transactions, the transaction with the Fujitsu group has been determined by taking into account matters such as the transaction terms and market rate, and has been approved based on the Company's decision-making standards. Furthermore, the Company has established a Special Committee, composed of independent persons, including Independent Outside Directors. The Company is careful not to damage minority shareholder interests, by regularly reporting to and discussing the status of transactions with the Fujitsu group at Board of Directors meetings, and in addition, deliberating material transactions or actions that conflict with the interests of the controlling shareholder and minority shareholders at the Special Committee. The basic principle of business operations is independence/self-sustainability and a large portion of the total sales volume is from sales to companies other than the Fujitsu group." As also stated in "(6) Measures to Ensure Fairness of Tender Offer, Such as Measures to Ensure Fairness of Tender Offer Price and Avoid Conflicts of Interest" of "3. Details, Basis, and Reasons for Opinion Regarding Tender Offer" above, the Company has made an effort to protect minority shareholders, by reasonable decision-making accounting for the Company's independence/self-sustainability, conducted by ensuring fairness of the Tender Offer and without any conflicts of interest, such as by receiving the Written Report from the Special Committee, which states that the Transactions are not disadvantageous to the Company's minority shareholders, acquiring the Share Valuation Report from MUMSS, an independent third-party valuation organization, and acquiring legal advice from N&A. Therefore, the Company assumes that there is conformity with the "Policy Regarding Measures for Protection of Minority Shareholders in Transactions, etc. with Controlling Shareholder."

(2) Matters Regarding Measures to Ensure Fairness and Avoid Conflicts of Interest

Please see "(6) Measures to Ensure Fairness of Tender Offer, Such as Measures to Ensure Fairness of Tender Offer Price and Avoid Conflicts of Interest" of "3. Details, Basis, and Reasons for Opinion Regarding Tender Offer" above.

(3) Outline of Opinion Obtained From Persons Who Have No Interest in Controlling Shareholder That Implementation of Transactions is Not Disadvantageous to Minority Shareholders

As of today, the Company has obtained from the Special Committee, composed of persons who do not have any interest in the controlling shareholder, a written report stating that the Company's carrying out Transactions is not disadvantageous to the Company's minority shareholders. For details, please see "(II) Procurement by Company of Written Report from Independent Special Committee" of "(6) Measures to Ensure Fairness of Tender Offer, Such as Measures to Ensure Fairness of Tender Offer Price and Avoid Conflicts of Interest" of "3. Details, Basis, and Reasons for Opinion Regarding Tender Offer" above.

11. Others

The Company passed a resolution at its Board of Directors meeting held today to amend the year-end dividend forecast for fiscal year ending in March 2024 and not to make any year-end dividends for the fiscal year ending in March 2024, as well as to abolish the shareholder special benefit program , with the final shareholder special benefit being the one granted in June 2023 to shareholders covered by the program as of March 31, 2023. For details, please see the "Notice Concerning Amendment of Year-End Dividend Forecast for Fiscal Year Ending in March 2024 (No Dividends) and Abolition of Shareholder Special Benefit Program" the Company announced separately today.

End of document