



January 29, 2024

To All Concerned

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

Announcement of Opinion in Support of and Encouragement to Tender in the Tender Offer for the Company's Share Certificates, Etc. by Bloom 1 K.K. as part of an MBO

Our Company hereby announces that, at the meeting of the Company's Board of Directors held today, it was resolved again that, with respect to the tender offer by Bloom 1 K.K. (the "Tender Offeror") for the Company's ordinary shares (the "Company Shares") and the American Depositary Receipts (defined under "(2) Depositary Receipt for Share Certificates" in "2. Tender Offer Price" below; the same shall apply hereinafter) (the "Tender Offer") as part of a transaction known as a Management Buyout (MBO) (Note 1) pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948) (the "Act"), as announced in the "Announcement of Opinion concerning the Scheduled Tender Offer for the Company's Share Certificates, Etc. by Bloom 1 K.K. as part of an MBO" dated November 10, 2023, to express support for the Tender Offer and recommend, respectively, for the Company's shareholders, to tender their shares in the Tender Offer, and for the holders of the American Depositary Receipts, upon submitting in advance their American Depositary Receipts to a depository bank and receiving the Company Shares pertaining to such American Depositary Receipts, to tender their shares in the Tender Offer.

(Note 1) The term "Management Buyout (MBO)" refers to a tender offer where the Tender Offeror is an executive of the target (including tender offers where the Tender Offeror is a person that conducts the tender offer at the request of an executive of the target and shares interests with the executive of the Company) (See Article 441 of the Securities Listing Regulations of the Tokyo Stock Exchange).

The above-mentioned Board of Directors resolutions were made on the assumption that the Tender Offeror intends to privatize the Company Shares through the Tender Offer and a series of subsequent procedures and that the Company Shares would be delisted through such procedures.

1. Outline of the Tender Offeror

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| (1) | Name | Bloom 1 K.K. |
| (2) | Location | 37 th Floor, Roppongi Hills Mori Tower, Roppongi 6-10-1, Minato-ku, Tokyo |

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|-----|---|---|
| (3) | Name and Title of Representative | Ryan Robert Patrick, Representative Director Ezekiel Daniel Arlin, Representative Director |
| (4) | Description of Business | 1. Commercial business 2. Any business ancillary to the preceding item |
| (5) | Capital | JPY 25,000 (as of January 29, 2024) |
| (6) | Date of Incorporation | August 1, 2023 |
| (7) | Major Shareholders and Shareholding Ratio | Bloom 2 K.K. 100% |
| (8) | Relationship between the Company and the Tender Offeror | |
| | Capital Relationship | Not applicable |
| | Personal Relationship | Not applicable |
| | Business Relationship | Not applicable |
| | Applicability to Related Parties | Not applicable |

2. Tender Offer Price

(1) JPY 2,600 per share of ordinary share (the “Tender Offer Price”)

(2) Depositary Receipt for Share Certificates

JPY 2,600 for one share of American depositary shares issued in the US upon deposit of the Company Shares and the American Depositary Receipts representing such American Depositary Shares (the “American Depositary Receipts”) issued by Deutsche Bank Trust Company Americas, The Bank of New York Mellon, Citibank, N.A. and Convergenx Depositary, Inc. (the “Depositary Banks”)

(Note) According to the filings (Form F-6EF) or amendment filings (Form F-6 POS) pertaining to the American Depositary Receipts which was filed with the Securities and Exchange Commission by Deutsche Bank Trust Company Americas on October 10, 2008 and September 29, 2017, The Bank of New York Mellon on August 13, 2009, Citibank, N.A. on March 15, 2012, and Convergenx Depositary, Inc. on October 15, 2014 (collectively, the “American Depositary Receipt Filings”), the American Depositary Receipts were issued for the Company Shares, but the Company is not involved in the issuance of the American Depositary Receipts. However, since the Tender Offer aims to acquire all the Company Shares (excluding the treasury shares owned by the Company and the Non-Tendered Shares (defined under “(I) Overview of Tender Offer” in “(2) Basis and Reason for Opinions” in “Contents, Basis of and Reason for Opinions on Tender Offer”), and the Tender Offeror is required to solicit subscriptions for the sale, etc. of all share certificates, etc. issued by the Company in accordance with the provisions of Article 27-2, Paragraph 5 of the Act and Article 8, Paragraph 5, Item (iii) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; the “Cabinet Order”), the Tender Offer therefore includes the American Depositary Receipts in the type of share certificates, etc. to be purchased. On the other hand, the American Depositary Receipts are securities issued in the United States, and it has been found that it would be difficult for the Tender Offeror to acquire the American Depositary Receipts itself because if the Tender Offeror, a resident of Japan, were to acquire American Depositary Receipts in the Tender

Offer held outside the United States, in practice, there is no financial instruments business operator that can handle such transaction as an agent for the Tender Offer. For this reason, the Tender Offer will only accept tenders for Company Shares and will not accept tenders for the American Depositary Receipt itself, but will accept tenders for Company Shares pertaining to the American Depositary Receipt. Therefore, holders of American Depositary Receipts who wish to apply for the Tender Offer must, in advance, submit the American Depositary Receipts to the Depository Banks and receive the Company Shares pertaining to the American Depositary Receipts.

3. Contents, Basis of and Reason for Opinions on Tender Offer

(1) Contents of Opinions on Tender Offer

At the meeting of the Company's Board of Directors held on November 10, 2023, based on the basis and reason described in "(2) Basis and Reason for Opinions" below, it was resolved that, as the opinion of the Company at such point in time, in the event of commencement of the Tender Offer, the Company recommends to express support for the Tender Offer and to recommend for the Company's shareholders, to tender their shares in the Tender Offer, and for holders of the American Depositary Receipt, upon submitting in advance their American Depositary Receipts to a Depository Bank and receiving the Company Shares pertaining to the American Depositary Receipts, to tender their shares in the Tender Offer.

As stated in "(IV) Decision-making Process Leading to the Company's Decision to Support Tender Offer and Reason Therefor" in "(2) Basis and Reason for Opinions" below, the Company has also resolved that upon the commencement of the Tender Offer, the Company will, upon the above resolution, request the special committee established by the Company (the "Special Committee") to consider whether the opinion in the report (the "Report dated November 10, 2023"; for a summary thereof and the specific activities of the Special Committee, please refer to "(I) Establishment of Independent Special Committee at the Company and Obtainment of Reports from the Special Committee" in "(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer" below), had changed, and to advise the Company's Board of Directors that if its previous opinion had not changed, it should so state, and if it had changed, it should state its revised opinion, and make representations and warranties concerning the Tender Offer again at the time of the commencement of the Tender Offer based on such opinions.

Subsequently, on January 22, 2024, the Company received a notice from the Tender Offeror, Etc. that (i) the procedures and responses required under the competition laws of China and the Foreign Exchange and Foreign Trade Law in Japan had been completed, and the procedures and responses required under the competition laws of Japan is expected to be completed within the period for the purchases of the Tender Offer (the "Tender Offer Period") (ii) subject to the fulfillment of the Tender Offer Conditions (as defined under "(I) Overview of Tender Offer" in "(2) Basis and Reasons for Opinions") (or that they are waived by the Tender Offeror), the Tender Offer is scheduled to commence on January 30, 2024.

In response, the Company requested the Special Committee to consider whether the opinion in the Report dated November 10, 2023 had changed, and to advise the Company's Board of Directors that if its previous opinion had not changed, it should so state, and if it had changed, it should state its revised opinion. The Special Committee has examined the Consultation Matters mentioned above and as a result of review of the above-mentioned Consultation Matters, confirmed that there were no circumstances that required changes in the content of the Report dated November 10, 2023, taking into consideration the circumstances since November 30, 2023, until January 29, 2024, and on January 29, 2024, submitted a report to the Company's Board of Directors, to the effect that there is no change in the previous opinion (the "Report dated January 29, 2024"; for a summary thereof and the specific activities of the Special Committee, please refer to "(I) Establishment of Independent Special Committee at the Company and Obtainment of Reports from the Special Committee" in "(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer" below).

On this basis, while respecting to the fullest extent the contents of the Report dated January 26, 2024 submitted by the Special Committee, and in light of the Company's business conditions and the environment surrounding the Transactions (defined under "(I) Overview of Tender Offer" under "(2) Basis and Reason for Opinions"; the same shall apply hereinafter),

the Company has once again carefully considered the various terms and conditions of the Tender Offer, and as of today, the Company has determined that there are no factors that would cause the Company to change its opinion regarding the Tender Offer as of November 10, 2023.

At a meeting of the Company's Board of Directors held today, the directors of the Company (7 out of 8 directors in total, excluding Mr. Hideaki Fukutake) unanimously resolved to express its opinion in support of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer and that the holders of the American Depositary Receipts tender their shares in the Tender Offer after having delivered the American Depositary Receipts to the Depository Bank in advance and having received delivery of the Company Shares represented by the American Depositary Receipts.

The above resolutions of the Board of Directors dated November 10, 2023 and the date hereof is made in accordance with the method described in "IV. Approval of All Directors of the Company without Conflicts of Interest and Opinion of No Objection of All Company Auditors without Conflicts of Interest" in "(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer".

(2) Basis and Reason for Opinions

The descriptions relating to the Tender Offeror in this section are based on the explanations received from the Tender Offeror.

(I) Overview of Tender Offer

It is understood that the Tender Offeror is a joint-stock company established on August 1, 2023, with the purpose of acquiring the Company's share certificates, etc. through the Tender Offer. All the outstanding shares of the Tender Offeror are owned by Bloom 2 K.K. (the "Tender Offeror Parent Company") and all the outstanding shares of the Tender Offeror Parent Company are owned by Bezant (HK) Limited ("Bezant (HK)") which was established under the laws of Hong Kong (Note 1). In addition, BPEA Fund VIII Limited (the "BPEA Fund VIII"), a limited partnership formed under the laws of the Cayman Islands and operated, managed, or advised by the EQT AB Group (including affiliates and other related entities, "EQT"), indirectly owns all of the issued and outstanding shares of Bezant (HK). It is understood that as of today, the Tender Offeror, the Tender Offeror Parent Company, Bezant (HK), BPEA Fund VIII and EQT does not own any Company Shares.

(Note 1) It is understood that the possibility of a structure change was stated in the "Notice Concerning Commencement of a Tender Offer by shares of Benesse Holdings, Inc. (Securities Code: 9783)" dated November 10, 2023 (the "Tender Offeror's Press Release dated November 10, 2023"), and the structure has changed whereby since November 10, 2023, Bezant (HK) owns all of the issued shares of the Tender Offeror Parent Company, and the Tender Offeror Parent Company owns all of the issued shares of the Tender Offeror. The Tender Offeror Parent Company is an intermediate holding corporation that does not engage in specified business activities.

It is understood that EQT is a Swedish-headquartered private equity investment firm that conducts investment activities based on the purpose of "making companies 'future-proof' (transformation into companies that have value that are sustainable into the future) and creating a positive impact on the world". It is understood that EQT currently has approximately EUR 232 billion in assets under management through more than 50 active funds under two business segments, Private Capital and Real Assets. EQT also maintains offices in over 20 countries across Europe, Asia and North America, with more than 1,800 employees and a network of over 1,000 advisors. It is understood that EQT is said to have originated from the Swedish Wallenberg family, which has been an industrial capitalist family for more than 160 years, with an entrepreneurial spirit and a business philosophy with a long-term perspective. It is understood that EQT was founded in 1994 based on the Wallenberg family's founding philosophy of "being the world's most respected investment firm that helps companies grow ambitiously, builds great organizations, and creates value in a responsible and sustainable

way”. It is understood that because of its origins, EQT is focused on sustainable growth and long-term value creation, and its investments centers around delivering value to all stakeholders, including investors, corporate management, employees and customers.

According to the Tender Offeror’s Press Release dated November 10, 2023, since a certain period of time is expected to be required for necessary licenses and permits under the competition laws of Japan and China as well as the Foreign Exchange and Foreign Trade Act of Japan (Act No. 228 of 1949; including subsequent revisions, the “Foreign Exchange and Foreign Trade Act”) (collectively the “Clearances”), the Tender Offer is scheduled to commence promptly after certain conditions precedent, such as the obtainment of the Clearances (Note 2), are satisfied (such conditions precedent shall be referred to as the “Tender Offer Conditions”) (or are waived by the Tender Offeror).

(Note 2) (i) The obtainment of the Clearances in respect to the Tender Offer is completed, (ii) upon the implementation of the Tender Offer, the Company’s Board of Directors (of the total of 8 directors, 7, excluding Mr. Hideaki Fukutake (Note 3), who has a conflict of interest) has agreed to express its opinion in support of the Tender Offer and the Company’s Board of Directors recommends for the shareholders of the Company, to tender their shares in the Tender Offer and for the holders of the American Depositary Shares, upon receiving the Company Shares pertaining to the American Depositary Shares, to tender their shares in the Tender Offer (“Opinion in Support”) and that this Opinion in Support has not been withdrawn, (iii) the Special Committee established for the Company, has submitted a report to the Company’s Board of Directors to the effect that it is appropriate for the Board of Directors to express such Opinion in Support, and such report has not been withdrawn, (iv) confirmation has been obtained from the Company to the effect that there is no material facts about the businesses of the Company (as set forth in Article 166, Paragraph 2 of the Act) which the Company has not disclosed (under the meaning defined in Article 166, Paragraph 4 of the Act), (v) no petition, litigation or procedure that restricts or prohibits any of the Transactions is pending, and no judicial, or administrative agencies’ decision, etc. that restricts or prohibits any of the Transactions has been made, (vi) if the Tender Offer has commenced, no circumstances have arisen under which withdrawal of the Tender Offer should be permitted and (vii) the Collateral Release Agreement (defined below; the same shall apply hereinafter) is obtained.

(Note 3) It is understood that Hideaki Fukutake indirectly holds the Company Shares through efu Investment Limited (number of shares held: 14,668,000, Ownership Ratio (Note 4): 15.20%; “efu Investment”), the second shareholder (as of September 30, 2023; the same shall apply for any description of the ranking of shareholders) of the Company, and Minamigata Holdings Ltd. (number of shares held: 1,836,000 shares, Ownership Ratio: 1.90%; “Minamigata Holdings”), the seventh shareholder of the Company. Of the 891,287 shares of efu Investment, which is an asset management company (a New Zealand corporation (a limited liability company)) of Mr. Hideaki Fukutake and Ms. Reiko Fukutake, Mr. Hideaki Fukutake owns 663,411 shares (voting rights ratio: 74.43% (rounded to the third decimal place; the same shall apply hereinafter concerning voting rights ratio)) and Ms. Reiko Fukutake, the spouse of Mr. Soichiro Fukutake, owns 227,876 shares (voting rights ratio: 25.57%). It is understood that efu Investment holds all of the issued shares of Minamigata Holdings. In addition, efu Investment trusts 6,809,500 shares of the Company Shares it owns (Ownership Ratio: 7.06%. efu Investment has the right to instruct the Master Trust Bank of Japan on the exercise of voting rights belonging to the Company Shares.), with efu Investment as the sole settlor and beneficiary and the Master Trust Bank of Japan, Ltd (“Master Trust Bank of Japan”) as the trustee.

(Note 4) “Ownership Ratio” refers to the ratio of number of shares held to the number of shares issued by the Company as of September 30, 2023 (102,648,129 shares), which is stated in the “Second Quarter Report of the 70th Accounting Period” which was published by the Company on November 14, 2023 (the “Company’s Quarterly Report”), less the number of treasury shares held by the Company (6,163,798 shares) as of the same date on the Company’s Quarterly Report (96,484,331) (rounded to two decimal places). The same shall apply hereinafter.

The Tender Offeror, Soichiro Fukutake (number of shares held: 800 shares, Ownership Ratio: 0.00%), Hideaki Fukutake and EQT (collectively, the “Tender Offeror, Etc.”) have confirmed that all of the Tender Offer Conditions (excluding obtaining the Clearances pertaining to the procedures under the Competition Act of Japan) have been satisfied by the following method by January 29, 2024. Accordingly, on the same day, the Tender Offer has decided to commence the Tender Offer as part of a series of transactions to acquire all of the shares of the Company and the American Depositary Receipts for the purpose of making the Company’s shares listed on the Prime Market of the Tokyo Stock Exchange (the “TSE”) private from January 30, 2024 (the “Transactions”).

- (i) According to the Tender Offeror, the obtainment of all Clearances for the procedures under the competition laws in China and the Foreign Exchange and Foreign Trade Act in Japan have been completed by January 29, 2024. According to the Tender Offeror, with respect to the obtainment of the Clearances for the procedures under the Competition Act in Japan, the Tender Offeror submitted an Advance Notification to the Japan Fair Trade Commission on January 16, 2024, which was accepted on the same day, and since the Action Period and the Acquisition Prohibition Period for which the Prior Notice of the Elimination Period (these terms are defined under Note 5) is scheduled to be given, is, as a general rule, scheduled to expire on February 15, 2024, the Tender Offeror decided to waive this condition. Therefore, according to the Tender Offeror, the Tender Offeror confirmed that the Tender Offer Condition (i) has been satisfied.
- (ii) According to the Tender Offeror, the Tender Offeror received a report from the Company that at the meeting of the Company’s Board of Directors held on January 29, 2024, as of January 29, 2024, it was resolved to express an Opinion in Support of the Tender Offer and that such resolution has not been revoked, and therefore, confirmed that the above Tender Offer Condition (ii) has been satisfied.
- (iii) According to the Tender Offer, the Tender Offeror received a report from the Company that as of January 29, 2024, the Special Committee established at the Company submitted a report to the Company’s Board of Directors to the effect that it was appropriate to express an Opinion in Support and that such report has not been revoked, and therefore, confirmed that the above Tender Offer Condition (iii) has been satisfied.
- (iv) According to the Tender Offeror, the Tender Offeror received a report from the Company that as of January 29, 2024, there were no undisclosed material facts about the Company (excluding the facts stated in “Notice Concerning Revision of Consolidated Full-Year Earnings Forecasts” published by the Company today), and therefore confirmed that the above Tender Offer Condition (iv) has been satisfied.
- (v) According to the Tender Offeror, the Tender Offeror received a report from the Company that as of January 29, 2024, no petition, litigation or procedure that requests to restrict or prohibit any of the Transactions is pending, and no judicial, or administrative agencies’ decision, etc. that restricts or prohibits any of the Transactions has been made, and therefore confirmed that the above Tender Offer Condition (v) has been satisfied.
- (vi) According to the Tender Offeror, the Tender Offeror received a report from the Company that as of January 29, 2024, if the Tender Offer has commenced, no circumstances have arisen under which withdrawal of the Tender Offer should be permitted, and therefore confirmed that the above Tender Offer Condition (vi) has been satisfied.
- (vii) According to the Tender Offeror, the Tender Offeror has been reported that the Collateral Release Agreement has been obtained from Chugoku Bank, LTD. (“Chugoku Bank”) as of January 24, 2024, and from The Nomura Trust and Banking Co., Ltd. (“Nomura Trust and Banking”) as of January 22, 2024, and therefore confirmed that the above Tender Offer Condition (vii) has been satisfied. The Chugoku Bank’s security interest is scheduled to be released swiftly after the establishment of the Tender Offer (but no later than one week before the effective date of the share consolidation to be implemented as part of the Transactions). The security interest of Nomura Trust and Banking was released on January 22, 2024.

(Note 5) Pursuant to Article 10, Paragraph 2 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947. Including subsequent revisions, the “Anti-Monopoly Act”), the Tender Offeror must notify the Japan Fair Trade Commission in advance of its plan to acquire the Company Shares through the Tender Offer (the “Share Acquisition”) (such notification is hereinafter referred to as the “Advance Notification”), and, pursuant to Article 10, Paragraph 8, in principle, may not make a Share Acquisition until 30 days (which may be shortened) have passed from the date of acceptance of the Advance Notification (the period during which Share Acquisition is prohibited is called the “Acquisition Prohibition Period”). Further, Article 10, Paragraph 1 of the Anti-Monopoly Act prohibits the acquisition of shares of other companies that would substantially restrict competition in certain fields of trade, and the Japan Fair Trade Commission may order measures necessary to eliminate such violations (Article 17-2, Paragraph 1 of the same Act; the “Elimination Order”) or file a petition for an emergency stop order with the court (Article 70-4, Paragraph 1 of the Act). In the case where the aforementioned Advance Notification has been made, when the Japan Fair Trade Commission intends to issue an Elimination Order, the Japan Fair Trade Commission shall hold a hearing on the person who is to be the addressee of said Elimination Order (Article 49 of the same Act), and shall notify the addressee of the contents of the planned Elimination Order (Article 50, Paragraph 1 of the same Act; the “Prior Notice of the Elimination Order”). However, the Prior Notice of the Elimination Order on the plan for acquisition of shares pertaining to the Advance Notification shall be made within a certain period (the “Action Period”, which is, in principle, 30 days from the date of acceptance of the above Advance Notification, but may be extended or shortened) (Article 10, Paragraph 9 of the same Act). If the Japan Fair Trade Commission decides not to issue a Prior Notice of the Elimination Order, it is required to issue a notification to that effect (Regulation on Authorization Application, Reporting, Notification, etc. under the provision of Articles 9 to 16 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (The Japan Fair Trade Commission Regulation No. 1 of 1953)).

It is understood that the Tender Offer will be implemented by the Tender Offeror based on discussions between Soichiro Fukutake, who is the Honorary Chairman of the Company as well as a member of the founding family of the Company and Hideaki Fukutake, who is a director of the Company and will constitute what is known as a Management Buyout (“MBO”).

It is understood that the Transactions consist of each of the transactions described in <Outline and Structure Chart of the Transactions> and it is contemplated that ultimately, (i) the Tender Offeror will be the sole shareholder of the Company, (ii) the Tender Offeror Parent Company, which is the intermediate shareholding corporation, will hold all of the issued shares of the Tender Offer, and (iii) efu Investment and Fukutake Foundation (defined below; efu Investment and Fukutake Foundation shall individually and collectively be referred to as the “Founding Family Group”) will acquire the Class B shares of the Tender Offeror Parent Company, making the ratio of the total number of voting rights pertaining to the Class B shares of the Tender Offeror Parent Company held by the Founding Family Group and the number of voting rights pertaining to the Class A shares of the Tender Offeror Parent Company held by Bezant (HK), the wholly owning parent company of the Tender Offeror Parent Company as of today, 50:50 (capital contribution ratio will be 40:60) (Note 6).

(Note 6) It is understood that Bezant (HK) will subscribe for Class A shares of the Tender Offeror Parent Company, and the Founding Family Group will subscribe for Class B shares of the Tender Offeror Parent Company, respectively. It is understood that the capital contribution ratio in the Tender Offeror Parent Company is scheduled to be 60 (Bezant (HK)) to 40 (Founding Family Group). It is understood that both Class A shares and Class B shares are shares with voting rights, comes with rights for dividends and distribution of residual property in the same order (provided that it is understood that, in order to differentiate the details of Class A shares and Class B shares, Class A shares will be given priority only for a small amount when distributing

residual property (total of Class A shares is scheduled to be JPY 1.) as well as the right to request conversion to ordinary shares, and the voting rights ratio is planned to be 50:50, based on the provisions of the share units.

Please see the <Outline and Structure Chart of the Transactions> for the series of Transactions including the reinvestment by the Founding Family Group aiming to privatize the Company Shares and to bring the voting rights ratio of Bezant (HK) and the Founding Family Group in the Tender Offeror Parent Company to 50:50 (capital contribution ratio 60:40) for the Founding Family Group's continued management of the Company even after the Transactions.

It is understood that upon implementing the Tender Offer, according to the Tender Offeror, the Tender Offeror has agreed to enter into a Basic Agreement for Management Buyout dated November 10, 2023 with efu Investment; Minamigata Holdings; a public interest incorporated association, Fukutake Foundation, which is the third shareholder of the Company, and to which Soichiro Fukutake and Hideaki Fukutake are the representative directors (number of shares held: 7,758,000 shares, Ownership Ratio: 8.04%; the "Fukutake Foundation"); and Bezant (HK) (the "Basic Agreement") (Fukutake Foundation has joined the Basic Agreement as of December 22, 2023), and in the Basic Agreement, it is prescribed that Fukutake Foundation will tender all of the Company Shares which it holds (number of shares held: 7,758,000 shares, Ownership Ratio: 8.04%) to the Tender Offer and that efu Investment and Minamigata Holdings will not tender any of the Company Shares which they hold respectively (number of shares held: total 16,504,000 shares, Ownership Ratio: total 17.11%). For details, please see "II. Basic Agreement" in "4. Matters Related to Important Agreements Concerning the Tender Offer".

It is understood that of the Company Shares held by Minamigata Holdings, Minamigata Holdings has provided 1,100,000 shares (Ownership Ratio: 1.14%) as collateral to Chugoku Bank, LTD. ("Chugoku Bank"), efu Investment has provided 2,700,000 shares (Ownership Ratio: 2.80%) as collateral to Chugoku Bank, and 4,000,000 shares (Ownership Ratio: 4.15%) as collateral to Nomura Trust and Banking and an agreement from Chugoku Bank and Nomura Trust and Banking Co., Ltd. for the release of the collateral (the "Collateral Release Agreement") has been obtained, as of January 24, 2024 and January 22, 2024, respectively. The Chugoku Bank's security interest is scheduled to be released swiftly after the establishment of the Tender Offer (but no later than one week before the effective date of the share consolidation to be implemented as part of the Transactions). The security interest of Nomura Trust and Banking was released on January 22, 2024.

Further, it is understood that the Tender Offeror has agreed to enter into, with Soichiro Fukutake (number of shares held: 800 shares, Ownership Ratio: 0.00%) and the relatives of Soichiro Fukutake and Hideaki Fukutake, who are Mitsuko Fukutake (number of shares held: 1,375,433 shares, Ownership Ratio: 1.43%; tenth shareholder of the Company), Toshiaki Matsuura (number of shares held: 1,396,100 shares, Ownership Ratio: 1.45%; ninth shareholder of the Company), Tomonori Nishimura (number of shares held: 1,128,100 shares, Ownership Ratio: 1.17%), Yusuke Nishimura (number of shares held: 533,000 shares, Ownership Ratio: 0.55%), Rika Kurimoto and two family members of Rika Kurimoto (number of shares held: total 449,900 shares, Ownership Ratio: 0.47%), Michio Shimosuma (number of shares held: 10,700 shares, Ownership Ratio: 0.01%), Kazuo Shimosuma (number of shares held: 6,600 shares, Ownership Ratio: 0.01%) and Yoko Ohara (number of shares held: 6,400 shares, Ownership Ratio: 0.01%; Soichiro Fukutake, Mitsuko Fukutake, Toshiaki Matsuura, Tomonori Nishimura, Yusuke Nishimura, Rika Kurimoto and two family members of Rika Kurimoto, Michio Shimosuma, Kazuo Shimosuma and Yoko Ohara shall collectively be referred to as the "Founding Family Individual Shareholders"), a tender offer subscription agreement dated November 10, 2023 (the "Tender Agreement (Founding Family Individual Members)") and that each of the above parties will tender all of the Company Shares it holds in the Tender Offer. With respect to the sixth shareholder of the Company, which is a public interest incorporated association called Fukutake Education and Culture Foundation (number of shares held: 1,919,000 shares, Ownership Ratio: 1.99%, "Fukutake Education and Culture Foundation"). the Tender Offeror, as of December 8, 2023, entered into a tender offer subscription agreement with Fukutake Education and Culture Foundation providing that Fukutake Education and Culture Foundation will tender all of the Company shares it owns in the Tender Offer (the

“Tender Agreement (Fukutake Education and Culture Foundation)”; the Tender Agreement (Founding Family Individual Members) and the Tender Agreement (Fukutake Education and Culture Foundation) shall collectively be referred to as the “Tender Agreements”). For details, please see “III. Tender Agreement (Founding Family Individual Members)” and “IV. Tender Agreement (Fukutake Education and Culture Foundation)” in “4. Matters Related to Important Agreements Concerning the Tender Offer” below.

It is understood that the total number of all Company Shares held by the shareholders that entered into the Tender Agreements and which have been agreed to be tendered in the Tender Offer (the “Shares to be Tendered”) will be 14,584,033 shares and the Ownership Ratio will be 15.12% in total. In addition, the total number of all Company Shares held by efu Investment and Minamigata Holdings and which have been agreed to be not tendered in the Tender Offer (the “Non-Tendered Shares”) will be 16,504,000 shares (includes shares held in trust with the Master Trust Bank of Japan) and the Ownership Ratio will be 17.11 % in total.

It is understood that, in the Tender Offer, since the purpose is to privatize the Company Shares, the Tender Offeror sets the minimum planned purchase quantity at 47,818,900 shares (Ownership Ratio: 49.56%), and if the total number of Company Shares tendered in the Tender Offer (“Tendered Shares”) falls short of the minimum planned purchase quantity, the Tender Offeror will purchase none of the Tendered Shares. It is understood that the Tender Offeror has set the minimum planned purchase quantity (47,818,900 shares) to the number of shares obtained by the following formula: the number of voting rights (964,843 units) pertaining to the number of shares (96,484,331 shares) obtained by deducting the treasury shares the Company owns as of September 30, 2023 (6,163,798 shares) from the total number of issued shares as of the same day set out in the Company’s Quarterly Report (102,648,129 shares) multiplied by 2/3 (rounded up to the whole number; 643,229 units), and deducting the number of voting rights (165,040 units) pertaining to the Non-Tendered Shares (478,189 units) multiplied by the number of share units (100 shares) of the Company (47,818,900 shares). It is understood that if the Tender Offeror fails to acquire all of the Company Shares (excluding the treasury shares owned by the Company and the Non-Tendered Shares) and all of the American Depositary Receipts in the Tender Offer, as set out in the “(5) Organizational Restructuring, after Tender Offer and Other Policies (Matters Concerning the “Two-Step Acquisition”)” below, the Tender Offeror will request the Company to implement a series of procedures to make the Tender Offeror and Minamigata Holdings the only shareholders of the Company and delist the Shares (“Squeeze Out Procedures”). It is understood that since the special resolution at a shareholders meeting provided in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005; as amended) (the “Companies Act”) is required in order to implement share consolidation as a part of the Squeeze Out Procedures (the “Share Consolidation”), the Tender Offeror has set the minimum planned purchase quantity so that the Tender Offeror, efu Investment and Minamigata Holdings will own at least two thirds of the voting rights of all shareholders after the Tender Offer in order to ensure the implementation of the Squeeze Out Procedures.

On the other hand, it is understood that given that the purpose of the Tender Offeror is privatizing the Shares by obtaining all of the Company Shares (excluding the treasury shares owned by the Company and the Non-Tendered Shares) and all of the American Depositary Receipts, the Tender Offeror has not set any maximum planned purchase quantity. The Tender Offeror will purchase all of the Tendered Shares if the total number of the Tendered Shares is no less than the minimum planned purchase quantity.

It is understood that upon the successful completion of the Tender Offer, the Tender Offeror plans to receive capital contribution from the Tender Offeror Parent Company and a loan from Sumitomo Mitsui Banking Corporation (“SMBC”) and Nomura Capital Investment Co., Ltd., capped at JPY 185,000 million by the settlement commencement date of the Tender Offer (the “Acquisition Loan”). It is understood that the Tender Offeror plans to use these funds to finance the settlement, etc. of the Tender Offer. It is understood that the Acquisition Loan may be secured by ordinary shares of the Tender Offeror owned by the Tender Offeror Parent Company and Company Shares obtained by the Tender Offeror through the Transactions or a portion of the Company’s or the Company’s subsidiary’s assets, or the Company or the Company’s subsidiary may provide

joint and several guarantees.

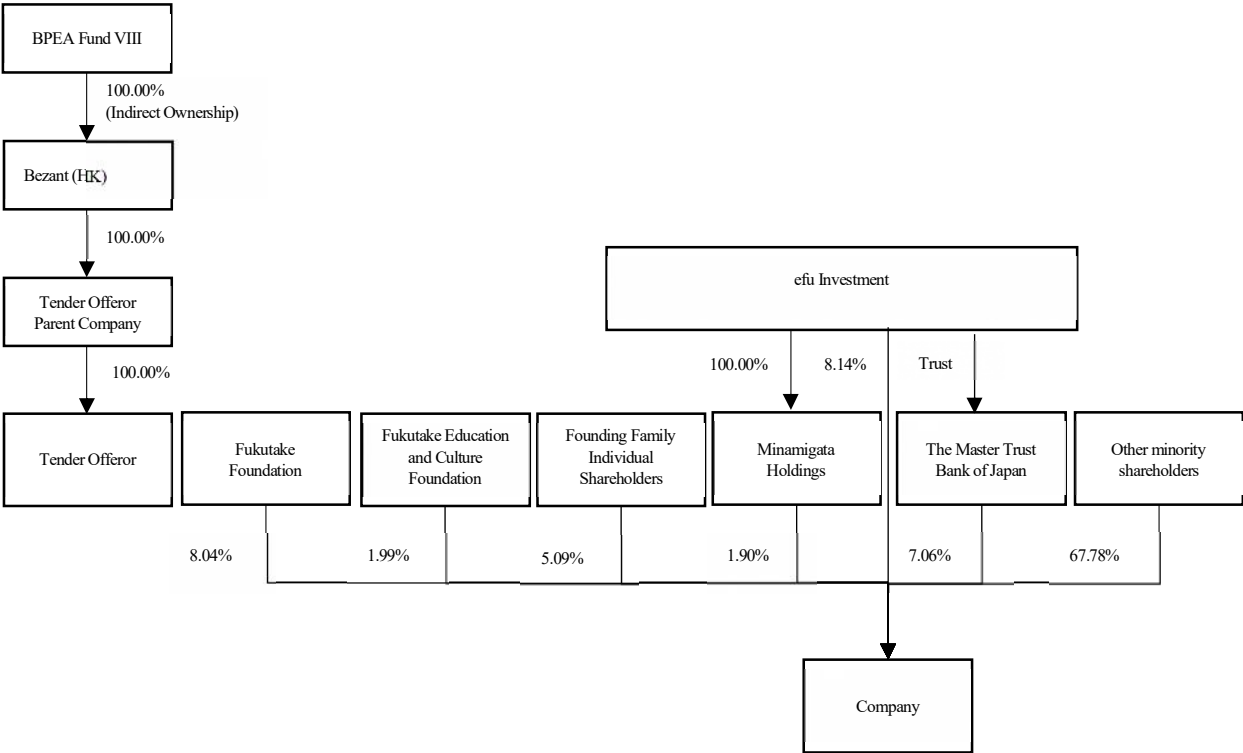
It is understood that in the event that the Tender Offeror fails to acquire all of the Company Shares (excluding the treasury shares owned by the Company and the Non-Tendered Shares) and the American Depositary Receipts through the Tender Offer, as described in “(5) Policy for Organizational Restructuring, Etc. after Tender Offer (Matters Regarding the So-called Two-Step Acquisition)”, the Tender Offeror intends to request the Company to implement the Squeeze Out Procedure after the completion of the Tender Offer in order to acquire all of the Company Shares (excluding the treasury shares owned by the Company and the Non-Tendered Shares) and the American Depositary Receipts and to make the Tender Offeror and the Minamigata Holdings the sole shareholders of the Company. In addition, it is understood that the Tender Offeror Parent Company intends to implement or request for the implementation of the other Transactions to make the voting ratio of Bezant (HK) and the Founding Family Group in the Tender Offeror, 50:50 (capital contribution ratio 60:40).

The outline and structure chart of the Transactions are as follows. The possibility of a structure change was stated in the Tender Offeror’s Press Release dated November 10, 2023, and the structure has changed whereby since November 10, 2023, Bezant (HK) owns all of the issued shares of the Tender Offeror Parent Company, and the Tender Offeror Parent Company owns all of the issued shares of the Tender Offeror.

< Outline and Structure Chart of the Transactions >

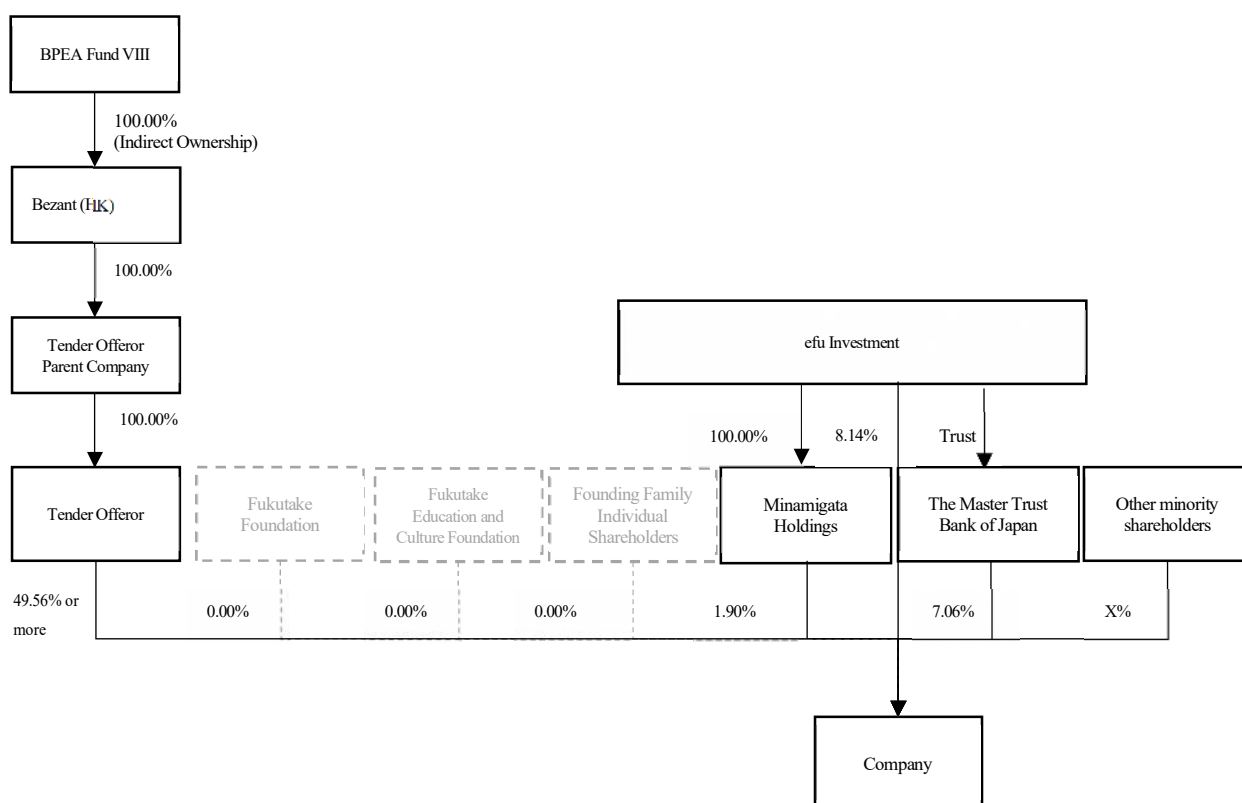
I. Prior to the Tender Offer (Current status)

It is understood that as of today, of the Company Shares, efu Investment holds 14,668,000 shares (including shares held in trust with The Master Trust Bank of Japan; Ownership Ratio: 15.20%), Minamigata Holdings holds 1,836,000 shares (Ownership Ratio: 1.90%), Fukutake Foundation holds 7,758,000 shares (Ownership Ratio: 8.04%), Founding Family Individual Shareholders hold 4,907,033 shares in total (Ownership Ratio: 5.09% in total), Fukutake Education and Culture Foundation holds 1,919,000 shares (Ownership Ratio: 1.99%), and other minority shareholders hold the other Company Shares. It is understood that efu Investment has entrusted 6,809,500 shares (Ownership Ratio: 7.06%) of its Company Shares with efu Investment being the sole settlor and beneficiary of the trust and with The Master Trust Bank of Japan being the trustee.



II. Tender Offer

It is understood that the Tender Offeror will conduct the Tender Offer for all of the Company Shares (excluding treasury shares owned by the Company and the Non-Tendered Shares) and the American Depositary Receipts, and will settle the Tender Offer if the minimum number of shares to be purchased in the Tender Offer is satisfied and the Tender Offer is consummated. It is understood that Bezant (HK) will make an investment in the Tender Offeror Parent Company prior to the commencement date of the settlement of the Tender Offer and will subscribe for Class A shares of the Tender Offeror Parent Company. It is understood that the Tender Offeror Parent Company will make an investment in the Tender Offeror, by using the funds paid in by Bezant (HK), prior to the commencement date of the settlement of the Tender Offer and will subscribe for the ordinary shares of the Tender Offeror. Relevant procedures will be taken to change all of the ordinary shares of the Tender Offeror Parent Company owned by Bezant (HK) until the time of such subscription into Class A shares.



III. Reinvestment (Fukutake Foundation)

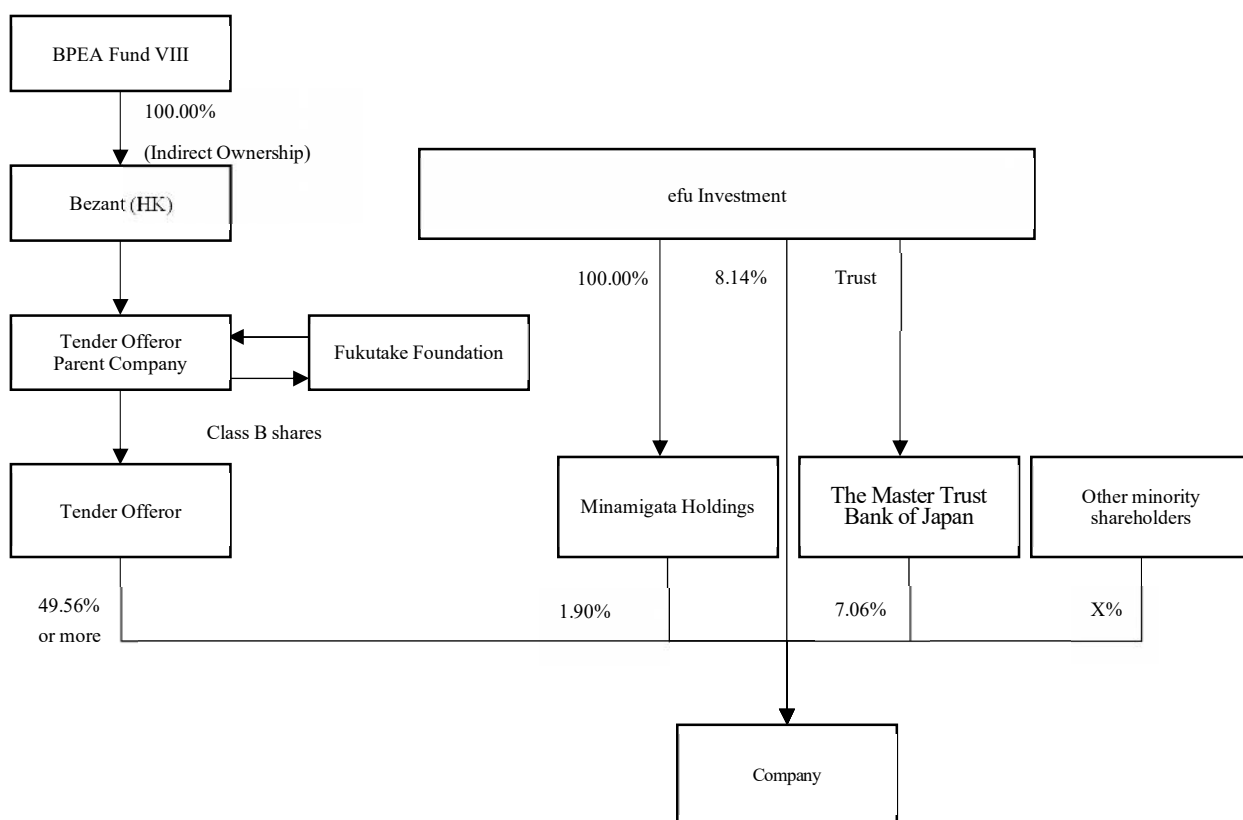
It is understood that after the settlement of the Tender Offer, Fukutake Foundation will reinvest in the Tender Offeror Parent Company part of the amount equivalent to the consideration received by tendering the Company Shares held by Fukutake Foundation into the Tender Offer and acquire Class B shares of the Tender Offeror Parent Company (the “Reinvestment (Fukutake Foundation)”) (Note 7). It is also understood that the Tender Offeror Parent Company will additionally invest in the Tender Offeror by using the funds paid in by Fukutake foundation, and additionally subscribe for the ordinary shares of the Tender Offeror.

(Note 7) It is understood that the Reinvestment (Fukutake Foundation) will be made for the purpose of having the Founding Family Group engage in the Company after the consummation of the Transactions through reinvestment in the Tender Offeror Parent Company since the continuous management of the Company by the Founding Family Group will contribute to the development of the entire business of the Company and its

subsidiaries, and the Reinvestment (Fukutake Foundation) has been considered independently of whether the Founding Family Group could tender its Company Shares in the Tender Offer. In addition, it is understood that (i) Class B shares will not have any terms and conditions economically more favorable than Class A shares (the Tender Offeror Parent Company will have issued only Class A shares and Class B shares after the settlement of the Tender Offer) (Note 8), (ii) the amount to be paid in per Class A share and Class B share will be set at the same amount, and (iii) the valuation per Company Share (, which will be indirectly owned by the Tender Offeror Parent Company through the Tender Offeror,) upon valuation of corporate value by the Tender Offeror Parent Company, which will be the basis for determining the amount to be paid in per Class B share, will be determined to be substantially the same amount as the Tender Offer Price and Class B shares will be issued at market price based on such valuation of corporate value (that is, Class B shares will not be issued at a discounted issue price). Therefore, it is understood that the terms and conditions for the subscription of the Class B shares in the Tender Offeror Parent Company by the Founding Family Group will not be substantially more favorable than the Tender Offer Price. Therefore, the allocation of Class B shares to the Founding Family Group is not against the intent of the regulation on uniformity of tender offer price (Article 27-2, paragraph 3 of the Act).

(Note 8) It is understood that in the end, the capital contribution ratio of Bezan (HK) (Class A shares) and the Founding Family Group (Class B shares) to the Tender Offeror Parent Company will be 60:40, but the voting rights ratio of Bezan (HK) and the Founding Family Group will be 50:50 according to the provisions of share units. It is understood that such provisions of share units have been stipulated from the perspective of the overall development of the businesses of the Company and its subsidiaries after the Tender Offer, based on the judgment that it is best for the Founding Family Group and EQT to directly or indirectly own the Company Shares and work together to manage the Company. The decision was made independently of whether or not the Founding Family Group could tender its Company Shares in the Tender Offer, and it is determined that there will be no difference in economic value of shares depending on the voting rights themselves. Therefore, it is understood that the said action is not against the intent of the regulation on uniformity of tender offer price (Article 27-2, paragraph 3 of the Act).

Reinvestment



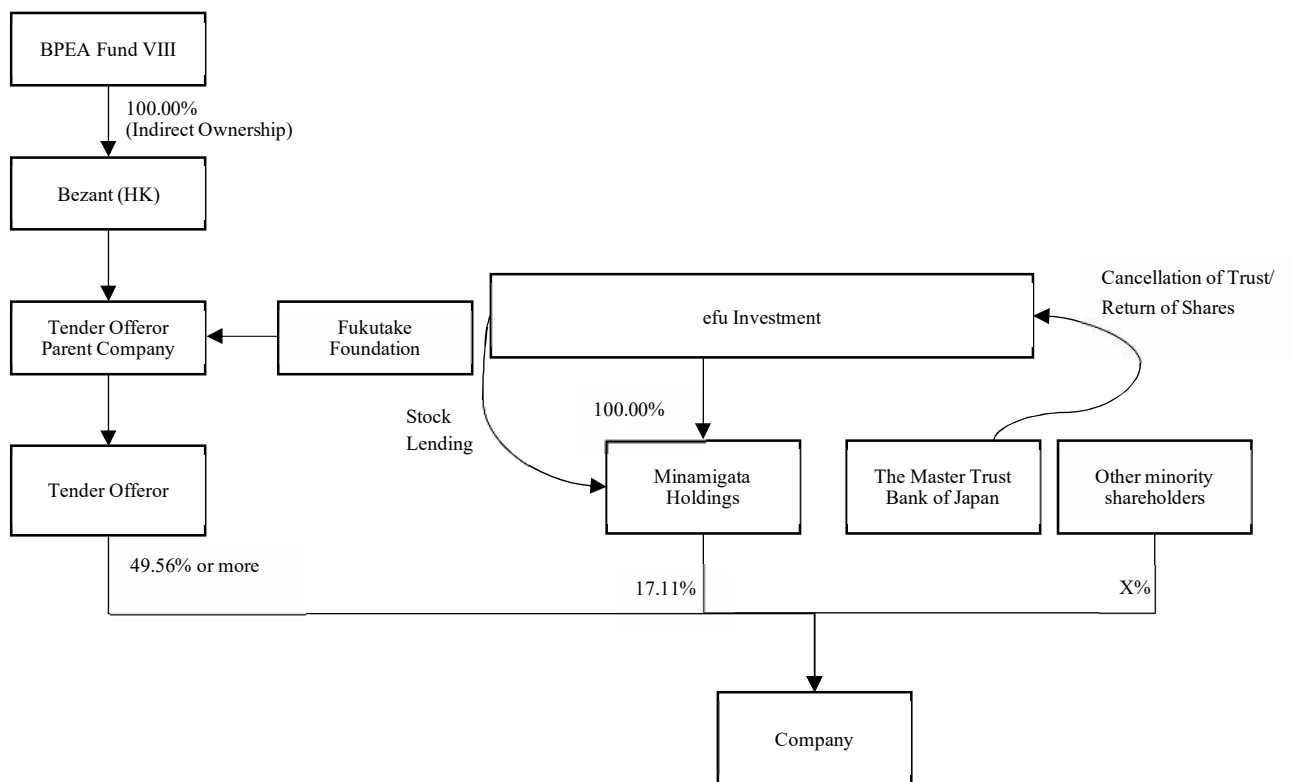
IV. Stock Lending Transaction

It is understood that after the Tender Offer is settled and before the Squeeze-Out Procedure becomes effective, efu Investment will, regarding all of the Company Shares (number of shares held: 6,809,500 shares, Ownership Ratio: 7.06%) held in trust with The Master Trust Bank of Japan by efu Investment as the sole settlor and beneficiary, cancel such trust and receive the return of all such Company Shares without payment of consideration (Note 9). Following receipt of such Company Shares by efu Investment, efu Investment will lend all of its Company Shares to Minamigata Holdings (the “Stock Lending Transaction”) (Note 10).

(Note 9) It is understood that since (i) the Company Shares of which efu Investment will receive the return are share certificates owned by The Master Trust Bank of Japan, the trustee, which is a person engaged in trust business as set forth in Article 7, paragraph 1, item (i) of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers (Ordinance of the Ministry of Finance No. 38 of 1990; as amended), as trust assets, (ii) efu Investment has been the sole settlor and beneficiary of the trust agreement for the relevant trust from the time of execution of the agreement, which has not been changed, (iii) only efu Investment has the right to give instructions to The Master Trust Bank of Japan regarding the exercise of voting rights of the Company Shares (The Master Trust Bank of Japan does not have the power to exercise voting rights or invest), and (iv) efu Investment will only receive the return of the Company Shares without payment of consideration, the return of such Company Shares is not contrary to the intent of the tender offer regulation, and thus, it is not necessary to make a tender offer.

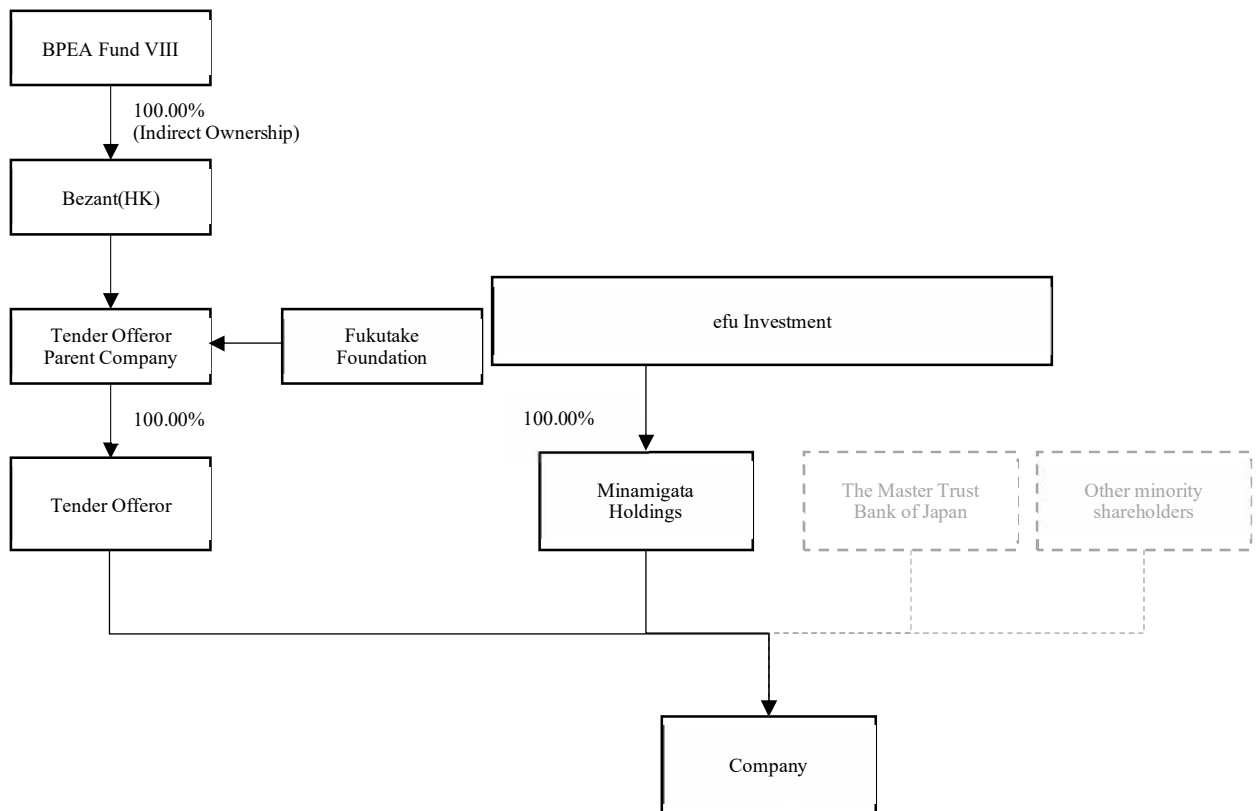
(Note 10) It is understood that through the Stock Lending Transaction, (i) the Company Shares owned by efu Investment and Minamigata Holdings will be concentrated in the hands of Minamigata Holdings, and the Ownership Ratio of Minamigata Holdings will be increased, thereby avoiding, to the extent possible, having any shareholders of the Company, other than Tender Offeror and Minamigata Holdings, who hold at least the smaller number of Company Shares owned by the Tender Offeror or Minamigata Holdings respectively as of the effective date of the Squeeze-Out Procedures and enhancing the stability of the Squeeze-Out Procedures, and (ii) efu Investment

will subsequently receive the return of the Company Shares after the cancellation of the Stock Lending Transaction as stated in “VI. Cancellation of the Stock Lending Transaction” below, and own the Company Shares, and then, make the Reinvestment (efu Investment) (as defined below; the same will apply hereinafter) by making an in-kind contribution of all of its Company Shares or substitutes therefor to the Tender Offeror Parent Company as stated in “VIII. It is understood that Reinvestment (efu Investment)” below, and in addition, the Tender Offeror Parent Company will make an in-kind contribution of the shares or substitutes therefor so contributed in kind to the Tender Offeror (that is, it is not assumed that the Company Shares owned by efu Investment will be converted to cash by rounding in the Squeeze-Out Procedures). Therefore, it is understood that efu Investment and Minamigata Holdings will conduct the Stock Lending Transaction as effective before the Squeeze-Out Procedures become effective. Although stock lending fees or other terms and conditions have not been determined as of today, the Company will set the same level of terms and conditions as those that can be set in the case where similar stock lending transactions are conducted at an arm’s length. It is understood that even if the stock lending fee becomes chargeable, the Stock Lending Transaction is assumed to be continuously conducted with a person who is a formal specially related party prescribed in Article 27-2, paragraph 7, item (i) of the Act for one year or more before the execution date of each stock lending agreement that sets stock lending fees or other terms and conditions, and thus falls under the category of the “Exempted Purchase, etc.” prescribed in the proviso of Article 27-2, paragraph 1 of the Financial Instruments and Exchange Act.



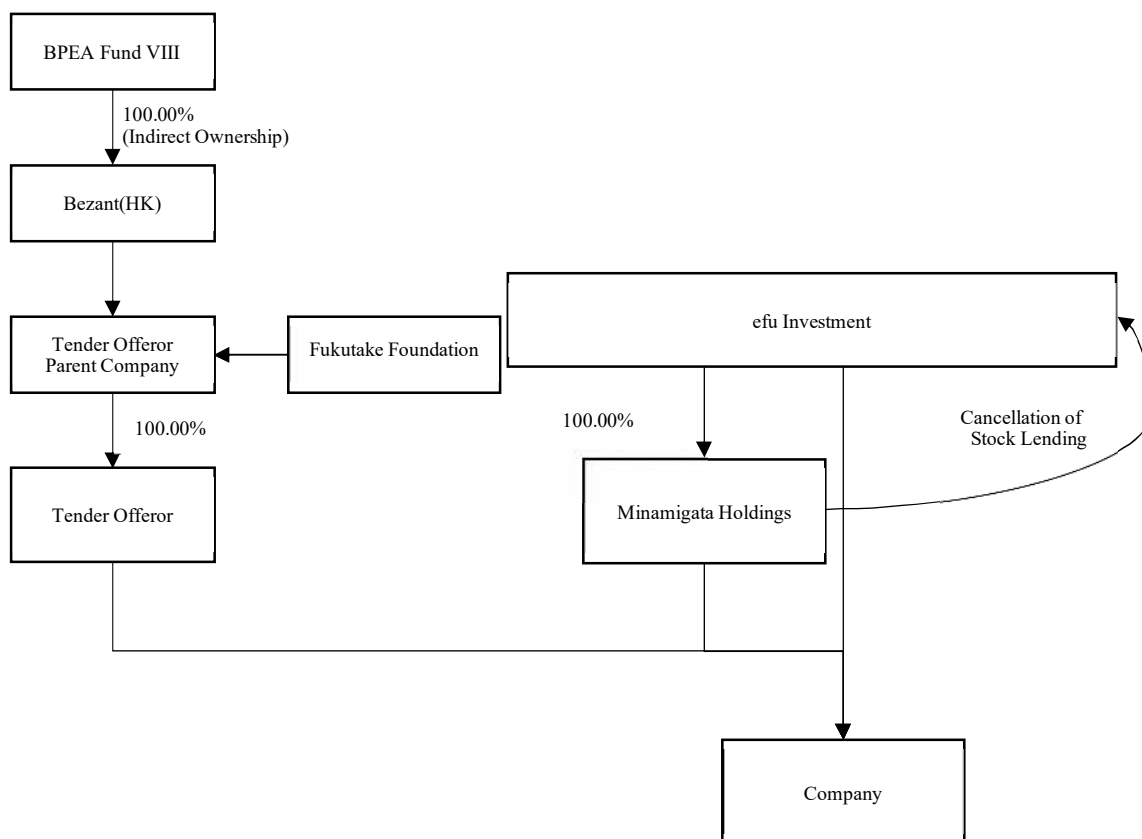
V. Implementation of the Squeeze-Out Procedures

It is understood that after the consummation of the Tender Offer and the effectuation of the Stock Lending Transaction, the Tender Offeror will request the Company to implement the Squeeze-Out Procedures and implement procedures to make the Tender Offeror and Minamigata Holdings the only shareholders of the Company.



VI. Cancellation of the Stock Lending Transaction

It is understood that after the Squeeze-Out Procedures become effective, Minamigata Holdings, the borrower in the Stock Lending Transaction, will cancel the Stock Lending Transaction and return all of the Company Shares so borrowed to efu Investment, the lender. Furthermore, it is understood that the Tender Offeror will request the Company to split the Company Shares as of the record date and at the rate separately designated by the Tender Offeror (it is understood that, in principle, the total number of issued shares of the Company is expected to be the same as the total number of issued shares immediately before the Squeeze-Out Procedures become effective, but the details are yet to be determined as of today) so that Minamigata Holdings can return the Company Shares of the same value as the Company Shares so borrowed. It is understood that the specific date and other details have not been determined as of today.



VII. Prior Share Transfer

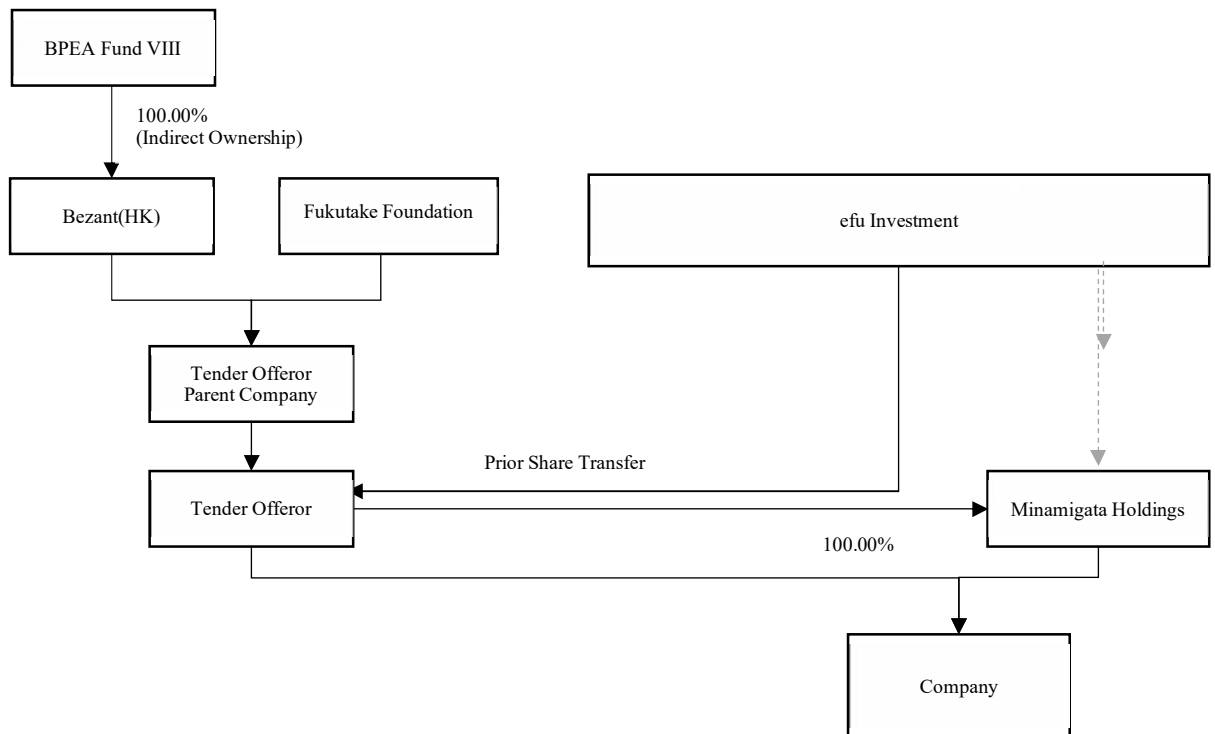
It is understood that at the time of the cancellation of the Stock Lending Transaction as stated in “VI. Cancellation of the Stock Lending Transaction” above, the Tender Offeror, efu Investment and Minamigata Holdings will have held the Company Shares. Among these, efu Investment will become a shareholder of the Tender Offeror Parent Company by making the Reinvestment (efu Investment) as stated in “VIII. Reinvestment (efu Investment)” below. However, it is understood that if efu Investment makes an in-kind contribution to the Tender Offeror Parent Company of all of the Company Shares owned by efu Investment or substitutes therefor without implementing the Prior Share Transfer (as defined below), the capital contribution ratio of the Founding Family Group to the Tender Offeror Parent Company may be higher than 40%, and the capital contribution ratio of Bezan (HK) and the Founding Family Group to the Tender Offeror Parent Company after the Reinvestment (efu Investment) will not strictly be 60:40.

Thus, it is understood that so that the ownership ratio of Bezan (HK) and the Founding Family Group to the Tender Offeror Parent Company after the Reinvestment (efu Investment) will be 60:40, efu Investment will, after setting aside its Company Shares necessary for the Reinvestment (efu Investment), transfer part of its Company Shares (the shares other than the Company Shares to be subject to the Reinvestment (efu Investment)) and all of its shares in Minamigata Holdings to the Tender Offeror, both in consideration of money (collectively, the “Prior Share Transfer”) (Note 11).

(Note 11) It is understood that since the continued management of the Company by the Founding Family Group contributes to the development of the entire business of the Company and its subsidiaries, the Prior Share Transfer will be implemented for the purpose of making the Founding Family Group involved in the Company after the execution of the Transactions through the Prior Share Transfer and the subsequent reinvestment in the Tender Offeror Parent Company, assuming the Reinvestment (efu Investment) as set forth in “VIII. Reinvestment (efu Investment)” below and adjusting the voting rights ratio and investment ratio, and the Prior Share Transfer has been considered independently of whether the Founding Family Group could tender its Company Shares in the Tender Offer. It is understood that the terms and conditions for the transfer of the shares

in Minamigata Holdings will be set as the same level of terms and conditions that can be set when a similar transaction is conducted at arm's length. In addition, it is understood that in setting the transfer price of Minamigata Holdings' shares, the valuation per Company Share held by Minamigata Holdings will be substantially the same as the Tender Offer Price. It is understood that in setting the valuation per Company Share for the transfer of part of the Company Shares, the valuation per Company Share will be set to be substantially the same as the Tender Offer Price. Therefore, it is understood that since the terms and conditions for the Prior Share Transfer will not be substantially more favorable than the Tender Offer Price, the Prior Share Transfer is not against the intent of the regulation on uniformity of tender offer price (Article 27-2, paragraph 3 of the Act).

It is understood that at the time of the execution of the Prior Share Transfer, Minamigata Holdings will not own or bear any assets or liabilities other than the Company Shares, and the transfer price of the shares in Minamigata Holdings will be determined only based on the value of the Company Shares owned by Minamigata Holdings. In addition, it is understood that the valuation per Company Share in setting the terms and conditions of the Prior Share Transfer will be determined to be substantially the same amount as the Tender Offer Price (in other words, it is understood that the valuation per Company Share will be determined in such a way that the Founding Family Group is not treated more favorably or disadvantageously than other common shareholders based on the treatment of fractional shares in the Squeeze-Out Procedures and subsequent changes in the total number of issued shares by split); however, the specific date and other details have not been determined as of today. It is understood that the Prior Share Transfer will be implemented after obtaining approval for exemption from filing of annual securities reports pursuant to the proviso of Article 24, paragraph 1 of the Act and Article 4 of the Cabinet Order with respect to the Company's obligation to file annual securities reports concerning the Company Shares pursuant to Article 24, paragraph 1 of the Act.

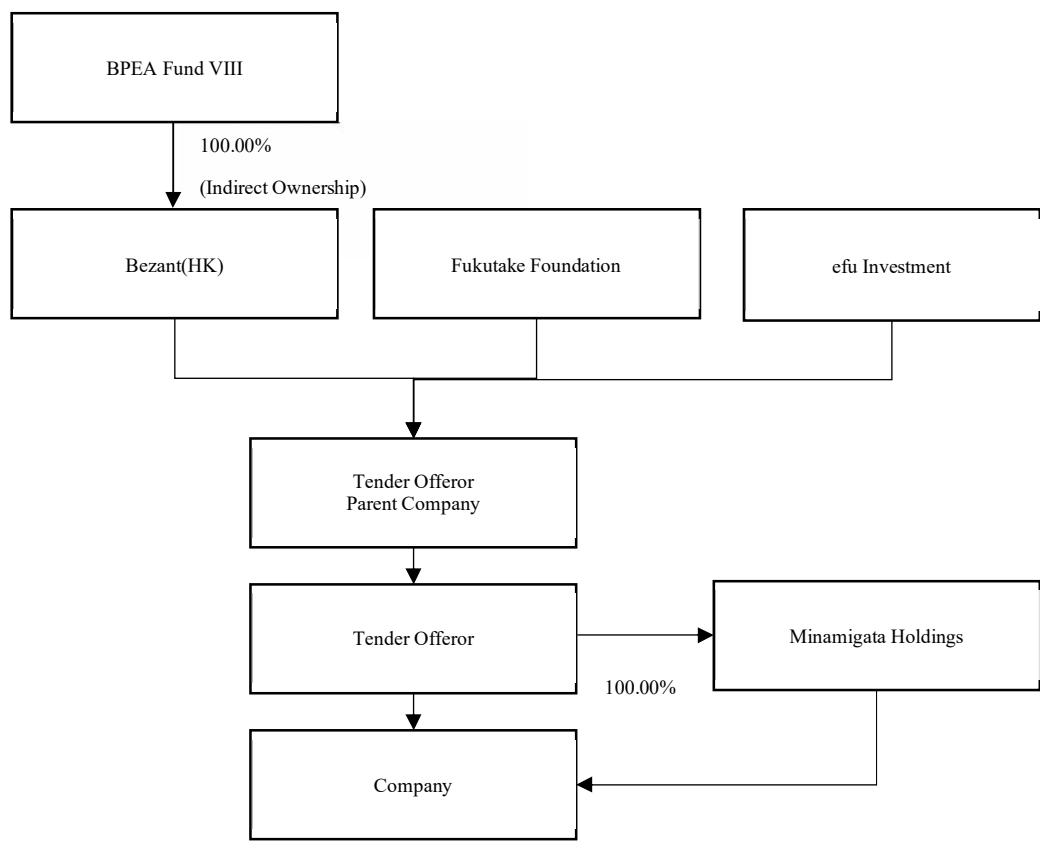


VIII. Reinvestment (efu Investment)

It is understood that efu Investment will acquire Class B shares of the Tender Offeror Parent Company by making an

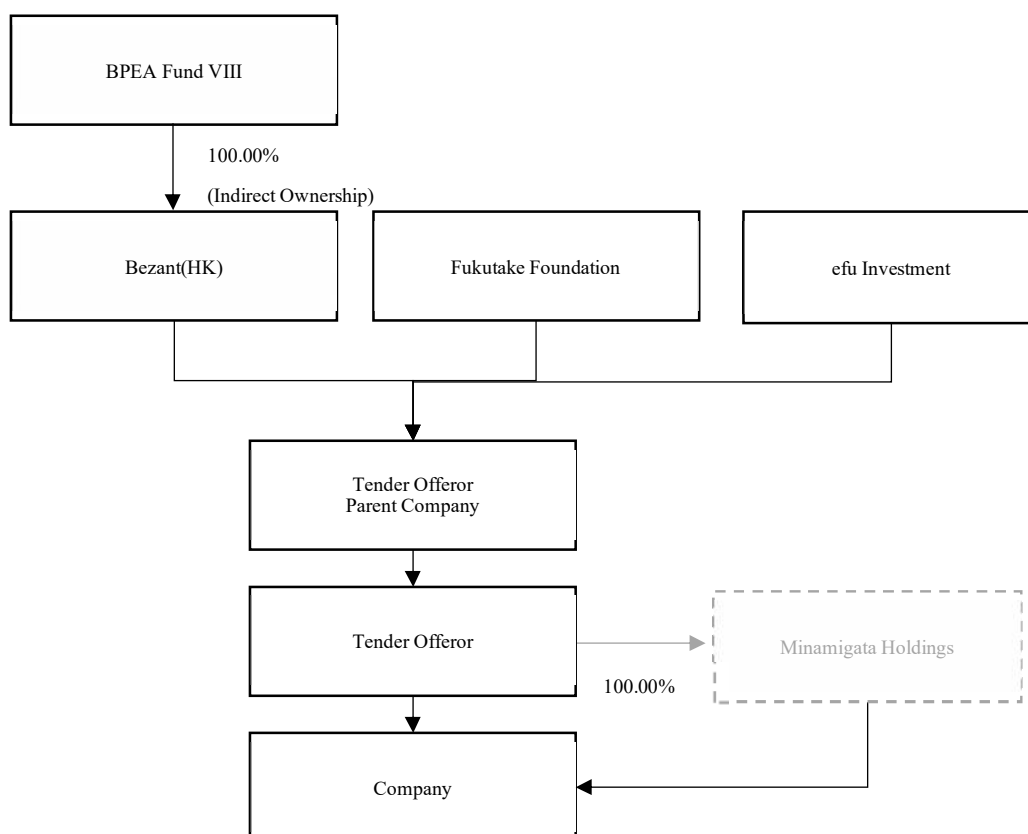
in-kind contribution to the Tender Offeror Parent Company of all of the Company Shares held by efu Investment or substitutes therefor after the implementation of the Prior Share Transfer as set forth in “VII. Prior Share Transfer” above (the “Reinvestment (efu Investment)”; together with the Reinvestment (Fukutake Foundation), collectively the “Reinvestments”) (Note 12). It is also understood that the Tender Offeror Parent Company will acquire ordinary shares of the Tender Offeror by making an in-kind contribution to the Tender Offeror of all of the Company Shares or substitutes therefor of which efu Investment will make an in-kind contribution to the Tender Offeror Parent Company. It is understood that through the Reinvestment (efu Investment), the voting rights ratio of Bezant (HK) and the Founding Family Group to the Tender Offeror Parent Company after the Reinvestment (efu Investment) will be 50:50 (capital contribution ratio 60:40). However, the specific date and other details have not been determined as of today.

(Note 12) It is understood that the Reinvestment (efu Investment) will be made for the purpose of having the Founding Family Group engage in the Company after the consummation of the Transactions through reinvestment in the Tender Offeror Parent Company since the continuous management of the Company by the Founding Family Group will contribute to the development of the entire business of the Company and its subsidiaries, and the Reinvestment (efu Investment) has been considered independently of whether the Founding Family Group could tender its Company Shares in the Tender Offer. In addition, it is understood that (i) Class B shares will not have any terms and conditions economically more favorable than Class A shares (the Tender Offeror will have issued only Class A shares and Class B shares after the settlement of the Tender Offer), (ii) the amount to be paid in per Class A share and Class B share will be set at the same amount, (iii) the valuation per Company Share (, which is indirectly owned by the Tender Offeror Parent Company through the Tender Offeror,) upon valuation of corporate value by the Tender Offeror Parent Company, which will be the basis for determining the amount to be paid in per Class B share, will be determined to be substantially the same amount as the Tender Offer Price and Class B shares will be issued at market price based on such valuation of corporate value (that is, Class B shares will not be issued at a discounted issue price), and (iv) in order to set the terms and conditions of the Reinvestment (efu Investment), the valuation per Company Share of which efu Investment will make an in-kind contribution will be substantially the same as the Tender Offer Price, and thus, the terms and conditions for the subscription of Class B shares in the Tender Offeror Parent Company by the Founding Family Group will not be substantially more favorable than the Tender Offer Price. Therefore, it is understood that the allocation of Class B shares to the Founding Family Group is not against the intent of the regulation on uniformity of tender offer price (Article 27-2, paragraph 3 of the Act). It is understood that the Reinvestment (efu Investment) may be conducted not by the method of making an in-kind contribution of all of the Company Shares to the Tender Offeror Parent Company and the Tender Offeror but by the method in which efu Investment separately concludes a share transfer agreement with the Tender Offeror and the Tender Offeror Parent Company (wherein the Tender Offeror will acquire the Company Shares, and the Tender Offeror Parent Company will jointly and severally guarantee payment obligations for the share transfer price) and makes an in-kind contribution, from efu Investment to the Tender Offeror Parent Company, of the claim for performance of obligations for joint and several guarantee for the receivables for the share transfer price from the Tender Offeror Parent Company under the share transfer agreement and makes an in-kind contribution, from the Tender Offeror Parent Company to the Tender Offeror, of the right to demand compensation from the Tender Offeror, which right arises from the performance of joint and several guarantee by the Tender Offeror Parent Company (it is understood that details have not been determined as of today). It is understood that in order to set the terms and conditions of the Reinvestment (efu Investment), the valuation per Company Share for setting transfer price under the share transfer agreement relating to the claim for performance of obligations for joint and several guarantee for the receivables for share transfer price for which efu Investment will make an in-kind contribution will also be substantially the same as the Tender Offer Price. Therefore, it is understood that this is not against the intent of the regulation on uniformity of tender offer price (Article 27-2, paragraph 3 of the Act).



IX. Absorption-Type Merger

It is understood that after the Reinvestment (efu Investment) as set forth in “VIII. Reinvestment (efu Investment)” above, the Tender Offeror will implement an absorption-type merger (the “Absorption-Type Merger”) with the Company as the surviving company and Minamigata Holdings as the merged company. Through the Absorption-Type Merger, the Tender Offeror will acquire all of the Company Shares owned by Minamigata Holdings and will be the only shareholder of the Company. However, the specific date and other details have not been determined as of today.



The Company Shares are listed on the Prime Market of the Tokyo Stock Exchange as of today. However, as stated in (4) Likelihood of and Reasons for Delisting below, depending on the outcome of the Tender Offer, the Company Shares may be delisted through prescribed procedures. Also, if each procedure stated in (5) Policy for Organizational Restructuring, Etc. after Tender Offer (Matters Regarding the So-called Two-Step Acquisition) below is to be implemented after the completion of the Tender Offer, the Company Shares will be delisted through prescribed procedures.

(II) Background, Purpose and Decision-making Process Leading to Tender Offeror’s Decision to Conduct Tender Offer

The Company has received from the Tender Offeror the following explanation concerning the background, purpose and decision-making process leading to conducting the Tender Offer as well as the management policy after the Tender Offer:

(i) Business Environment Surrounding the Company

The Company was established in January 1955 as Fukutake Publishing Co., Ltd. (“Fukutake Publishing”), a publisher of educational materials and student pocketbooks for junior high school. In 1962, the Company launched simulated exams business (known today as “Shinken Simulated Exams”). In 1969, the Company offered correspondence education seminar for senior high school students (known today as “Shinken Seminar High School Course”), and in 1972, the Company offered correspondence education seminar for junior high school students (known today as “Shinken Seminar Junior High School Course”). The Company has since expanded its business by offering “Correspondence Course for Elementary Schoolchildren” (known today as “Shinkensemi Elementary School Course”) in 1980, “Correspondence Course for Preschoolers” (known today as “Kodomo Challenge”) in 1988 and courses for preschoolers in Taiwan in 1989. In April 1995, following the introduction of “Benesse,” a philosophy brand, in 1990, the Company changed its trade name to Benesse Corporation, and its stock was listed on the Second Section of the Osaka Securities Exchange and the Hiroshima Stock Exchange in October 1995, and was designated on the First Section of the Osaka Securities Exchange

in September 1997, and was listed on the First Section of the Tokyo Stock Exchange in March 2000. In October 2009, Benesse Corporation was established through an incorporation-type company split, and succeeded to the business of the Company, thereby transitioning to a holding company structure, and changed the trade name to Benesse Holdings, Inc. On and after April 4, 2022, the Company transitioned to the Tokyo Stock Exchange's Prime Market in connection with the market reclassification of the Tokyo Stock Exchange. As of today, the Company's group (the "Company Group") consists of the Company, the Company's 39 subsidiaries and 3 affiliates, and engages in the following businesses, based on the management philosophy of "Centered on 'people,' we support each and every customer, from babies to seniors, and support their 'Well-being' throughout their lives, rooted in local communities," with the aim of increasing corporate value and contributing to all stakeholders, including shareholders, through "commercializing the services that we and our families want," "supporting each and every customer throughout their lives, from babies to seniors, in their efforts to solve problems and improve themselves," and "providing services to customers that make it possible that the older they get, the more deeply they will feel the meaning of life and the happier they will be":

- i. Education Business in Japan: The Company Group mainly engages in Correspondence Courses Business, School & Teacher Support Business and Cram Schools / Classrooms Business, mainly through Benesse Corporation, Tokyo Individualized Educational Institute, Inc. and UP Inc., providing educational materials and educational services tailored to the learning style and needs of young children to high school students, focusing on the enjoyment of learning and self-growth.
- ii. Nursing Care and Childcare Business: Placing importance on "taking the part of people's individuality with deep respect" and "people growing with their own individuality," the Company Group facilitates the "Well-being" of seniors, children, and their families, mainly through Benesse Style Care Co., Ltd., providing nursing home and home help services, food delivery services and daycare and afterschool care services.
- iii. University and Working Adult Business: The Company Group provides products and services that support the growth of individuals and companies through learning, such as the overseas study support service business, the online education platform service business for working adults, the university support business, and the career development support service business, mainly through Shinken-AD Co., Ltd., Benesse Corporation, and Benesse i-Career Co., Ltd.
- iv. Overseas Business: The Company Group conducts correspondence education business and classroom business mainly for young children, through Benesse Corporation China and other companies, and in the "Kodomo Challenge" business in Asian countries, provides unique educational services tailored to the developmental stage of children.

In addition, in order to swiftly recover from the impact of the COVID-19 pandemic and to evolve its business in light of environmental changes, the Company Group has been promoting its five-year medium-term management plan, "Evolution of Core Businesses and Challenge to New Fields" (the "Medium-Term Management Plan"), which began in fiscal year 2021. The Medium-Term Management Plan defines fiscal years 2021 to 2022 as Phase 1, aiming to achieve a swift recovery in existing businesses affected by the COVID-19 pandemic, and defines fiscal years 2023 to 2025 as Phase 2, aiming to achieve further growth by evolving core businesses and taking on new challenges in the areas of education and nursing care that leverage the Company Group's strengths. With the start of Phase 2 from fiscal year 2023, the Company Group has formulated a "Transformation Business Plan" in May 2023 as a plan that embodies the measures taken from fiscal years 2023 to 2025 and is brushed up in light of recent environmental changes in the education and nursing care fields. This Transformation Business Plan seeks to overwhelmingly work on solving social issues centered on people, pursue the realization of the Group purpose (Note 13), achieve sustainable profit growth through portfolio restructuring, and realize a profit structure based on the three pillars of "Core Education Business (Note 14)," "Core Nursing Care Business (Note 15)," and "New Fields (Note 16)." Specifically, the Company Group will address the following:

- i. Core Education Business
 - Redesigning product value and sales methods (maintaining and strengthening customer base, and responding to diversification of needs — Improving accuracy through ROI (Return On Investment) assessment)
 - Cost structure reform (reviewing and reducing fixed cost structure across the companies and organizations)
 - Transition to the next phase and business model transformation (the transformation will be undertaken in anticipation of fiscal year 2025, from which we will transition to “Next GIGA Concept” (the next phase of the GIGA School Concept (Note 17)))
 - Recovery of course enrollment in China business and expansion of LTV (customer lifetime value)
- ii. Core Nursing Care Business
 - Restoration of occupancy rate (measures to encourage the desire to move into facilities and reinforcement of sales capabilities and management)
 - Expanding new areas for property development
- iii. New Fields
 - < University and Working Adult Business >
 - Starting with learning centered on Udemy, the Company Group will build a business model capable of providing comprehensive support for reskilling for both businesses and individuals, and also undertake matching business.
 - < Nursing care peripheral business >
 - The Company Group will achieve further growth by focusing on nursing care HR and nursing care foodmeals, which have attractive market conditions that allow us to leverage our strengths.
 - < Overseas Business >
 - Developing educational and nursing care domains where the Company Group has strengths and know-how
 - Be based on a strategy that is deeply committed to a specific country, not a global strategy (e.g. school education support business in India)
 - Considering a scenario where M&A is the starting point and booster in areas where the Company Group has insufficient organizational capabilities
- iv. Management and Corporate Transformation as a Management Mechanism for Realizing Portfolio Transformation
 - Restructuring the CXO structure as a management team, improving its expertise, and strengthening cross-sectoral collaboration
 - Constructing a management system where top management allocates resources across the company
 - Considering and promoting the use of shared services and automation and mechanization using the latest AI technologies for improving corporate productivity

(Note 13) “Group purpose” refers to “Anybody can enjoy lifelong growth. Toward a world in which everyone can live their own life. Benesse will continue to aim for these ideals,” which is a common value that enables each and every employee of the Group to realize its corporate philosophy through business.

(Note 14) “Core Education Business” refers mainly to Correspondence Courses Business, School & Teacher Support Business, and Cram Schools / Classrooms Business.

(Note 15) “Core Nursing Care Business” refers, among the nursing care and childcare businesses, to nursing home and home help services business and daycare and afterschool care business.

(Note 16) “New Fields” refers to the university and working adult business, and, among the nursing care and childcare business, mainly recruitment and staffing services in the medical, nursing, and welfare

industries, and food delivery services for seniors.

(Note 17) “GIGA School Concept” is that “by integrally developing individual terminals and a high-speed, high-capacity communications network, we will realize an educational environment that is fairly and individually optimized and fosters qualities and abilities more reliably without leaving behind any children, including children in need of special assistance.”

(ii) Background, Purpose and Decision-making Process Leading to Offeror’s Decision to Conduct Tender Offer

Mr. Soichiro Fukutake, who is the eldest son of Tetsuhiko Fukutake, the founder of Fukutake Publishing (the predecessor of the Company), and served as Representative Director and President of the Company from 1986 to 2003 and Representative Director and Chairperson of the Company from 2003 to 2014, and Mr. Hideaki Fukutake, who is a member of the founding family of the Company and has served as director of the Company from 2014 up to now, believe that the business environment surrounding the education business in Japan is changing and becoming increasingly severe due to factors such as a decline in the number of births and an expected decline in the student population in Japan; a shrinking market for correspondence courses, which primarily target the middle class, and diversifying customer needs amid declining motivation and learning abilities of children and increasing polarization of academic skills; the introduction of university entrance examination reform and comprehensive selective entrance examination, which leads to the expected decline in demand for traditional cram schools, tutoring and simulation examinations; and the expected intensification of competition as digital-native companies (Note 18) start offering new digitally enabled education services. In addition, they believe that it is not easy to acquire land and buildings suitable for the operation of nursing homes, and due to the government’s recommendation for home nursing care and regulation over the total number of nursing homes, and the increasing shortage of staff for nursing care workers, the business environment surrounding the Company is becoming more severe in the nursing care business as well. As stated in “(i) Business Environment Surrounding the Company” above, in response to changes in the business environment, the Company formulated the Transformation Business Plan in May 2023, which is a brushed up version of the Medium-Term Management Plan, in order to evolve the business, and the Company is implementing various measures, and Mr. Soichiro Fukutake and Mr. Hideaki Fukutake also consider that for the purpose of growth, the Company inevitably should undergo long-term and sustainable business transformation, which is not an extension of the business to date.

(Note 18) “Digital-native company” refers to a company that develops services and businesses based on the use of IT and digital technologies, and places the use of digital technologies and digitized information at the core of its business model in all situations.

Mr. Soichiro Fukutake and Mr. Hideaki Fukutake believe that, while the capabilities that people should foster and nurture have changed greatly in the context of such a drastically changing society, the Japanese society has not provided sufficient systems to nurture and evaluate the capabilities required in the modern society of digitization and globalization, and Japan’s international competitiveness and presence have declined. In addition, while the number of seniors who are lonely and unable to be happy is increasing as the aging population accelerates, the number of service providers who can provide high-quality care is significantly insufficient, and it is difficult to have an “individual” high-quality senior life. Mr. Soichiro Fukutake and Mr. Hideaki Fukutake believe that facing this structural crisis in the modern Japanese society and leading the future of Japan through education and nursing care as a flag-bearer is possible exactly because the Company has a brand power that is widely trusted in society, and employees who share a long history of supporting growth and solving problems alongside customers who are striving to realize their dreams and ideals. With this in mind, Mr. Soichiro Fukutake and Mr. Hideaki Fukutake has realized that in order to put the Company back on a growth path to fulfill its social mission, and to realize the Company becoming a global platform for all generations of the world to achieve “Well-being,” in both the digital and real worlds, it is necessary to carry out transformations beyond the substance of the business transformation that the Company has implemented or considered until now, through the implementation of bold measures

such as promoting further additional measures including digitization of education business, reinforcement of education business overseas, and expansion of nursing care business through M&A, rather than operating on the present line of business, as the “third founding” of the Company, following the “first founding,” which was the launch of the education business by Mr. Tetsuhiko Fukutake, and the “second founding,” which was the launch of the nursing care business by Mr. Soichiro Fukutake. In addition, Mr. Soichiro Fukutake and Mr. Hideaki Fukutake have come to the conclusion that keeping a distance from capital market, where we are constantly required to achieve financial results in each fiscal period, by delisting the Company Shares, as well as cooperating with influential outside partner and making use of their knowledge and resources, is an effective option because long-term and sustainable business transformation is unavoidable in order to ensure that the Company can achieve the Transformation Business Plan formulated in May 2023, and implement the Company’s further additional measures to go beyond the business transformation that has been carried out and considered by the Company, and realize the “third founding.”

Meanwhile, EQT believes that EQT’s purpose, i.e., “To future-proof” (transform into companies of sustainable value in the future) companies and make a positive impact for all,” is highly consistent with the Company’s corporate philosophy and business content, which is to support people’s lifelong desire to improve themselves and solve problems as they strive to realize their dreams and ideals, in order to realize “Well-being” of individuals, as represented by the Company’s corporate name, “Benesse = bene (well) + esse (being).” As a leading company in Japan in the education and nursing care business, which EQT focuses on, EQT has been interested in the Company since it entered Japan in October 2021. EQT believes that the unique data that the Company has steadily accumulated, its broad customer base, and its trusted brand power with overwhelming recognition are valuable assets that cannot be imitated by competitors. By making effective use of EQT’s extensive investment experience in the education and nursing care fields and industry knowledge backed thereby, EQT believes that the Company can overcome the difficult business environment and be expected to grow further.

Under such circumstances, in early December 2022, EQT had the opportunity to contact Mr. Soichiro Fukutake and Mr. Hideaki Fukutake through EQT’s network, and conducted an initial approach to Mr. Soichiro Fukutake and Mr. Hideaki Fukutake regarding the commencement of discussions for the realization of the Transactions.

Upon receiving this offer, Mr. Soichiro Fukutake and Mr. Hideaki Fukutake had an interview with EQT regarding the future of the Company’s business and the Transactions, including the going private of the Company Shares, and they had discussions with EQT for more than six months. During the course of discussions with EQT, Mr. Soichiro Fukutake and Mr. Hideaki Fukutake recognized that even if, as the “third founding,” the Company would implement further additional measures, such as digitizing its education business, reinforcing its education business overseas, and expanding its nursing care business through M&A, to implement non-sequential transformations, and such measures were expected to achieve significant growth in the medium to long term, there was a possibility that such measures would not directly contribute to the profits of the Company in the short term, and there was also a concern that the profitability of the Company would deteriorate in the short term. Therefore, they recognized that it would be difficult for the Company to implement these measures while maintaining the listing of the Company Shares, because it is impossible to deny the possibility that implementing these measures while maintaining the listing would have a negative impact on shareholders of the Company, such as a decline in the market price of the Company Shares. As a result of extensive discussions with EQT based on their recognition of these issues, Mr. Soichiro Fukutake and Mr. Hideaki Fukutake believed that the founding principles and purpose of EQT, “Be the most respected investment firm in the world that helps companies grow in ambition, build great organizations, and creates value in a responsible and sustained manner,” which originated from the entrepreneurship and long-term business philosophy of the Swedish Wallenberg family, from which EQT originated, had a strong affinity with the Company’s corporate philosophy and business content. In addition, Mr. Soichiro Fukutake and Mr. Hideaki Fukutake recognized that since EQT and the Swedish Wallenberg family (1) actively engage in activities that go beyond financial capitalism, such as returning profits from sustainability initiatives and business activities to society through charitable activities, regional development, promotion of the arts, development of science, and educational support; (2) have a track

record of investing in 18 companies in the field of education and 6 companies in the field of nursing care, and has a track record and know-how in the fields of education and nursing care; and (3) supports the implementation of digital capabilities of the investee companies through an in-house digital team consisting of alumni of tech companies such as Google LLC, Amazon.com, Inc. and Meta Platforms, Inc. EQT could provide business intelligence in many ways, including benchmarking with competitors, identifying growth areas, and optimizing digital marketing by analyzing and structuring advanced data using advanced natural language processing platforms. Based on the abovementioned recognition and after much consideration, Mr. Soichiro Fukutake and Mr. Hideaki Fukutake decided in late March 2023 that it was most appropriate to conduct the Transactions by designating EQT as partner, in order to realize the “third founding” of the Company.

Therefore, the Tender Offeror, Etc. appointed advisors for the consortium as a whole, White & Case LLP as legal advisor in late March 2023 and Mori Hamada and Matsumoto as legal advisor in mid-April 2023, respectively, and EQT appointed Nomura Securities Co., Ltd. (“Nomura Securities”) as financial advisor in mid-May 2023, and submitted a non-legally-binding statement of intent (the “Initial Statement of Intent”) to the Company on May 22, 2023, proposing that the Company Shares be delisted through the Tender Offer and the Squeeze-Out Procedures in order to enhance the Company’s corporate value over the medium to long term.

Subsequently, the Tender Offeror, Etc. conducted due diligence on the Company from late July to late September 2023, and deepened their understanding of the business content of the Company and the business environment surrounding the Company, growth strategy and management issues, as well as confirming the areas of business, accounting, taxation, legal affairs, technology, ESG and cybersecurity, among others. In addition, the Tender Offeror, Etc. had discussions with the management team of the Company concerning the practical business perspective as well as the background and purpose of the Transactions in early July 2023; concerning the entire business of the Company in mid-August 2023, based on the results of the due diligence review conducted by the Tender Offeror, Etc. up to that point; and concerning individual businesses of the Company in mid-September 2023. As a result of these multiple rounds of discussions with the Company, in late September 2023, the Tender Offeror, Etc. recognized that the Transactions are a valuable collaboration opportunity for the Company to return to its founding spirit and aim to become a global platform, both digital and real, as the “third founding,” that enables the “Well-being” of all generations of the world. The Tender Offeror, Etc. further recognize that, amid the continuing uncertain economic environment, the Company can aim at increasing its corporate value by not being swayed by short-term fluctuations in financial results, allocating resources based on its essential strategies, and managing its business from a medium to long-term perspective. Further, in a period of transformation in which the Company aims to transform itself in a non-sequential manner through the implementation of bold measures, it is the best that EQT, a like-minded founder and an industrial capitalist, will become a shareholder of the Company, and take the helm of the Company together with the Company’s management team.

The Tender Offeror, Etc. believe that after the Transactions, in cooperation with the Company, the Tender Offeror, Etc. will fully support the achievement of the Transformation Business Plan, which the Company is currently working on, and seek to further maximize the corporate value of the Company through measures including the following contents: The Tender Offeror, Etc. believe that, in addition to continuing to provide high quality services to a wide range of customers in both the education and nursing care businesses, which the Company has undertaken thus far, strengthening its competitiveness through digital use and other means will make it possible to provide even higher value to existing customers. As for the education business, the Tender Offeror, Etc. believe that the Company will be able to provide services to a wider range of students by expanding the areas and price ranges where the Company’s services are not currently available, through M&A and alliances. In addition, over the medium to long term, the Tender Offeror, Etc. intend to develop education for people with disabilities or minorities, and alternative education, with the aim of realizing a global platform that provides “Well-being” to all generations around the world. Specifically, the Tender Offeror, Etc. are considering the following measures:

(i) Education Business

In the education business in Japan, the Tender Offeror, Etc. intend to leverage the Company's strengths - its overwhelmingly well-known and trusted education brand, its wealth of learning data backed by its long history, its network of schools and companies, and its highly motivated employees - while investing heavily in technology to become a pioneer in the digital domain. While further accelerating the transition to products suited to the digital age and UI/UX (see Note 19) improvements, the Tender Offeror, Etc. intend to increase efficiency and increase customer acquisition by promoting the "de-paper (paperless) and digitalization" of marketing. The Tender Offeror, Etc. also believe that by promoting AI-based content creation and streamlining existing operations, the Company will be able to provide individually optimized adaptive learning (see Note 20) at a lower price point, which in the past could not be provided at a high cost by human labor. In parallel with the investment in technology, the Tender Offeror, Etc. believe that the Company will be able to expand its business domain by advancing its OMO business (see Note 21), which integrates online and offline services, and by using learning data from both online and offline services, it will be able to deliver the best education to meet the changing needs of each individual customer as he or she grows, in the best mode, thereby increasing customer satisfaction. Specifically, the Tender Offeror, Etc. will promote collaboration between online learning by Shinkenzei and offline learning by tutoring schools in order to maximize the learning efficiency of each child, and realize an OMO service that crosses the two businesses.

Furthermore, in the university and working adults business, the Tender Offeror, Etc. will promote the improvement of workers' skills, based on social needs such as the "visualization" of the Japanese labor market and reskilling (see Note 22). In addition, by utilizing EQT's industry advisors' digital expertise and know-how, in addition to the Company's brand power and the vast amount of data cultivated through its school business, the Tender Offeror, Etc. aim to achieve a leading position in B to B (see Note 23) in OMO services. Outside of Japan, the Tender Offeror, Etc. will consider M&A in the mid- to long-term and acquire content to expand the Company's service lineup and achieve global expansion.

With regard to overseas business, the Tender Offeror, Etc. believe that the Company can increase its corporate value by focusing on China, where the market is huge, and India, a key strategic region in the Transformation Business Plan, and by realizing synergies, including business alliances with a group of companies in EQT's portfolio.

(Note 19) "UI (User Interface)" is a generic term for the devices and software that operate between the computer and the user. "UX (User Experience)" refers to the impression and experience when using a product or service, as well as usability and operation feeling.

(Note 20) "Adaptive learning" refers to the provision of learning content that is individually optimized to the learner's level of understanding and progress.

(Note 21) "OMO (Online Merges with Offline)" refers to the convergence of online and offline, as well as the society and business models that will be realized through this convergence.

(Note 22) "Reskilling" refers to retraining to acquire more advanced skills, especially when a working adult learns a skill or knowledge for a new job.

(Note 23) "Business to Business (B to B)" refers to business-to-business transactions.

(ii) Nursing Care Business

As a leading player in the nursing care industry, the Tender Offeror, Etc. will have the Company continue to pursue the highest standards of quality and employee satisfaction in the industry. The Tender Offeror, Etc. also believe that the Company can achieve competitive profit margins by eliminating inconsistencies in service quality among its facilities and providing equally high-quality services at all facilities, thereby increasing resident satisfaction and thoroughly reducing operational costs throughout the business. In addition to this, the Tender Offeror, Etc. will form a dedicated M&A team and actively work on business expansion through M&A. Specifically, the Tender Offeror, Etc. aim to achieve above-market growth and solidify its leading position in the industry through acquisitions of mid-tier to leading players in Japan's private-pay nursing home management industry. In addition to the brand value and operational know-how of

“Aria” and the other fee-based nursing homes, residential fee-based nursing homes and senior citizen homes with services operated by the Company, EQT’s experience in providing human resources through its network and in implementing measures to improve resident and employee satisfaction at its portfolio companies will be utilized to help maximize the Company’s corporate value.

Based on the results of the due diligence review of the Company conducted from late July 2023 to late September 2023 and other factors, the Tender Offeror, Etc. made a first proposal in writing to the Company on September 30, 2023 (the “First Proposal”) to set the Tender Offer Price per Company Share at JPY 2,300 (The amount of JPY 2,300 is calculated by adding a premium of 25.72% (rounded to the second decimal place; the same will apply hereinafter for premiums over stock price) to JPY 1,829.5, which is the closing price per Company Share on the Prime Market of the Tokyo Stock Exchange on September 29, 2023, which is the business day immediately preceding September 30, 2023, when the proposal was made, a premium of 23.13% to JPY 1,868 (rounded to the nearest decimal place; the same shall apply hereinafter for the calculation of the simple average closing price), which is the simple average closing price for the past one (1) month up to that date, a premium of 24.46% to JPY 1,848, which is the simple average closing price for the past three (3) months up to that date, and a premium of 22.86% to JPY 1,872, which is the simple average closing price for the past six (6) months up to that date, respectively), and the Tender Offer Price per American Depositary Receipt at JPY 2,300. In response to the First Proposal made by the Tender Offeror, Etc., the Tender Offeror, Etc. received a request from the Company, dated October 10, 2023, to increase the Tender Offer Price on the ground that the Tender Offer Price in the First Proposal was a significantly insufficient price from the perspective of encouraging the Company’s minority shareholders to apply for the Tender Offer.

In response to such request from the Company, the Tender Offeror, Etc. made a second proposal in writing to the Company on October 13, 2023 (the “Second Proposal”) to set the Tender Offer Price per Company Share in the Tender Offer at JPY 2,430 (The amount of JPY 2,430 is calculated by adding a premium of 33.41% to JPY 1,821.5, which is the closing price per Company Share on the Prime Market of the Tokyo Stock Exchange on October 12, 2023, which is the business day immediately preceding October 13, 2023, when the proposal was made, a premium of 31.64% to the simple average closing price of JPY 1,846 for the past one month up to that date, a premium of 31.64% to the simple average closing price of JPY 1,846 for the past three months up to that date, and a premium of 30.43% to the simple average closing price of JPY 1,863 for the past six months up to that date, respectively) and to set the Tender Offer Price per American Depositary Receipt at JPY 2,430. In response to the Second Proposal made by the Tender Offeror, Etc., the Tender Offeror, Etc. received a request from the Company, dated October 18, 2023, to reconsider the Tender Offer Price on the ground that the Tender Offer Price in the Second Proposal was still a significantly insufficient price from the perspective of encouraging the Company’s minority shareholders to apply for the Tender Offer.

In response to such request from the Company, the Tender Offeror, Etc. made a third proposal in writing to the Company on October 23, 2023 (the “Third Proposal”) to set the Tender Offer Price per Company Share in the Tender Offer at JPY 2,510 (The amount of JPY 2,510 is calculated by adding a premium of 41.17% to JPY 1,778, which is the closing price per Company Share on the Prime Market of the Tokyo Stock Exchange on October 20, 2023, which is the business day immediately preceding October 23, 2023, when the proposal was made, a premium of 37.99% to the simple average closing price of JPY 1,819 for the past one month up to that date, a premium of 36.34% to the simple average closing price of JPY 1,841 for the past three months up to that date, and a premium of 35.24% to the simple average closing price of JPY 1,856 for the past six months up to that date, respectively) and to set the Tender Offer Price per American Depositary Receipt at JPY 2,510. In response to the Third Proposal made by the Tender Offeror, Etc., the Tender Offeror, Etc. received a request from the Company, dated October 27, 2023, to reconsider the Tender Offer Price on the ground that the Tender Offer Price in the Third Proposal was still an insufficient price from the perspective of encouraging the Company’s minority shareholders to apply for the Tender Offer.

In response to such request from the Company, the Tender Offeror, Etc. made a fourth proposal in writing to the Company on October 30, 2023 (the “Fourth Proposal”) to set the Tender Offer Price per Company Share in the Tender Offer at JPY 2,590 (The amount of JPY 2,590 is calculated by adding a premium of 48.00% to JPY 1,750, which is the closing price per Company Share on the Prime Market of the Tokyo Stock Exchange on October 30, 2023, when the proposal was made, a premium of 44.77% to the simple average closing price of JPY 1,789 for the past one month up to that date, a premium of 41.22% to the simple average closing price of JPY 1,834 for the past three months up to that date, and a premium of 40.15% to the simple average closing price of JPY 1,848 for the past six months up to that date, respectively) and to set the Tender Offer Price per American Depositary Receipt at JPY 2,590. In response to the Fourth Proposal made by the Tender Offeror, Etc., the Tender Offeror, Etc. received a request from the Company, dated November 1, 2023, to increase the Tender Offer Price per Company Share to JPY 2,600 from the perspective of fulfilling the accountability of the Company and encouraging the Company’s minority shareholders to apply for the Tender Offer.

In response to the foregoing request from the Company, the Tender Offeror, Etc. made a final proposal in writing to the Company on November 1, 2023 (the “Final Proposal”) to set the Tender Offer Price per Company Share in the Tender Offer at JPY 2,600 (The amount of JPY 2,600 is calculated by adding a premium of 45.70% to JPY 1,784.5, which is the closing price per Company Share on the Prime Market of the Tokyo Stock Exchange on October 31, 2023, which is the business day immediately preceding November 1, 2023, when the proposal was made, a premium of 45.41% to the simple average closing price of JPY 1,788 for the past one month up to that date, a premium of 41.84% to the simple average closing price of JPY 1,833 for the past three months up to that date, and a premium of 40.69% to the simple average closing price of JPY 1,848 for the past six months up to that date, respectively) and to set the Tender Offer Price per American Depositary Receipt at JPY 2,600.

Subsequently, the Tender Offeror, Etc. received the answer from the Company and the Special Committee, dated November 9, 2023, that the administration of the Company and the Special Committee had the policy of approving of the Tender Offer to be implemented in accordance with the Final Proposal by the Tender Offeror, Etc. and encouraging the application for the Tender Offer, and concluded to refer to the Company’s Board of Directors’ meeting to be held on November 10, 2023.

Based on this, for the purpose of the final decision at the Company’s Board of Directors’ meeting, the Tender Offeror, Etc. made a legally-binding Final Proposal in writing to the Company on November 9, 2023 to set the Tender Offer Price per Company Share at JPY 2,600 (The amount of JPY 2,600 is calculated by adding a premium of 45.13% to JPY 1,791.5, which is the closing price per Company Share on the Prime Market of the Tokyo Stock Exchange on November 9, 2023, when the proposal was made, a premium of 45.90% to the simple average closing price of JPY 1,782 for the past one month up to that date, a premium of 42.39% to the simple average closing price of JPY 1,826 for the past three months up to that date, and a premium of 41.23% to the simple average closing price of JPY 1,841 for the past six months up to that date, respectively) and the Tender Offer Price per American Depositary Receipt at JPY 2,600, and set the conditions of the Tender Offer other than the Tender Offer Price (the minimum number of shares to be purchased and the Tender Offer Period) to be the conditions set out in the Tender Offeror’s Press Release dated November 10, 2023.

Subsequently, on November 10, 2023, the Tender Offeror, Etc. decided to implement the Tender Offer by setting the Tender Offer Price per Company Share at JPY 2,600 and the Tender Offer Price per American Depositary Receipt at JPY 2,600 as part of the Transactions, subject to the Tender Offer Conditions having been satisfied (or waived by the Tender Offeror) such as the Clearances having been obtained. Now, the Tender Offeror, Etc. have confirmed that all of the Tender Offer Conditions (excluding obtaining the Clearances pertaining to the procedures under the Competition Act of Japan) have been satisfied by January 29, 2024. Accordingly, on the same day, the Tender Offeror, Etc. decided to commence the Tender Offer from January 30, 2024.

(III) Management Policies after the Tender Offer

The Transactions constitutes a so-called Management Buyout (MBO), and as described in “(I) Overview of Tender Offer” above, Mr. Hideaki Fukutake plans to continue to manage the Company after the completion of the Transactions. It is understood that through the Transactions, ultimately, Mr. Fukutake will own the Tender Offeror Parent Company's shares through efu Investment and by indirectly holding the Company Shares, will promote measures to maximize the corporate value of the Company as described above in “(ii) Background, Purpose and Decision-making Process Leading to Tender Offeror’s Decision to Conduct Tender Offer”.

In the shareholders' agreement executed by and between Bezant (HK) and the Founding Family Group on November 10, 2023 (the "Shareholders' Agreement"), it is agreed that the total number of directors of the Company after the Tender Offer shall be a maximum of seven (7) and that Mr. Hitoshi Kobayashi (Representative Director and President, CEO), Mr. Hideaki Fukutake (Chairman of the Board of Directors) and another outside director jointly nominated by Bezant (HK) and the Founding Family Group shall be initially appointed as directors of the Company. It is understood that the specific timing of the appointment of new directors and the specific candidates have not yet been determined at this time.) It is understood that no other matters regarding the Company's management structure after the Tender Offer have been decided at this time, and will be discussed with the Company after the Tender Offer is consummated. It is understood that, in principle, the Company plans to maintain the current treatment of the Company's employees after the Tender Offer is consummated.

For an overview of the Shareholders' Agreement, please refer to "(I) Shareholders' Agreement" in "4. Matters Related to Important Agreements Concerning the Tender Offer" below.

It is understood that the Tender Offeror plans to introduce incentive plans, such as stock options, for the Company's management and employees after the Transactions. Although some of the Company's management and employees own Company Shares, (i) the specific details of the incentive plan have not been determined as of today, and no agreement has been reached with the Company's management and employees as to whether or not an incentive plan will be introduced; and (ii) since the incentive plan is intended to encourage the Company's management and employees to share a common goal of improving the Tender Offeror's corporate value, and not linked to the number of shares tendered by the Company's management or employees in the Tender Offer, the introduction of incentive plans, such as stock options, is not tied to a tender in the Tender Offeror, it is understood that the Company believes that the introduction of an incentive plan such as stock options is not tied to the tender in the Tender Offer and does not violate the purpose of regulation on uniformity of tender offer price (Article 27-2, Paragraph 3 of the Act).

(IV) Decision-making Process Leading to the Company’s Decision to Support Tender Offer and Reason Therefor

(i) Background of Establishment of Consideration System

As described in “(II) Background, Purpose and Decision-making Process Leading to Tender Offeror’s Decision to Conduct Tender Offer” above, on May 22, 2023, the Company received an initial proposal for the Transactions from the Tender Offeror. In response, in late May 2023, in order to ensure the fairness of the Transactions, including the Tender Offer Price and the fairness of the terms and procedures of the Transactions, the Company retained Anderson Mori & Tomotsune (“AMT”) as a legal advisor independent from the Company and the Tender Offeror, Etc. and in late May 2023, the Company retained Daiwa Securities Ltd. (“Daiwa Securities”) as a financial advisor and third-party calculation agents independent of the Company and the Tender Offeror, Etc., respectively, and requested Daiwa Securities to calculate the value of the Company Shares.

In addition, among other things, in light of the fact that the Tender Offer is part of the Transactions for a Management Buyout (MBO) and that there is a structural conflicts of interest issue, the Company will deal with these issues by carefully determining the Company’s decisions regarding the Transactions, including the Tender Offer, and to eliminate the arbitrariness and conflicts of interest in the decision-making process of the Company’s Board of Directors, and to ensure the fairness of the Transactions, as described in “(6) Measures to Ensure Fairness

of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer” below, on June 2, 2023, the Company established this Special Committee to consider the proposed Transactions, consisting of four (4) outside Directors and two (2) outside Auditors of the Company's Board of Directors, who are independent of the Tender Offeror, Etc., the Company and the success or failure of the Transactions. For the composition of the Special Committee members and other specific Consultation Matters, please refer to “(I) Establishment of Independent Special Committee at the Company and Obtainment of Reports from the Special Committee” in “(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer” below.

(ii) Background of Consideration and Negotiation

After establishing the consideration system described in “(i) Background of Establishment of Consideration System” above, the Company took into consideration the outline of the Tender Offer including the purpose of the Transactions, the impact of the Transactions on the Company, the details of the management policy after the Transactions and the current share price trend, etc., and the Company has considered the appropriateness of the Transactions through multiple rounds of discussions and examinations with the Tender Offeror, Etc., while receiving advice from AMT and Daiwa Securities. In the course of the following discussions and considerations, we have reported to the Special Committee from time to time and have taken actions based on the response policy and opinions, instructions, and requests at critical phases in the negotiations, which were confirmed in advance by the Special Committee.

Specifically, the Company accepted the Tender Offeror, Etc.' due diligence on the Company from late July to late September 2023. During the due diligence period, the Tender Offeror, Etc. conducted interviews with the heads, etc. of each company of the Company, and discussions regarding future business development were held.

Based on the above, the Company received from Tender Offeror, Etc. the First Proposal in writing on September 30, 2023 regarding the privatization of the Company Shares and the Company's future growth strategy. In the First Proposal, the Company received the proposed Tender Offer Price of JPY 2,300 per Company Shares in the Tender Offer and JPY 2,300 per share of American Depositary Shares represented by the American Depositary Receipts. (JPY 2,300 includes a premium of 25.72% (rounded to two decimal places; the same shall apply hereinafter to the premium on the share price.) on the closing price of JPY 1,829.5 of Company Shares on the Prime Market of the Tokyo Stock Exchange on September 29, 2023, the business day preceding September 30, 2023, when the proposal was made, a premium of 23.13% on the simple average closing price of JPY 1,868 (rounded to the nearest whole number; the same shall apply hereinafter in the calculation of the simple average closing price.) for the past three months to September 29, 2023, a premium of 24.46% on the simple average closing price of JPY 1,848 for the past three months to September 29, 2023, and a premium of 22.86% on the simple average closing price of JPY 1,872 for the past six months to September 29, 2023.)

In response to the First Proposal, the Company requested Tender Offeror, Etc. to reconsider the Tender Offer Price in the First Proposal on October 10, 2023, on the grounds that, considering the results of the calculation of the value of Company Shares by Daiwa Securities and other factors, the Tender Offer Price in the First Proposal was significantly inadequate from the perspective of encouraging minority shareholders of the Company to tender their shares in the Tender Offer. In addition to that, we have had discussions with the Tender Offeror, Etc. regarding the First Proposal and business strategy on October 13, 2023, and have continued to hold discussions regarding the Company's future business strategy since then. In response to the Company's request for the Tender Offer Price, the Company received the Second Proposal in writing from Tender Offeror, Etc. on October 13, 2023, setting the Tender Offer Price at JPY 2,430 and the Tender Offer Price per share of American Depositary Shares represented by the American Depositary Receipts at JPY 2,430. (JPY 2,430 includes a premium of 33.41% on the closing price of JPY 1,821.5 of Company Shares on the Prime Market of the Tokyo Stock Exchange on October 12, 2023, the business

day preceding October 13, 2023 when the proposal was made, a premium of 31.64% on JPY 1,846 of the simple average closing price for the past one month to October 12, 2023, a premium of 31.64% on the simple average closing price of JPY 1,846 for the past three months to October 12, 2023, and a premium of 30.43% on the simple average closing price of JPY 1,863 for the past six months to October 12, 2023.) In response to the Second Proposal, the Company requested Tender Offeror, Etc. to reconsider the Tender Offer Price in the Second Proposal on October 18, 2023, on the grounds that the Tender Offer Price in the Second Proposal was still significantly inadequate from the perspective of encouraging minority shareholders of the Company to tender their shares in the Tender Offer. In response to the Company's request for the Tender Offer Price, the Company received the Third Proposal in writing from Tender Offeror, Etc. on October 23, 2023, setting the Tender Offer Price at JPY 2,510 and the Tender Offer Price per share of American Depositary Shares represented by the American Depositary Receipts at JPY 2,510. (JPY 2,510 includes a premium of 41.17% on the closing price of JPY 1,778 of Company Shares on the Prime Market of the Tokyo Stock Exchange on October 20, 2023, the business day preceding October 23, 2023 when the proposal was made, a premium of 37.99% on JPY 1,819 of the simple average closing price for the past one month to October 20, 2023, a premium of 36.34% on the simple average closing price of JPY 1,841 for the past three months to October 20, 2023, and a premium of 35.24% on the simple average closing price of JPY 1,856 for the past six months to October 20, 2023.) In response to the Third Proposal, the Company requested Tender Offeror, Etc. to reconsider the Tender Offer Price in the Third Proposal on October 27, 2023, on the grounds that the Tender Offer Price in the Third Proposal was still inadequate from the perspective of encouraging minority shareholders of the Company to tender their shares in the Tender Offer. In response to the Company's request for the Tender Offer Price, the Company received the Fourth Proposal in writing from Tender Offeror, Etc. on October 30, 2023, setting the Tender Offer Price at JPY 2,590 and the Tender Offer Price per share of American Depositary Shares represented by the American Depositary Receipts at JPY 2,590. (JPY 2,590 includes a premium of 48.00% on the closing price of JPY 1,750 of Company Shares on the Prime Market of the Tokyo Stock Exchange on October 30, 2023, a premium of 44.77% on JPY 1,789 of the simple average closing price for the past one month to October 30, 2023, a premium of 41.22% on the simple average closing price of JPY 1,834 for the past three months to October 30, 2023, and a premium of 40.15% on the simple average closing price of JPY 1,848 for the past six months to October 30, 2023.) In response to the Fourth Proposal, on November 1, 2023, the Company requested Tender Offeror, Etc. to increase the Tender Offer Price per Company Share to JPY 2,600 on the grounds that the Tender Offer Price in the Fourth Proposal was still inadequate from the perspective of fulfilling the Company's accountability and encouraging minority shareholders of the Company to tender their shares in the Tender Offer. In response to the Company's request for the Tender Offer Price, the Company received the Final Proposal in writing from Tender Offeror, Etc. on November 1, 2023, setting the Tender Offer Price at JPY 2,600 and the Tender Offer Price per share of American Depositary Shares represented by the American Depositary Receipts at JPY 2,600. (JPY 2,600 includes a premium of 45.70% on the closing price of JPY 1,784.5 of Company Shares on the Prime Market of the Tokyo Stock Exchange on October 31, 2023, the business day preceding November 1, 2023 when the proposal was made, a premium of 45.41% on JPY 1,788 of the simple average closing price for the past one month to October 31, 2023, a premium of 41.84% on the simple average closing price of JPY 1,833 for the past three months to October 31, 2023, and a premium of 40.69% on the simple average closing price of JPY 1,848 for the past six months to October 31, 2023.) Upon receipt of the Final Proposal by Tender Offeror, Etc., the Company communicated its acceptance of the Tender Offer Price in the Final Proposal on November 9, 2023. Upon receipt of such acceptance from the Company, the Company received a legally binding final proposal in writing from the Tender Offerors, Etc. on November 9, 2023, setting the Tender Offer Price at JPY 2,600 and the Tender Offer Price per share of American Depositary Shares represented by the American Depositary Receipts at JPY 2,600 (JPY 2,600 includes a premium of 45.13% on the closing price of JPY 1,791.5 of Company Shares on the Prime Market of the Tokyo Stock Exchange on November 9, 2023 when the proposal was made, a premium of 45.90% on JPY 1,782 of the simple average closing price for the past one

month to November 9, 2023, a premium of 42.39% on the simple average closing price of JPY 1,826 for the past three months to November 9, 2023, and a premium of 41.23% on the simple average closing price of JPY 1,841 for the past six months to November 9, 2023.).

Furthermore, the Company received the necessary legal advice from AMT regarding the method and process of decision-making by Company's Board of Directors, including the procedures for the Transactions, and other points to be noted, as well as the Report dated November 10, 2023, from the Special Committee. (For an overview of the Report and specific activities of the Special Committee, see "(I) Establishment of Independent Special Committee at the Company and Obtainment of Reports from the Special Committee" in "(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer.") Based on the legal advice received from AMT and the share valuation report received from Daiwa Securities as of November 9, 2023 ("Share Valuation Report"), and with the utmost respect for the contents of the Report dated November 10, 2023 submitted by the Special Committee, the Company carefully discussed and examined the Transactions from the viewpoints of whether the Transactions would enhance the corporate value of the Company, whether the Transactions would be conducted through fair procedures and thus ensure the interests of minority shareholders.

(iii) Details of the Decision

Under the circumstances described above, on November 10, 2023, based on the contents of the Share Valuation Report and legal advice from AMT, the Company's legal advisor, regarding the method and process of decision-making by Company's Board of Directors, including the procedures for the Transactions, and other points to be noted, and with the utmost respect for the contents of the Report dated November 10, 2023 submitted by the Special Committee (For an overview of the Report dated November 10, 2023, please refer to "(I) Establishment of Independent Special Committee at the Company and Obtainment of Reports from the Special Committee" in "(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer" below), the Company carefully discussed and examined the Transactions from the viewpoints of whether the Transactions would enhance corporate value and whether the terms and conditions of the Transactions are reasonable.

As a result, as described below, the Company has concluded that the privatization of the Company Shares through the Transactions, including the Tender Offeror, Etc.'s Tender Offer, will contribute to the enhancement of the Company's corporate value.

The recent environment surrounding the Company Group is as described in "(II) Background, Purpose and Decision-making Process Leading to Tender Offeror's Decision to Conduct Tender Offer" above, and there are concerns in the education industry that the market for traditional correspondence education courses targeting mainly the middle class will shrink due to the declining birthrate in Japan and the expected decrease in the student population, as well as the increasing polarization of academic ability along with the diversification of the values of children's learning. Furthermore, with the introduction of university entrance exam reforms and comprehensive entrance examinations, demand for traditional cram schools, individual tutoring, and mock exams is expected to decline, and companies offering new forms of educational services that make full use of digital technology are entering the market. The business environment surrounding the Company's education business is undergoing major structural changes and is expected to continue to change in the future.

In the nursing care industry, the market is certain to expand as the number of people requiring nursing care increases with the growing elderly population. However, we believe that the business environment surrounding the Company Group is rapidly changing due to such factors as the shortage of human resources in the nursing care industry and changing customer needs. In addition, the market is expected to expand not only in the area of facility/home care services, which the Company has been providing for some time, but also in peripheral businesses

such as nursing care HR and nursing care meals.

In light of these changes in the business environment, the Company Group has established a Medium-Term Management Plan in November 2020, recognizing the need for sustainable growth through the evolution of our core business and the challenge of entering new areas for new growth. Phase 1 of the Medium-Term Management Plan set the goals of achieving a V-shaped recovery from the impact of COVID in existing areas organically and challenging of entering new areas, and Phase 1, the first two years presented in the Medium-Term Management Plan, ended in March 2023. After summarizing the achievements and issues in Phase 1 of the Medium-Term Management Plan and taking into consideration the various surrounding environments of the Company once again, in May 2023 we formulated the Transformation Business Plan by brushing up the Medium-Term Management Plan. The Transformation Business Plan aims to achieve sustainable profitable growth through the realization of a profit structure with three pillars of earnings - Core Education, Core Nursing Care and New Fields - through working to solve social issues with a focus on people and transforming the Group and its portfolio structure. We have also formulated a new Group Purpose to serve as a guideline for what kind of group we should aspire to be. In order to realize the Group Purpose, we believe it is necessary to work on portfolio transformation, and as a specific measure to realize portfolio transformation, we have set forth management and corporate transformation, and are working to strengthen the structure and improve productivity, etc.

While we are still working to achieve the Transformation Business Plan, we believe that in order to enhance the medium- to long-term corporate value of the Company in a business environment that is expected to undergo significant changes in the future, it would be beneficial to utilize external management resources in addition to our own management efforts. In addition, while the Company Shares are listed, it is necessary to be aware of the impact of short-term performance fluctuations on the stock market, which means that it is a highly challenging task to simultaneously and quickly implement medium- and long-term management strategies while pursuing short-term performance at the same time.

Under these circumstances, we have concluded that the following synergies can be expected to be generated through the implementation of agile and steady management measures, which will contribute to the realization of the Transformation Business Plan and further enhancement of the Company's corporate value by utilizing EQT's network and know-how in addition to our management resources and know-how, and by privatizing the Company Shares through the Transactions and enabling EQT to invest its management resources in the Company Group,

(a) Increase operational efficiency and diversify services through digitalization in the education business.

As stated above, we believe that the business environment surrounding the Company Group is rapidly changing due to the entry of new digital competitors into the education industry and the polarization of children's academic abilities as their values of learning become more diverse. We believe that by promoting digitalization and improving operational efficiency in our existing businesses, and by combining the Company's resources with digital technology, we will be able to provide new educational services that meet the needs of our diverse clientele. We believe EQT has the best digital team and network of industry advisors in the private equity fund industry and has experience in improving operational efficiency and creating new businesses through digitalization in the education-related businesses of its previous portfolio companies. By leveraging the know-how of the EQT and collaborating globally with businesses of investees of the EQT, we hope to not only improve the efficiency of our existing business, but also create new educational services that meet the diversifying needs of our clients, while utilizing the data held by the Company.

(b) Expand and upgrade global business development in the education business.

We believe that it will be able to expand and upgrade its overseas business activities by leveraging the EQT's overseas know-how and network, in addition to the Company's knowledge and brand strength in the top-level education business in Japan and its assessment know-how cultivated in its business for schools. In particular, in the short term, the Company will focus on China, the Company's largest overseas market, and India, which is strategically positioned in the current Transformation Business Plan, to create value, including business alliances with EQT portfolio companies. In the medium term, we are also considering business development in adjacent markets in Asia and expansion into new regions through large-scale M&A.

(c) Active use of M&A

For the medium- to long-term growth of the Company, M&A may be actively utilized in the education and nursing care businesses. EQT specializes in supporting the acquisition of investee companies and can be expected to provide full support by maximizing its knowledge, network, and resources in all steps from deal sourcing, M&A execution support and financing, to post-acquisition integration (PMI: post-merger integration).

(d) Accelerated decision-making as a result of privatization.

In order to implement the above measures in a timely manner in what we believe to be a rapidly changing business environment surrounding the Company Group, as described above, it is essential for the Company to establish a prompt decision-making structure and improve management flexibility. We believe that privatization of Company Shares will enable us to establish a management structure that will allow us to make flexible decisions and increase the speed of business development.

In addition, with respect to the Tender Offer Price (JPY 2,600), (i) based on the results of the calculation of share value of the Company Shares as described in Share Valuation Report on the Company Shares set out in "(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer" in "(II) Obtainment of Share Valuation Report from the Company's Independent Third-party Calculation Agent" below, the Tender Offer Price of JPY 2,600 per share (i) exceeds the result calculated by the market price method, (ii) is above the calculation results based on the comparable multiple valuation method, (iii) is within the range of the calculation results based on the discounted cash flow method ("DCF method") and the price is above the median price, (iv) includes a premium of 45.13% on JPY 1,791.5 which is the closing price of Company Shares on the Prime Market of the Tokyo Stock Exchange on November 9, 2023 which is the business day preceding the date of announcement of the scheduled commencement of the Tender Offer (November 10, 2023), a premium of 45.90% on JPY 1,782 of the simple average closing price for the past one month to November 9, 2023, a premium of 42.39% on JPY 1,826 of the simple average closing price for the past three months to November 9, 2023, and a premium of 41.23% on JPY 1,841 of the simple average closing price for the past six months to November 9, 2023, and considering the median premium for the 46 successful management buyout (MBO) cases announced during the period from June 28, 2019, when the Ministry of Economy, Trade and Industry (METI) released its "Guidelines for Fair M&A Practices - Enhancing Corporate Value and Ensuring Shareholder Profit", to September 30, 2023 (40.11% of the closing price on the business day preceding the date of announcement, 40.38% of the simple average closing price for the last one month, 45.34% of the simple average closing price for the last three months and 49.27% of the simple average closing price for the last six months), the Tender Offer Price can be evaluated as a price with reasonable premium, and (v) the Tender Offer Price was determined based on the measures taken to ensure the fairness of the Tender Offer as set out in "(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer" below, and with the substantial involvement of the Special Committee, after thorough negotiations with the Tender Offerors, Etc. and

a reasonable increase from the price originally proposed by the Tender Offeror, Etc., with the Company taking into consideration the fact that the Tender Offer Price was determined under a process of negotiations aimed at making Transactions as advantageous as possible for the Company's ordinary shareholders, the Company has determined that the Tender Offer Price is reasonable and provides the Company's shareholders with a reasonable opportunity to sell the Company Shares.

Based on the above, at the meeting of the Company's Board of Directors held on November 10, 2023, the Company decided as the Company's opinion as of November 10, 2023 to express its support of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer, and the holders of the American Depositary Receipt tender their American Depositary Receipt in the Tender Offer after having delivered their American Depositary Receipt to the Depository Bank in advance and having received the Company Shares represented by the American Depositary Receipt. if the Tender Offer is commenced.

The Company also resolved at the above meeting that it will request the Special Committee established by the Company to consider whether there has been any change to the Special Committee's opinion in the Report dated November 10, 2023 submitted to the Company's Board of Directors as of November 10, 2023, and if there hasn't been any change, the Special Committee will make a statement to the Company's Board of Directors to that effect or, if any change has been made to its previous opinion, the Special Committee will state its changed opinion and based on such opinion, the Company will express its opinion on the Tender Offer again at the time of commencement of the Tender Offer.

Subsequently, on January 22, 2024, the Company received a notice from the Tender Offeror, Etc. that (i) the procedures and responses required under the competition laws of China and the Foreign Exchange and Foreign Trade Law in Japan had been completed and the procedures and responses required under the competition laws of Japan is scheduled to be completed during Tender Offer Period and (ii) subject to the fulfillment (or waiver by the Tender Offeror) of the Tender Offer Conditions, the Tender Offer is scheduled to commence on January 30, 2024.

In response, the Company requested the Special Committee to consider whether the opinion in the Report dated November 10, 2023 had changed, and to advise the Company's Board of Directors that if its previous opinion had not changed, it should so state, and if it had changed, it should state its revised opinion. The Special Committee has examined the Consultation Matters mentioned above. As a result of review of the above-mentioned Consultation Matters, the Company confirmed that there were no circumstances that required changes in the content of the Report dated November 10, 2023, taking into consideration the circumstances since November 10, 2023, until January 29, 2024, and on January 29, 2024, submitted the Report dated January 29, 2024 to the Company's Board of Directors to the effect that there is no change in the previous opinion.

On this basis, while respecting to the fullest extent the contents of the Report dated January 29, 2024 submitted by the Special Committee, and in light of the Company's business conditions and the environment surrounding the Transactions, the Company has once again carefully considered the various terms and conditions of the Tender Offer, and as of today, the Company has determined that there are no factors that would cause the Company to change its opinion regarding the Tender Offer as of November 10, 2023.

At a meeting of the Company's Board of Directors held today, the directors of the Company (7 out of 8 directors in total, excluding Mr. Hideaki Fukutake) unanimously resolved to express its opinion in support of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer and that the holders of the American Depositary Receipts tender their shares in the Tender Offer after having delivered the American Depositary Receipts to the Depository Bank in advance and having received delivery of the Company Shares represented by the American Depositary Receipts. All four auditors of the Company's Board of Directors were present at the above meeting of the Board of Directors, and all of the auditors present expressed that they had no objection to the adoption of the above resolution.

For details on the abovementioned resolution of the Company's Board of Directors on November 10, 2023 and today,

please see “(IV) Approval of All Directors of the Company without Conflicts of Interest and Opinion of No Objection of All Company Auditors without Conflicts of Interest” in “(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer” below.

(3) Matters Concerning Calculation

① Name of Calculation Agent and Relationship with the Company and Tender Offeror, Etc.

When expressing its opinion on the Tender Offer, the Company requested Daiwa Securities, its financial advisor and third-party calculation agent that is independent of the Company and the Tender Offeror, Etc., to calculate the value of the Shares and obtained the Share Valuation Report on November 9, 2023. As described in “(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer” below, based on the fact that the Company and the Tender Offeror, Etc. have taken measures to ensure the fairness of the Tender Offer Price and the Transactions, including the Tender Offer, and measures to avoid conflicts of interest (for details, please see “(6) Measures to Ensure Fairness of Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of Tender Offer”), the Company believes that the fairness of the Transactions, including the Tender Offer Price, is ensured, and therefore has not obtained an opinion from Daiwa Securities on the fairness of the Tender Offer Price (i.e. fairness opinion). The remuneration of Daiwa Securities for the Transactions includes a contingency fee to be paid on the condition such as that the Transactions are completed. Taking into consideration general practice in similar transactions and the merits and demerits of the remuneration system that would impose a reasonable monetary burden on the Company even if the Transactions are not consummated, the Company has determined that the inclusion of a contingency fee to be paid on the condition such as that the Transactions are completed does not negate the independence of Daiwa Securities and has appointed Daiwa Securities as the Company's financial advisor and third-party calculation agent in accordance with the above remuneration system.

At its first meeting, the Special Committee approved the financial advisor and third-party calculation agent appointed by the Company as the Company's financial advisor and third-party calculation agent, since there is no problem with their independence and expertise, and the Special Committee also confirmed that the Special Committee can receive professional advice from them as necessary.

② Summary of Calculation

The Company received the Share Valuation Report as of November 9, 2023.

After considering the calculation method for the Transactions, Daiwa Securities considered it appropriate to evaluate the value of Company Shares from multiple perspectives based on the assumption that the Company is a going concern, and calculated the per-share value of Company Shares by using the market price method, because Company Shares are listed on the Prime Market of the Tokyo Stock Exchange and a market price exists for them, the comparable multiple valuation method since there are several comparable listed companies that can be compared with the Company and it is possible to analogize the share value by comparing the market value of comparable listed companies, and the discounted cash flow (DCF) method, to reflect the future business activities of the Company in the calculation. The range of per share value of Company Shares calculated by Daiwa Securities based on the above methodology is as follows:

| | |
|--------------------------------------|------------------------|
| Market price method | JPY 1,782 to JPY 1,841 |
| Comparable multiple valuation method | JPY 1,487 to JPY 1,942 |
| DCF method | JPY 2,121 to JPY 2,965 |

Under the market price method, the per share value of Company Shares was calculated to range from JPY 1,782 to JPY 1,841 based on the closing price of JPY 1,791.5 of Company Shares on the Prime Market of the Tokyo Stock

Exchange on the calculation base date of November 9, JPY 1,782 the simple average closing price of Company Shares for the last one month, JPY 1,826 for the last three months, and JPY 1,841 for the last six months, with the calculation base date set at November 9, 2023.

Under the comparable multiple valuation method, a sum-of-the-parts analysis (“SoTP analysis”) was conducted to evaluate the value of the Company Group’s businesses by classifying them into the education business and the nursing care business. In the education business, Nagase Brothers Inc., Waseda Academy Co., Ltd., SPRIX Inc., Meiko Network Japan Co., Ltd., Step Ltd., Gakkyusha Co., Ltd., and Justsystems Corporation were selected as listed companies engaged in relatively similar businesses. In the nursing care business, Solast Corporation, Saint-Care Holding Corporation, and Charm Care Corporation were selected as listed companies engaged in relatively similar businesses. It is understood that the business value of Company was calculated by adding up the business value of each business using the multiple of EBITDA to business value for both the education business and the nursing care business, and the range of the per share value of Company Shares was calculated to be JPY 1,487 to JPY 1,942.

In the DCF method, the SoTP analysis was also conducted to evaluate the value of each financial projection for the education business and the nursing care business. Based on the earnings forecasts and investment plans in the business plan prepared by Company for the three fiscal years ending March 31, 2024 through March 31, 2026 (“Business Plan”), the business value of each business was calculated by discounting the free cash flows that Company is expected to generate after the third quarter of the fiscal year ending March 31, 2024 to present value using a certain discount rate for each business. The business value of the Company was calculated by adding up the business value of each business. Based on this calculation, the per share value of Company Shares ranges from JPY 2,121 to JPY 2,965. The discount rates are 6.4% to 7.2% for the education business and 7.6% to 8.2% for the nursing care business. The perpetual growth method is used to calculate the going value for both the education and nursing care businesses, with perpetual growth rates ranging from -0.5% to 0.5% for the education business and from 0.0% to 1.0% for the nursing care business.

The Business Plan, which Daiwa Securities used for the DCF method analysis, includes fiscal years in which a significant increase or decrease in profit is expected compared to the previous fiscal year. Specifically, free cash flows are expected to be temporarily negative in the third and fourth quarters of the fiscal year ending March 31, 2024 due to seasonal fluctuations such as increase in inventories in the education business, but are expected to turn positive in the fiscal year ending March 31, 2025. For the fiscal year ending March 31, 2026, the Company expects an increase in operating income and free cash flows primarily due to an increase in corporate revenue of Udemy in the education business, and an increase in operating income and free cash flows in the nursing care business due to an increase in the number of nursing care facility locations and recovery in occupancy rates as the effects of the COVID subsidy. With respect to the value-enhancing measures assumed by the Tender Offeror, Etc. following the completion of the Transactions, the Company does not identify any matters that would allow a quantitative assessment of the possibility of a material impact on the valuation at this time and, therefore, the Company does not include such matters in the following financial projections. Thus, the financial projections in the Business Plan are not necessarily based on the assumption that the Tender Offer will be completed.

The Company’s financial projections used in the DCF calculation are as follows. Since the facts set forth in the "Notice Concerning Revision of Consolidated Full-Year Earnings Forecasts" released by the Company today could not have been foreseen at the time the Tender Offer was announced, such revisions of the earnings forecast has not been included in the Company’s financial projections.

(In JPY million)

| Education Business | Year ending March 31, 2024 (six months) | Year ending March 31, 2025 | Year ending March 31, 2026 |
|--------------------|--|-------------------------------|-------------------------------|
| Sales revenue | 146,567 | 295,483 | 316,705 |
| Operating income | 4,124 | 12,012 | 16,996 |
| EBITDA | 10,286 | 23,731 | 28,643 |

| | | | |
|-----------------|--------|-------|--------|
| Free cash flows | △6,624 | 4,506 | 11,243 |
|-----------------|--------|-------|--------|

(In JPY million)

| Nursing Care Business | Year ending March 31, 2024 (six months) | Year ending March 31, 2025 | Year ending March 31, 2026 |
|-----------------------|--|-------------------------------|-------------------------------|
| Sales revenue | 73,321 | 152,721 | 164,789 |
| Operating income | 5,910 | 12,000 | 15,000 |
| EBITDA | 9,840 | 20,188 | 23,906 |
| Free cash flows | 4,042 | 3,258 | 7,502 |

The Company's Board of Directors believes that there have been no significant changes in the assumptions affecting the validity of the Share Valuation Report in light of the circumstances from the meeting of the Company's Board of Directors held on November 10, 2023 to the date hereof, and based on the advice received from Daiwa Securities and AMT, the Share Valuation Report remains valid.

③ Calculation Method by Tender Offeror

(i) Ordinary shares

It is understood that in determining the Offer Price, the Tender Offeror, Etc. conducted a multi-faceted and comprehensive analysis of the Company's business and financial condition based on financial information and other materials disclosed by the Company and the results of due diligence conducted on the Company from late July to late September 2023. In addition, in consideration of the fact that Company Shares are traded on a financial instruments exchange, it is understood that the Tender Offeror, Etc. referred to the closing price of Company Shares on the Prime Market of the Tokyo Stock Exchange on November 9, 2023 (JPY 1,791.5), the business day preceding the date of the announcement of the scheduled commencement of the Tender Offer (November 10, 2023), and the changes in the simple average of closing prices for the last one month (October 10, 2023 to November 9, 2023), the last three months (August 10, 2023 to November 9, 2023) and the last six months (May 10, 2023 to November 9, 2023) (JPY 1,782, JPY 1,826 and JPY 1,841).

The Tender Offeror, Etc. have determined the Tender Offer Price after comprehensive consideration of the likelihood of obtaining the Company's approval for the Tender Offer and the prospects of tendering shares in the Tender Offer, and after discussion and negotiation with the Company. It is understood that the Tender Offeror, Etc. has not obtained a share valuation report or fairness opinion from a third-party calculation agent.

It is understood that the Tender Offer Price of JPY 2,600 per share of Company Shares includes a premium of 45.13% on the closing price of JPY 1,791.5 of the Company Shares on the Prime Market of the Tokyo Stock Exchange on November 9, 2023, which is the business day preceding the announcement date of the scheduled commencement of the Tender Offer (November 10, 2023), a premium of 45.90% on the simple average closing price of JPY 1,782 for the past one month to November 9, 2023, a premium of 42.39% on the simple average closing price of JPY 1,826 for the past three months to November 9, 2023, and a premium of 41.23% on the simple average closing price of JPY 1,841 for the past six months to November 9, 2023.

(ii) American Depositary Receipt

With respect to the American Depositary Receipt, in consideration of the fact the American Depositary Receipts were issued with respect to Company Shares deposited with the Depositary Bank and that one share of American Depositary Receipts is equivalent to one share of Company Shares, it is understood that the Tender Offer Price for one share of the American Depositary Receipts will be JPY 2,600 which is the same amount as the Tender Offer Price per share of Company Shares for each one (1) share of the American Depositary Receipts.

(4) Likelihood of and Reasons for Delisting

As of today, the Company Shares are listed on the Prime Market of the Tokyo Stock Exchange. However, since the Tender Offeror has not set the maximum number of shares to be purchased in the Tender Offer, depending on the result of the Tender Offer, the Company Shares may be delisted through prescribed procedures in accordance with the delisting standards set out by the Tokyo Stock Exchange. In addition, even if the Company Shares do not fall under the delisting standards at the time of implementation of the Tender Offer, as described in “(5) Policy for Organizational Restructuring, Etc. after Tender Offer (Matters Regarding the So-called “Two-Step Acquisition”)” below, the Tender Offeror plans to implement the Squeeze-Out Procedure and in such case the Company Shares will be delisted through prescribed procedures in accordance with the delisting standards of the Tokyo Stock Exchange. It will not be possible to trade the Company Shares on the Prime Market of the Tokyo Stock Exchange after the delisting.

For the reasons for the purpose of delisting and the impact on minority shareholders and the position with respect thereto, please refer to “(II) Background, Purpose and Decision-making Process Leading to Tender Offeror’s Decision to Conduct Tender Offer” in “(2) Basis and Reason for Opinions” above and “(5) Policy for Organizational Restructuring, Etc. after Tender Offer (Matters Regarding the So-called “Two-Step Acquisition”)” below.

(5) Policy for Organizational Restructuring, etc. after Tender Offer (Matters Regarding the So-called “Two-Step Acquisition”)

As stated in “(I) Overview of Tender Offer” in “(2) Basis and Reason for Opinions” above, it is understood that the Tender Offeror plans to implement a series of procedures to make the Tender Offeror and Minamigata Holdings the only shareholders of the Company in the following manner after the consummation of the Tender Offer if the Tender Offeror fails to acquire the Company Shares (excluding, however, the treasury shares held by the Company and Non-Tendered Shares) and all of American Depositary Receipt in the Tender Offer.

During the period of the Tender Offer, it is understood that the Tender Offeror plans to request the Company to hold an extraordinary general meeting of shareholders (“EGM”) to include in the agenda a proposal to conduct the Share Consolidation and to partially amend the Articles of Incorporation to abolish the provisions for the number of shares constituting one unit of shares subject to the Share Consolidation becoming effective. The Tender Offeror believes that it is desirable to hold the EGM as early as possible from the viewpoint of enhancing the corporate value of the Company, and it is understood that it plans to request the Company to post a public notice setting the record date of the EGM so that the record date for the EGM will be a date close to the date after the commencement of settlement for the Tender Offer (As of today, it is scheduled for mid to late March 2024.). (Although it has not been determined as of today, it is understood that it is possible that a public announcement setting a record date will be made during Tender Offer Period.) It is understood that the Company plans to comply with such request if it receives such a request from the Tender Offeror. It is understood that as of today, the EGM is scheduled to be held in late April to mid May 2024. The Tender Offeror and Minamigata Holdings plan to vote in favor of each of the above proposals at the EGM.

If the proposal for the Share Consolidation is approved at the EGM, on the effective date of the Share Consolidation, the shareholders of the Company will own the number of Company Shares corresponding to the ratio of the Share Consolidation approved at the EGM. If a fraction of less than one share arises due to the Share Consolidation, the Company's shareholders who hold fractional shares will receive the amount of money that would be obtained by selling to the Company or the Tender Offeror the Company Shares equivalent to the total number of such fractional shares (if the total number includes a fraction of less than one share, such fraction shall be rounded down; the same shall apply hereinafter) in accordance with the procedures under Article 235 of the Companies Act and other relevant laws and regulations. With respect to the sale price of the Company Shares equivalent to the total number of such fractional shares, as a result of the sale, it is understood that the Tender Offeror intends to request the Company to file a petition with the court for permission of voluntary sale after calculating the amount of money to be paid to the Company's shareholders

who did not tender their Company Shares in the Tender Offer (excluding the Tender Offeror and Minamigata Holdings) so that it will be equal to the Tender Offer Price multiplied by the number of Company Shares owned by each such shareholders.

The ratio of the Share Consolidation has not yet been determined as of today, but it is understood that the Tender Offeror plans to request the Company to set the ratio so that the number of Company Shares owned by the shareholders who did not tender their Company Shares in the Tender Offer (excluding the Tender Offeror and Minamigata Holdings) will be a fraction of less than one share so that only the Tender Offeror and Minamigata Holdings will be able to own all of the Company Shares (excluding the treasury shares owned by the Company). However, if, prior to the effective date of the Share Consolidation, there exist shareholders of the Company other than the Tender Offeror or Minamigata Holdings who own the least number of Company Shares held by the Tender Offeror and Minamigata Holdings respectively (“Majority Shareholders”), it is understood that the Share Consolidation will be determined to result in a Company Share Consolidation Ratio such that only the Tender Offeror or Minamigata Holdings who own Company Shares more than the Company Shares held by the Majority Shareholder will own all the Company Shares (excluding treasury shares owned by the Company).

Since the Company Shares subject to the Share Consolidation include the Company Shares represented by the American Depositary Receipt and held by the Depositary Bank, if the above decision is made, the number of Company Shares held by the Depositary Bank after the Share Consolidation will also be a fraction less than one share. In such a case, according to the American Depositary Receipt Filing, the Depositary Bank is entitled to cancel the American Depositary Receipts in accordance with the provisions set forth in the American Depositary Receipt and deliver to each holder of the American Depositary Receipt the amount of money converted from the amount received by the Depositary Bank into U.S. dollars, less the amount of fees and taxes imposed thereon by the Depositary Bank, in accordance with the number of the American Depositary Receipt held by such holder.

As a provision to protect the rights of general shareholders of the Company in relation to the Share Consolidation, if a fraction of less than one share arises as a result of the Share Consolidation, the Company's shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and Minamigata Holdings but in the case where there is a Majority Shareholder as described above, this does not apply.) may, in accordance with the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations, demand that the Company purchase all of the fractional shares they own at a fair price and may file a petition with the court to determine the price of the Company Shares.

As described above, in the event of a Share Consolidation, the number of Company Shares owned by the Company's shareholders who did not tender their Company Shares in the Tender Offer (excluding the Tender Offeror and Minamigata Holdings but in the case where there is a Majority Shareholder as described above, this does not apply.) will be a fraction of less than one share so the Company's shareholders who oppose to the Share Consolidation will be able to file the above petition for pricing 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. If the abovementioned petition is filed, the purchase price will be ultimately determined by the court.

Holders of the American Depositary Receipts who wish to make a request for the purchase of shares and a petition for pricing must surrender their American Depositary Receipts to the Depositary Bank, receive delivery of the Company Shares deposited with the Depositary Bank, and then make a request for the purchase of shares and a petition for pricing pursuant to Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations.

The implementation of the procedures mentioned above may take time and the method of the procedures is subject to change depending on the status of revision, enforcement, interpretation by the authorities with respect to relevant laws and regulations. However, even in such case, if the Tender Offer is consummated, it is understood that the Company intends to adopt a method wherein the Company's shareholders who did not tender their Company Shares in the Tender Offer (excluding the Tender Offeror and Minamigata Holdings but in the case where there is Majority Shareholder as

described above, this does not apply.) will ultimately be paid and the amount of money to be paid to the Company shareholders in such case will be calculated so that it will be equal to the Tender Offer Price multiplied by the number of Company Shares owned by such shareholders. In such case, the amount of money represented by the American Depositary Receipt and delivered to the Depository Bank with respect to Company Shares held by the Depository Bank will be the same, and according to the American Depositary Receipt Filing, the Depository Bank is entitled to cancel the American Depositary Receipts in accordance with the provisions set forth in the American Depositary Receipt and deliver to each holder of the American Depositary Receipt the amount of money converted from the amount received by the Depository Bank into U.S. dollars, less the amount of fees and taxes imposed thereon by the Depository Bank, in accordance with the number of the American Depositary Receipt held by such holder.

The specific procedures in above case, the timing of the implementation and other relevant matters will be promptly announced by the Company as soon as they are determined upon discussion with the Tender Offeror.

The Tender Offer is in no way intended to solicit the approval of the Company's shareholders at the EGM. Additionally, we ask the Company's shareholders to consult their tax experts at their own responsibility with respect to the tax treatment when they tender their Shares in the Tender Offer or take the abovementioned procedures.

In accordance with the above procedures, with respect to the annual general meeting of shareholders of the Company to be held in or after June 2024 ("AGM"), by completing the Squeeze-Out Procedures prior to the AGM and following procedures such as amending the articles of incorporation, the Tender Offeror and Minamigata Holdings will be the only shareholders who may exercise their voting rights at AGM. Therefore, there is a possibility that even shareholders listed or recorded in the Company's shareholder registry as of March 31, 2024, may not be able to exercise their rights at this AGM.

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

The Company and the Tender Offeror, Etc. have respectively taken the measures set forth in i to vii below in order to ensure the fairness of the Transactions including the Tender Offer from the viewpoint of ensuring the fairness of the Tender Offer Price, eliminating arbitrariness in the decision-making process leading to the decision to conduct the Tender Offer and avoiding conflicts of interest based on the fact that the Tender Offer is conducted as a part of the Transactions for a so-called management buyout (MBO) and may give rise to a situation of structural conflict of interest. It is understood that the Tender Offeror, Etc. have not set the minimum planned purchase quantity corresponding to the so-called "Majority of Minority" from the idea that, if such minimum planned purchase quantity is set, there is a possibility that the completion of the Tender Offer may become unstable and may not contribute to the benefit of general shareholders of the Company who wish to tender their Company Shares in the Tender Offer. However, the Tender Offeror, Etc. and the Company consider that due consideration is given to the interests the Company's general shareholders since they have taken the following measures.

Furthermore, the measures taken by the Tender Offeror, Etc. in the following descriptions are based on the explanations received from the Tender Offeror, Etc.

(I) Establishment of Independent Special Committee at the Company and Obtainment of Reports from the Special Committee

(i) Background of the establishment, etc.

Taking into account that the Tender Offer is implemented as a part of the Transactions for a so-called management buyout (MBO) and there is an issue of structural conflict of interest, in order to be careful about the decision-making of the Company and from the viewpoint of eliminating arbitrariness and the risk of conflicts of interest from, and securing the fairness of the decision-making process of the Company's Board of Directors, in early June 2023, the Company has established a Special Committee comprised by members who are independent

of any of the Company, the Tender Offeror Etc., and the success or failure of the Transactions (Mr. Mutsuo Iwai (independent outside director), Ms. Yumiko Noda (independent outside director), Mr. Kohey Takashima (independent outside director), Mr. Masaru Onishi (independent outside director), Mr. Eiichi Izumo (independent outside company auditor), and Ms. Miyuki Ishiguro (independent outside company auditor) are appointed as members of the Special Committee.) Members of the Special Committee have not changed since its establishment. Members of the Special Committee shall be paid a fixed amount of compensation as the consideration for his or her duties regardless of the contents of his or her report, and the Company does not adopt a success fee as such consideration.

The Company consulted the Special Committee on (i) whether the purpose of the Transactions including the Tender Offer is considered to be reasonable (including whether the Transactions will contribute to the enhancement of the Company's corporate value), (ii) whether the fairness of the procedures for the Transactions including the Tender Offer is ensured, (iii) whether the appropriateness of the terms and conditions of the Transactions is ensured, (iv) whether the decision to implement the Transactions (including expressing opinion regarding the Tender Offer) is disadvantageous to the minority shareholders of the Company, and (v) whether the Company's Board of Directors should express its opinion in favor of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer and also recommend that the holders of the American Depositary Receipts receive in advance delivery of the Company's ordinary shares concerning their American Depositary Receipts and tender them in the Tender Offer (collectively, "Consultation Matters") and delegated the Special Committee to submit the Report dated November 10, 2023 regarding the Consultation Matters to the Company.

The Company's Board of Directors resolved that the decision of its Board of Directors in connection with the implementation of the Transactions shall be made with the utmost respect for the judgment of the Special Committee based on the abovementioned delegation, and that if the Special Committee judges the terms and conditions of the Transactions to be inappropriate, the Company's Board of Directors will establish a Special Committee on the assumption that it will not approve the Transactions under such terms and conditions. Moreover, the Company's Board of Directors resolved to grant the Special Committee the authorities: (i) to be substantially involved in the process of negotiations conducted by the Company with the Tender Offeror, Etc. on the terms and conditions of the Transactions (including receiving reports on a timely basis from the Company's officers and employees or the Company's advisors, etc. on the status of their negotiations with the Tender Offeror, Etc., and expressing opinions and providing instructions or requests at the important phase) to secure fairness in the status of negotiations between the Company and the Tender Offeror, (ii) to consider the extent of the measure to ensure fairness that should be taken for the Transactions and to express opinions and make suggestions as necessary, (iii) to approve (including ex post approval) financial or legal advisors of the Company and receive professional advice from such advisors as necessary upon making reports on the Consultation Matters or to appoint the Special Committee's own financial or legal advisors (in this case, the Company will bear the cost therefor) and receive professional advice from such advisors, and (iv) as necessary, to receive information necessary for the consideration and judgment of the Transactions from officers and employees of the Company upon making reports on the Consultation Matters.

(ii) Background of the consideration

The Special Committee met a total of 18 times for a period between June 9, 2023 and November 10, 2023, and carefully discussed and considered the Consultation Matters. Specifically, the Special Committee first approved on June 9, 2023, the appointment of Daiwa Securities, the Company's financial advisor and third-party calculation agent, and AMT, the Company's legal advisor, after confirming that there were no problems with their independence and expertise. Furthermore, the Special Committee has confirmed that there were no problems with the review system for the Transactions established within the Company (including the scope and duties of its officers and employees involved in the consideration, negotiation and judgment regarding the Transactions) from

the perspective of independence and fairness. On that basis, the Special Committee, upon discussing the Consultation Matters, received explanations from the Company on the business environment of the Company, the purpose of the Transactions proposed by the Tender Offeror, Etc., the impact of the Transactions on the Company's business, and other matters, and exchanged questions and answers regarding these points. In addition, the Special Committee asked questions to the Tender Offeror, Etc. about the purpose and background of the Transactions, the management policy after implementation of the Transactions, and other matters, and received a written answer from the Tender Offeror, Etc. The Special Committee received explanations from the Company on the latest operating results and the details of the Business Plan, and exchanged questions and answers regarding these points. Furthermore, the Special Committee received explanations on the calculation results of the Company Shares from Daiwa Securities, a third-party calculation agent and exchanged questions and answers. In addition, the Special Committee received on a timely basis explanations from the Company on the status of the negotiations with the Tender Offeror, Etc. regarding the tender offer price, and had a question-and-answer session. Furthermore, the Special Committee received from AMT, its legal advisor, explanations on the details of the measures to be taken to ensure fairness of the procedures of the Transactions as well as the method and process of the decision-making of the Company's Board of Directors regarding the Transactions and other measures to be taken to avoid conflicts of interest, and had a question-and-answer session regarding these respects.

Furthermore, as stated in "(ii) Background of Consideration and Negotiation" in "(IV) Decision-making Process Leading to the Company's Decision to Support Tender Offer and Reason Therefor" in "(2) Basis and Reason for Opinions" above, since the Special Committee had received a First Proposal in writing from the Tender Offeror, Etc. on September 30, 2023 that the Tender Offer Price per Company Share is to be JPY 2,300 and the Tender Offer Price per American Depositary Receipt is to be JPY 2,300, the Special Committee received reports from the Company on a timely basis regarding the details of every proposal and contact with respect to the price, every time the Company had received it from the Tender Offeror, Etc., and has been substantially involved in the overall consultations and negotiations with the Tender Offeror, Etc. on the terms and conditions of the transactions including the Tender Offer Price through hearing of the Company's opinion which is based on the advice on a financial perspective from Daiwa Securities, the Company's financial advisor, and deliberations and considerations on the content and, at the important phase, expressing opinion on the terms and conditions of the Transactions including the Tender Offer Price. Consequently, on November 1, 2023, the Company received from the Tender Offeror, Etc. the Final Proposal stating that the Tender Offer Price per Company Share is to be JPY 2,600 and the Tender Offer Price per American Depositary Receipt is to be JPY 2,600.

(iii) Details of the judgment

The Special Committee carefully discussed and considered the Consultation Matters based on the contents of the above-mentioned research, consultations, and consideration, and also based on the explanations given by Daiwa Securities, the Company's financial advisor, at the Company's request and on the contents of the legal advice it had received from AMT, and consequently submitted the Report dated November 10, 2023 with the following contents to the Company's Board of Directors, on November 10, 2023, with the unanimous consent of all members:

(a) Details of the report

- (A) It is found that the purpose of the Transactions including the Tender Offer is reasonable (The Transactions will contribute to the enhancement of the Company's corporate value.).
- (B) It is found that the fairness of the procedures for the Transactions including the Tender Offer is ensured.
- (C) It is found that appropriateness of the terms and conditions of the Transactions is ensured.
- (D) Based on (A) to (C) above, it is found that the determination to implement the Transactions (including expressing opinion regarding the Tender Offer) is not disadvantageous to the minority shareholders of the Company.

(E) Based on (A) to (D) above, it is reasonable that the Company's Board of Directors express its opinion in favor of the Tender Offer at this time and recommend that the Company's shareholders tender their shares in the Tender Offer and recommend that the holders of the American Depositary Receipts receive delivery of the Company's ordinary shares concerning their American Depositary Receipts in advance and tender their shares in the Tender Offer.

(b) Reasons for the report

(A) Whether the purpose of the Transactions including the Tender Offer is considered to be reasonable (including whether the Transactions will contribute to the enhancement of the Company's corporate value).

Based on the following points, enhancement of the corporate value envisaged under the Transactions is not found to be unreasonable and no major inconsistency or discrepancy is found between the expectations of the Tender Offeror, Etc. and those of the Company, and it is found that implementation of the Transactions contributes to the solution of the management issues recognized by the Company. Thus, the Transactions including the Tender Offer contribute to the enhancement of the Company's corporate value, and it is found that their purpose is legitimate and reasonable.

- According to the Company, in May 2023, the Company established Transformation Business Plan by brushing up the Medium-Term Management Plan. It is understood that the Transformation Business Plan aims to achieve sustainable growth through the realization of a profit structure with three pillars of earnings - Core Education, Core Nursing Care, and New Fields through working to solve social issues with a focus on people and transforming the Group and its portfolio structure. It is understood that we believe that in order to enhance the medium- to long-term corporate value of the Company in a business environment that is expected to undergo significant changes in the future, it would be beneficial to utilize external management resources in addition to our own management efforts. In addition, while the Company Shares are listed, it is necessary to be aware of the impact of short-term performance fluctuations on the stock market, which means that it is a highly challenging task to simultaneously and quickly implement medium- and long-term management strategies while pursuing short-term performance at the same time. Under these circumstances, it is understood that it will be possible to implement management measures in a agile and steady manner by utilizing EQT's network and know-how, and by privatizing the Company Shares through the Transactions and enabling EQT to invest its management resources in the Company Group. It is understood that the Company has come to the conclusion that the Tender Offer will, through these efforts, contribute to the realization of the Transformation Business Plan and further enhancement of the Company's corporate value. In general terms, the utilization of external management resources and delisting as part of strategies for the resolution of such management issues can be considered to contribute to the enhancement of the Company's corporate value.
- According to the Tender Offeror, Etc, the increases in the Company's corporate value expected by the Tender Offeror, Etc. as a result of the Transactions can be summarized as follows: (i) The Company will continue to provide high-quality services to a wide range of customers in both the education and nursing care businesses as it has been undertaking, and will strengthen its competitiveness and aim to develop and expand new businesses, while enabling it to provide higher value to existing customers, by utilizing the digital knowledge and know-how of the industry advisors that EQT retains, the provision of human resources utilizing EQT's network, and EQT's experience in portfolio companies; (ii) Over the medium to long term, the Company will also develop education for people with disabilities, minorities, and alternative education and the like, with the aim of realizing a global platform of the Tender Offeror, Etc. that provides "Well-being" to all generations around the world; (iii) In addition to the realization of business expansion through domestic M&As and global expansion through overseas M&As, the

Company will focus on its overseas businesses in China, India, and other countries and realize specific business alliances with the companies in EQT's portfolio.

- The Company, through the Transactions, expects to increase its corporate value including the synergies of the following: (i) to promote digitization and improve operational efficiency in the education business, and create new education services tailored to the diversifying needs of customers by utilizing EQT's know-how and also collaborating globally with the businesses of the companies in which EQT invests while also utilizing the data held by the Company; (ii) to utilize EQT's overseas know-how and network to expand and upgrade the overseas business activities in China and India and create value through business alliances with EQT's investee companies, as well as business expansion in adjacent markets in Asia and expansion into new regions through large-scale M&As; and (iii) to be able to expect full support for M&A for the Company's medium to long term growth by utilizing the knowledge, network and resources of EQT which is specialized in supporting acquisitions of investee companies. The details of the above envisaged increase in corporate value have no major inconsistencies or points clearly contrary to objective facts and are generally consistent and reasonable, although concrete measures to realize such increase will need to be worked out in the future.
- According to the Tender Offeror, Etc. and the Company, in order to implement the abovementioned measures in a timely manner in response to the rapid changes in the business environment surrounding the Company Group, it is inevitable for the Company to promptly establish a decision making structure and improve its management flexibility. By privatizing the Company Shares after the implementation of the Transactions, it is understood that the Company will be able to establish a management structure that enables flexible decision making and to raise the speed of business development. While the Company has not denied large-scale M&As with other partners that fit into its strategy, or even de-listing as a further development thereof, the Company stated that the discussions have not progressed since no partner that sympathizes with the Company's business philosophy has appeared. In the course of discussions following the receipt of the proposal from the Tender Offeror, Etc. regarding the Transactions, it is understood that the Company has concluded that the Tender Offeror, Etc. understand the management philosophy of the Company and that EQT has also agreed with such management philosophy. In addition, rather than implementing structural reform while maintaining the listing of the Company Shares, by privatizing the Company Shares, more fundamental investment may be promoted without being required pursuit of return from stock market. Furthermore, the Company considers that the Tender Offer will contribute to achieving the Transformation Business Plan by utilizing new management resources, etc. such as EQT's network, globalizing the Company's organizational structure, and actively promoting M&A with a sense of speed. In view of the above, it cannot be said that it is unreasonable to judge that the Company aims to enhance its corporate value through the Transactions, utilizing the management resources of EQT and other resources as appropriate, based on the proposal from the Tender Offeror, Etc., on the basis of the understanding and sympathy of the Tender Offeror, Etc. for the Company's management philosophy, and not by other means, such as bold business transformation while maintaining the listing, or de-listing through M&A with other partners.
- According to the Tender Offeror, Etc., (i) even after the Transaction, the Company will continue to employ its current employees as is and improve treatment of employees and expand incentive programs so that employees are rewarded; (ii) although EQT is a foreign fund, it is expected that the Company's officers and employees will continue to conduct business in the field of education and nursing care, and the Company's daily operations and relationships with customers, business partners, and other stakeholders will remain the same as before the Transactions, and the Company expects to continue the brand it has built up until now. Therefore, the Tender Offeror, Etc. do not expect that the implementation of the

Transactions will damage the reputation of the brand or services of the Company, and they do not expect any negative impact on the Company's customers or business partners; and (iii) they expect that the domestic school education and nursing care business customers will understand and agree to the fact that EQT, a foreign fund originating from Northern Europe, becomes a major shareholder, if they carefully explain that EQT shares a vision with the founding family, and they consider that the risk that, the value of the school education business and the nursing care business of the Company may be damaged in relation to customers, etc. by EQT becoming a shareholder of the Company through the Transactions, is small. Therefore, there is no particular circumstance considered to be a material impediment to the enhancement of the Company's corporate value through the Transactions.

(B) Whether the fairness of the procedures for the Transactions including the Tender Offer is ensured.

In light of the following points, it is concluded that the fairness of the procedures relating to the Transactions, including the Tender Offer, is ensured because it is found that (i) a situation which is practically equivalent to that of arm's length transaction is secured in the process of forming the terms and conditions of the Transactions, and (ii) substantial fairness measures are adopted and operated effectively from the viewpoint of securing opportunities for general shareholders to make appropriate decisions based on sufficient information. According to the Tender Offeror, Etc., the minimum number of shares to be purchased in the Tender Offer is expected to be the number of voting rights pertaining to the number of shares obtained by deducting the treasury shares the Company owns from the total number of issued shares of the Company multiplied by $2/3$, and deducting the number of voting rights pertaining to the Non-Tendered Shares multiplied by the number of share units (100 shares) of the Company. It is understood that they have not set the minimum planned purchase quantity corresponding to the majority of the Company Shares held by the shareholders of the Company who do not have an interest in the Tender Offeror, Etc., the so-called "Majority of Minority", from the idea that, if such minimum planned purchase quantity is set, there is a possibility that the completion of the Tender Offer may become unstable and may not contribute to the benefit of general shareholders of the Company who wish to tender their Company Shares in the Tender Offer. However, since the Tender Offeror, Etc. and the Company have taken the following measures, it can be said that sufficient consideration has been given to the interests of the Company's general shareholders.

- The Company has established a Special Committee consisting of independent outside directors and independent outside company auditors who are independent of the Tender Offeror, Etc., the Company, and the success or failure of the Transactions. Also judging from the timing of establishment, authority, etc. of the Special Committee, it is found that it effectively functions as a fairness measure.
- In the Company, Hideaki Fukutake, a director, will not participate in the resolution to express an opinion on the Tender Offer since he is considered to have a special interest in the Transactions, and it is expected that the resolution will be made by all directors except for Hideaki Fukutake. According to the Company's press release, the Company's Board of Directors will, by a unanimous vote of all seven (7) directors participating in the resolution, pass a resolution to express an opinion in support of the Tender Offer and recommend the shareholders and the holders of the American Depositary Receipts to tender their shares, and all four (4) company auditors will express their opinions to the effect that they have no objection to the above resolution. In addition, while the Company has decided to establish the Special Committee and obtain its opinion, considering that the Company's Board of Directors makes decisions regarding the Transactions with the utmost respect for the Special Committee's judgment and that it was also resolved that the Company's Board of Directors will not approve the Transactions if the Special Committee decides that the terms and conditions of the Transaction are not appropriate, arbitrariness in the decision-making of the Company with respect to the Transactions has been eliminated and the fairness, transparency and

objectivity of the decision-making process have been secured.

- The Company has received legal advice from AMT, a legal advisor independent of the Tender Offeror, Etc., the Company and the success or failure of the Transactions.
- The Company has obtained from Daiwa Securities, a third-party calculation agent independent of the Tender Offeror, Etc., the Company, and the success or failure of the Transactions, the Share Valuation Report as a material in relation to the share value of the Company Shares.
- Although the purchase period of the Tender Offer is expected to be set at 23 business days, the Tender Offer is a so-called pre-announced tender offer which will allow a relatively long period of time until the commencement of the Tender Offer after the announcement of the series of terms and conditions including the Tender Offer Price. Accordingly, the shareholders of the Company and the holders of the American Depositary Receipts have been provided with an opportunity to make an appropriate decision regarding the tendering in the Tender Offer. In addition, it is found that counterbidders have been provided with an opportunity to make an acquisition proposal, and the Company and the Tender Offeror, Etc. will not enter into any agreement which would unduly restrict the Company's contact, etc. with counterbidders. Therefore, it is recognized that so-called indirect market checks are made by conducting M&As after the announcement after creating an environment where other potential acquirers can make counterproposals.
- In connection with the Transactions, each press release will include a full disclosure of information such as the details of the authority granted to the Special Committee, the particulars of the Special Committee's deliberations and involvement of the Tender Offeror, Etc. in the negotiation process for the terms and conditions of the transactions, the contents of the Report dated November 10, 2023 and the remuneration structure of the members of the Special Committee, the outline of the Share Valuation Report, and the process and negotiation process leading to the implementation of the Transactions. Thus, it is found that important materials for judgment that contribute to judgment regarding the appropriateness of the terms and conditions of the transactions have been provided to the shareholders, etc. of the Company.
- In the event that the Tender Offeror, Etc. do not acquire all of the Company Shares and the American Depositary Receipts in the Tender Offer, the Tender Offeror, Etc. intend to implement the Squeeze-Out Procedure by way of share consolidation. In light of the fact that, in these procedures, consideration is given to avoid any situation where the shareholders of the Company and the holders of the American Depositary Receipts are expected to be treated unfavorably, it is recognized that consideration has been given to avoid any coerciveness.

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

Based on the following points, the Tender Offer Price is found to be appropriate assuming the appropriateness of the negotiation and scheme of the Transactions, and it is found that the appropriateness of the terms and conditions of the Transactions including the Tender Offer is ensured.

- With respect to the negotiation status of the Tender Offer Price, the Tender Offer Price (JPY 2,600 per share) was based on the initial offer price (JPY 2,300 per share) of the Tender Offeror, Etc. and the results of the provisional share valuation by Daiwa Securities, and also considering a request of the Special Committee for an increase in the purchase price based on the deliberations and discussions at the Special Committee and the Company having conducted negotiations with the Tender Offeror, Etc. while receiving advice from Daiwa Securities, as a result of which the Company obtained from the Tender Offeror, Etc. 4 proposals to increase the purchase price and reached a final agreement. The circumstance of the series of negotiations was shared with and explained to the Special Committee by the Company and Daiwa Securities in a timely manner when a Special Committee meeting was held or by email. As a result, the final Tender Offer Price has been substantially increased from the price initially quoted by the Tender

Offeror, Etc. and it is found that the Company has held negotiations with the intention of effecting the Transactions on terms and conditions as comprehensible and as favorable to the general shareholders as possible. Based on the above, it is presumed that the agreement on the Tender Offer Price in the Transactions was reached as a result of negotiations between the Company and the Tender Offeror, Etc., based on objective and consistent discussions which are substantially equivalent to those at arm's length, and there are no circumstances which raise doubts about the transparency and fairness of the agreement process.

- The Business Plan has been prepared on a standalone basis without assuming the implementation of the Transactions, and since there was no change in the preparation process prior to and after the receipt of the Initial Statement of Intent dated May 22, 2023, which can be referred to as a serious proposal in respect of the Transactions, which was under review and preparation by the Company, there does not seem to be any fact that the Tender Offeror, Etc. or their related persons were involved in or had influence on the preparation of the Business Plan. Furthermore, although the Company has provided certain explanations to the Tender Offeror, Etc. regarding in the negotiations with them, there is no fact that the Business Plan was established or revised according to the instructions of or considering the intention of the Tender Offeror, Etc. In addition, although the Company provided the Special Committee with an opportunity to explain the basis of the Business Plan and questions and answers were exchanged, there were no circumstances requiring amendment of the Business Plan or any other circumstances raising doubt about the reasonableness of the Business Plan. In view of the foregoing, there is no fact that pressure on the part of the Tender Offeror, Etc. was involved in the process of establishing the Business Plan and the contents thereof is not found to be an unreasonable estimate.
- With regard to the Share Valuation Report, according to the interviews with Daiwa Securities, it was evaluated that there were no unreasonable points concerning the choice of the market price method, the comparable multiple valuation method, and the DCF method, as well as the respective calculation methods and bases. On the basis of the foregoing, the Tender Offer Price of JPY 2,600 per share is found (i) to exceed the result of the calculation using the market price method, (ii) to exceed the result of the calculation using the comparable multiple valuation method, and (iii) to be within the range of the result of the calculation using the DCF method of Daiwa Securities and to exceed the median price. Furthermore, while the Tender Offer Price of JPY 2,600 per share is with a premium of 41.23% to 45.90% against the closing price of the Company Shares on the Tokyo Stock Exchange until November 10, 2023 (The closing price on the preceding business day and the average closing price for the past one (1) month, the past three (3) months, and the past six (6) months on the same day), considering the interviews with Daiwa Securities, it is found that a premium of a level that is comparable to other similar transactions is secured under the Tender Offer.
- The method of conducting a tender offer in the first step and a share consolidation in the second step is the method generally employed in these types of privatization transactions, and, in the second step, it is possible to file an application for pricing to the court after exercising appraisal rights. Since the consideration to be received by the shareholders and the holders of the American Depositary Receipts consists of cash, the method of the Transactions is considered to be desirable in that it is easy to understand the consideration and that the value is highly stable and objective. The method is also particularly preferable to a reorganization such as a share exchange in exchange for shares, etc., from the standpoint of simultaneously fulfilling the request that the Company promptly be made a wholly-owned subsidiary and ensuring an opportunity and time for the general shareholders, etc. to make appropriate judgment based on sufficient information. It is also clarified that upon implementing a share consolidation, the amount to be delivered as consideration to the shareholders of the Company shall be calculated to be equal

to the price obtained by multiplying the Tender Offer Price by the number of the Company Shares owned by each shareholder. If any money is to be delivered to the Depositary Bank, it is expected that the delivered amount will be the amount calculated by multiplying the Tender Offer Price by the number of the Company Shares owned by the Depositary Bank. It is also clarified that, after release of the American Depositary Receipts in accordance with the terms and conditions set forth therein, the Depositary Bank shall be entitled to deliver to each holder of American Depositary Receipts an amount of money calculated by deducting from the amount the Depositary Bank received converted into U.S. dollars the fees of the Depositary Bank and taxes, etc., in accordance with the number of American Depositary Receipts owned by it. Based on the above, it is reasonable that the two-step acquisition method with a tender offer is adopted as the acquisition method and that the purchase price will be in cash.

(D) Whether the decision to implement the Transactions (including expressing opinion regarding the Tender Offer) is disadvantageous to the minority shareholders of the Company

Considering that there is no problem with any of (A) to (C) above, it is found that implementation of the Transactions is not disadvantageous to the minority shareholders of the Company.

(E) Whether the Company's Board of Directors should express its opinion in favor of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer and recommend that the holders of the American Depositary Receipts receive delivery of ordinary shares of the Company concerning their American Depositary Receipts in advance and tender their shares in the Tender Offer

Considering that there is no problem with any of (A) to (D) above, it is reasonable that the Company's Board of Directors express its opinion in favor of the Tender Offer at the time of announcement of commencement of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer and recommend that the holders of the American Depositary Receipts deliver their American Depositary Receipts to the Depositary Bank in advance and receive delivery of the Company Shares concerning their American Depositary Receipts and tender the Company Shares in the Tender Offer.

On January 22, 2024, the Company received a notice from the Tender Offeror, Etc. that (i) the procedures and responses required under the competition laws of China and the Foreign Exchange and Foreign Trade Law in Japan had been completed and the procedures and responses required under the competition laws of Japan is scheduled to be completed during the Tender Offer Period and (ii) subject to the fulfillment (or waiver by the Tender Offeror) of the Tender Offer Conditions, the Tender Offer is scheduled to commence on January 30, 2024.

In response, the Company requested the Special Committee to consider whether the opinion in the Report dated November 10, 2023 had changed, and to advise the Company's Board of Directors that if its previous opinion had not changed, it should so state, and if it had changed, it should state its revised opinion. The Special Committee has confirmed the facts regarding whether or not there have been any material changes in circumstances affecting the Transactions since November 10, 2023. The Special Committee has also examined the Consultation Matters mentioned above by sending the Tender Offeror, Etc. a questionnaire describing questions on matters such as the prospects they have on the consummation of the Tender Offer in light of the situation where the market price of the Company Shares has remained at a level above the Tender Offer Price and whether or not they intend to increase the Tender Offer Price and requesting them to give answers on such questions.

In this regard, the Special Committee has determined that the Tender Offer with a tender offer price of 2,600 yen per share will continue to provide the minority shareholders of the Company with an opportunity to sell the Company Shares at a price with an appropriate premium in consideration of the fact that, although the market price of the Company Shares after the announcement of the Transaction has remained at a level slightly higher than the Tender Offer Price, it is

estimated that the price was formed by the influence of various expectations about the Transaction based on the existence of the Transaction such as the counterproposals which have not actually been made at present and the expectation that the Tender Offeror, Etc. will raise the Tender Offer Price in order to consummate the Tender Offer as a result of the increase in the market share price, and the fact that no substantial changes have occurred in the business and performance of the Company in the medium to long term regardless of such trend in share price and the fact that there has been no material change in other events relating to the Company in comparison to the circumstances at the time of the announcement of the Tender Offer, and the fact that the Tender Offer provides all minority shareholders with an opportunity to sell their shares outside the market at the same price without being influenced by share prices or trading volume in the market, in addition to the reason for judging that the appropriateness of the terms and conditions of the Transaction, including the Tender Offer Price, is ensured from the perspective of protecting the interests of the minority shareholders of the Company in the abovementioned Report dated November 10, 2023.

With regard to the calculation of the share value of the Company Shares, in light of the fact that the Company and Daiwa Securities believe that, after considering the circumstances from November 10, 2023 to today, there were no significant changes to the facts underlying the assumptions that affect the validity of the Share Value Report, the Special Committee determined that the Share Value Report remains valid and that there is no need to change the content of the Report dated November 10, 2023 which are based on the results of the Share Value Report.

After going through such review, the Special Committee confirmed that there were no circumstances that required changes in the content of the Report dated November 10, 2023, taking into consideration the circumstances since November 10, 2023, until January 29, 2024, and on January 29, 2024, submitted the Report dated January 29, 2024 to the Company's Board of Directors to the effect that there is no change in the previous opinion.

(II) Obtainment of Share Valuation Report from the Company's Independent Third-party Calculation Agent

In order to ensure fairness in the process of the decision-making for the Tender Offer Price offered by the Tender Offeror, Etc., the Company requested Daiwa Securities, a financial advisor and a third-party calculation agent independent of the Tender Offeror, Etc., to assess the valuation of the Company Shares and obtained the Share Valuation Report from Daiwa Securities as of November 9, 2023. Daiwa Securities does not fall under the category of related party of the Company or the Tender Offeror, Etc. and does not have any material interests in the Transactions that should be described. The remuneration of Daiwa Securities for the Transactions includes a contingency fee to be paid on the condition such as that the Transactions are completed. Taking into consideration general practice in similar transactions and the merits and demerits of the remuneration system that would impose a reasonable monetary burden on the Company even if the Transactions are not consummated, the Company has determined that the inclusion of a contingency fee to be paid on the condition such as that the Transactions are completed does not negate the independence of Daiwa Securities and has appointed Daiwa Securities as the Company's financial advisor and third-party calculation agent in accordance with the above remuneration system. The Special Committee has also confirmed that Daiwa Securities has no problems with its independence.

For a summary of the Share Valuation Report, please see “(II) Summary of Calculation” in “(3) Matters Concerning Calculation.”

(III) Advice from Independent Law Firm at the Company

In order to ensure the fairness and appropriateness in the decision-making process of the Company's Board of Directors regarding the Tender Offer, the Company has appointed AMT as its legal advisor independent of the Company and the Tender Offeror, Etc., has received necessary legal advice regarding the method and process of decision-making by Company's Board of Directors, including the procedures for the Transactions, and other points to be noted. AMT is not a related party of the Company or the Tender Offeror, Etc. and has no material interests in the Transactions that should be described. The remuneration of AMT for the Transactions will be, regardless of the success or failure of the Transactions,

calculated by multiplying the working hours by the hourly rate for performance of services, and does not include a contingency fee to be paid on the condition such that the Transactions are completed. The Special Committee has also confirmed that there are no problems with the independence of AMT.

(IV) Approval of All Directors of the Company without Conflicts of Interest and Opinion of No Objection of All Company Auditors without Conflicts of Interest

Taking into account the legal advice provided by AMT, the contents of the Share Valuation Report obtained from Daiwa Securities as of November 9, 2023, and with the utmost respect for the contents of the Report dated November 10, 2023 submitted from the Special Committee, the Company carefully discussed as to whether the Company may enhance its corporate value through the Transactions and whether the Transactions implemented through fair procedures ensure the benefits to be enjoyed by the minority shareholders.

Consequently, as stated in “(IV) Decision-making Process Leading to the Company’s Decision to Support Tender Offer and Reason Therefor” in “(2) Basis and Reason for Opinions”, the Company, at the meeting of its Board of Directors held on November 10, 2023, expressed the Company’s opinion at that time in support of the Tender Offer by unanimous vote of the Directors of the Company who participated in the deliberations and the resolution (7 Directors of the Company (all 8 Directors of the Company except Mr. Hideaki Fukutake)), and resolved to recommend that the Company’s shareholders tender their shares in the Tender Offer and the holders of the American Depositary Receipts deliver their American Depositary Receipts to the Depository Bank in advance and receive delivery of the Company Shares concerning their American Depositary Receipts and tender the Company Shares in the Tender Offer. All 4 company auditors of the Company were present at the said meeting of the Company’s Board of Directors and all the company auditors who were present expressed their opinions that they have no objection to the abovementioned resolution.

Accordingly, the Company also resolved at the above meeting that it will request the Special Committee established by the Company to consider whether or not there has been any change to the Special Committee’s opinion in the Report submitted to the Company’s Board of Directors as of November 10, 2023, and if there hasn’t been any change, that the Special Committee will make a statement to the Company’s Board of Directors to that effect or, if any change has been made to its previous opinion, the Special Committee will state its opinion on the Tender Offer again at the time of commencement of the Tender Offer.

On January 22, 2024, the Company received a notice from the Tender Offeror, Etc. that (i) the procedures and responses required under the competition laws of Japan and China and the Foreign Exchange and Foreign Trade Law in Japan had been completed and the procedures and responses required under the competition laws of Japan is scheduled to be completed during the Tender Offer Period and (ii) subject to the fulfillment (or waiver by the Tender Offeror) of the Tender Offer Conditions, the Tender Offer is scheduled to commence on January 30, 2024.

In response, while respecting to the fullest extent the contents of the Report dated January 29, 2024 submitted by the Special Committee, and in light of the Company’s business conditions and the environment surrounding the Transactions, the Company has once again carefully considered the various terms and conditions of the Tender Offer, and as of today, the Company has determined that there are no factors that would cause the Company to change its opinion regarding the Tender Offer as of November 10, 2023.

At a meeting of the Company’s Board of Directors held today, the directors of the Company (7 out of 8 directors in total, excluding Mr. Hideaki Fukutake) unanimously resolved to express its opinion in support of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer and that the holders of the American Depositary Receipts tender their shares in the Tender Offer after having delivered the American Depositary Receipts to the Depository Banks in advance and having received delivery of the Company Shares represented by the American Depositary Receipts.

At the abovementioned meeting of the Company’s Board of Directors, among the 8 Directors of the Company, since Mr. Hideaki Fukutake is in a situation of structural conflict of interest with the Company in respect of the Transactions,

and, in order to avoid the doubt of conflict of interest, he has not participated in the deliberations and resolution at the abovementioned meeting of the Company's Board of Directors, nor has he participated in any discussions or negotiations with the Tender Offeror, Etc. on the part of the Company in connection with the Transactions. Furthermore, Mr. Yoshinori Matsumoto, the Company's company auditor, who serves on the board of councilors of Fukutake Education and Culture Foundation has not participated in the deliberations and resolutions in connection with the Transactions at the meeting of the board of councilors of Fukutake Education and Culture Foundation nor has he participated in any discussions or negotiations with the Tender Offeror, Etc. on the part of a councilor of Fukutake Education and Culture Foundation.

(V) Measures to Ensure Opportunities for Purchases from Other Purchasers

It is understood that, although the Tender Offeror sets the Tender Offer Period of 23 business days, it considers that opportunities are ensured for the general shareholders of the Company and the holders of the American Depositary Receipts to appropriately judge whether or not to tender their Company Shares in the Tender Offer and for any person other than the Tender Offeror to make a purchase, etc. of the Company Shares since there is a long period of time between the announcement of the scheduled commencement and actual commencement of the Tender Offer. Further, it is understood that the Tender Offeror, Etc. have not made any agreement with the Company that restricts the counterbidders from making contact with the Company such as an agreement including transaction protection clauses that prohibit the Company from making contact with the counterbidders. Therefore, it is understood that the Tender Offeror, Etc. have given consideration to ensure the fairness of the Tender Offer by ensuring opportunities to make a countervailing purchase, etc. together with the abovementioned period before the commencement of Tender Offer.

(VI) Measures to Ensure that the Company's Shareholders Have Opportunity to Make Appropriate Decision as to Whether to Tender Their Shares in the Tender Offer

As stated in “(5) Policy for Organizational Restructuring, Etc. after Tender Offer (Matters Regarding the So-called “Two-Step Acquisition”)” above, the Tender Offeror will, (A) during the period of the Tender Offer, request the Company to hold an EGM that includes in its agenda a proposal to conduct the Share Consolidation and, to partially amend the Articles of Incorporation to abolish the provisions for the number of shares constituting one unit of shares subject to the Share Consolidation becoming effective, and no method will be adopted that does not secure the right to request purchase of shares or the right to request a price determination for the shareholders of the Company and the holders of the American Depositary Receipts, and (B) the amount of money to be paid to the shareholders of the Company upon the Share Consolidation will be calculated so that it will be equal to the Tender Offer Price multiplied by the number of Company Shares owned by each such shareholder. Therefore, it is understood that, the Tender Offeror gives consideration so that there will be no coerciveness by ensuring opportunities for the shareholders of the Company and the holders of the American Depositary Receipts to make appropriate decision as to whether to tender their shares in the Tender Offer.

4. Matters Related to Important Agreements Concerning the Tender Offer

(I) Shareholders' Agreement

It is understood that Bezant (HK) and the Founding Family Group has concluded as of November 10, 2023 a Shareholders' Agreement including the following with respect to the management, etc. of the Company and its subsidiaries. It is understood that the Shareholders' Agreement, except for certain provisions, becomes effective at the time when the investment by Bezant (HK) in the Tender Offeror Parent Company and the investment by the Tender Offeror Parent Company in the Tender Offeror as the settlement funds of the Tender Offer are completed (Note 1).

- (i) The total number of directors of the Tender Offeror Parent Company, the Tender Offeror, and the Company shall be seven each at the maximum. Initially, Mr. Hitoshi Kobayashi (Representative Director and President, CEO), Mr. Hideaki Fukutake (Chairman of the Board of Directors) and one director jointly nominated by Bezant (HK) and the Founding Family Group shall be appointed, and Bezant (HK) has the right to nominate

- three directors, and the Founding Family Group has the right to nominate two (one of whom is Mr. Hideaki Fukutake).
- (ii) The total number of company auditors of the Tender Offeror Parent Company, the Tender Offeror, and the Company shall be two each where Bezant (HK) and the Founding Family Group have the right to nominate one each.
 - (iii) Prior consent shall be obtained from Bezant (HK) and the Founding Family Group for important matters of the Company and its major subsidiaries such as amendment to the articles of incorporation, organizational restructuring actions, etc., issuance or disposal of shares, etc., obtainment or sale, etc., of important shares or business, and material loan, etc.
 - (iv) Restrictions shall be imposed on transfer, creation of security interest on, or any other disposal of the Tender Offeror Parent Company's shares, the Tender Offeror's shares, or Company Shares by Bezant (HK) and the Founding Family Group respectively.
- (Note 1) The Shareholders' Agreement provides that its provisions will be replaced reasonably if a structure where the Tender Offeror Parent Company owns all of the issued and outstanding shares of the Company is adopted, and it is understood that no substantial change has occurred to the agreement stated in the Tender Offeror's Press Release dated November 10, 2023.

(II) Basic Agreement

It is understood that the Tender Offeror, efu Investment, Minamigata Holdings, Fukutake Foundation, and Bezant (HK) have concluded as of November 10, 2023 a Basic Agreement including the following with respect to the privatization of the Company Shares through the Transactions (Note 2) (Note 3). It is understood that there is no agreement between the Tender Offeror and Fukutake Foundation concerning the Tender Offer other than the Basic Agreement, and that there is no consideration to be provided from the Tender Offeror to Fukutake Foundation with respect to the Tender Offer other than the amount of money that would be obtained by tendering shares in the Tender Offer.

- (i) to tender all the Company Shares held by Fukutake Foundation (Number of shares held: 7,758,000, Ownership Ratio: 8.04%) in the Tender Offer;
- (ii) not to tender all the Company Shares held by efu Investment and Minamigata Holdings (Number of shares held: 16,504,000 in total, Ownership Ratio: 17.11% in total) in the Tender Offer;
- (iii) to privatize the Company Shares by implementing the Tender Offer, the Squeeze-Out Procedure and the Transactions described in <Outline and Structure Chart of the Transactions> in "(I) Overview of Tender Offer" above such as the Stock Lending Transaction, the Prior Share Transfer, the Reinvestments and the Absorption-Type Merger, and then make the Company a wholly owned subsidiary of the Tender Offeror and also to conduct transactions so that Bezant (HK) and the Founding Family Group respectively becomes shareholder of the Tender Offeror Parent Company at the voting rights ratio of 50 to 50 (Investment ratio of 60 to 40), and
- (iv) that Minamigata Holdings and efu Investment each obtains Collateral Release Agreement prior to the commencement of the Tender Offer and make their utmost efforts to a reasonable extent to release the security interest in accordance with the Collateral Release Agreement, and that the Tender Offeror cooperates with them to a reasonable extent.

(Note 2) It is understood that, under the Basic Agreement, each party to the agreement has made representations and warranties with respect to (i) lawful incorporation, valid existence, and legal capacity to hold rights, (ii) the complete performance of the procedures for the execution and performance of the Basic Agreement, (iii) enforceability of the Basic Agreement, (iv) absence of breach of laws and regulations in executing and performing the Basic Agreement, (v) absence of relationship with anti-social forces, (vi) absence of insolvency procedures commencement event, and (vii) obtainment and implementation, etc. of

permissions and authorizations concerning execution and performance of the Basic Agreement. In addition, it is understood that efu Investment, Minamigata Holdings, and Fukutake Foundation have made representations and warranties with respect to the matters concerning the rights to Company Shares and the matters concerning the Company Group (matters concerning shares, etc., financial statements, securities reports, etc., and absence of insider information of the Company Group, matters concerning compliance with laws and regulations, agreements, etc., assets, taxes and public charges, personnel and labor affairs, disputes, environment, absence of relationship with anti-social forces, and the accuracy, etc. of disclosed information), and efu Investment and Minamigata Holdings have made representations and warranties with respect to the matters concerning Minamigata Holdings.

(Note 3) The Basic Agreement provides that its provisions will be replaced reasonably if a structure where the Tender Offeror Parent Company owns all of the issued and outstanding shares of the Company is adopted, and it is understood that no substantial change has occurred to the agreement stated in the Tender Offeror's Press Release dated November 10, 2023.

(III) Tender Agreement (Founding Family Individual Shareholders)

It is understood that the Tender Offeror has concluded Tender Agreement (Founding Family Individual Shareholders) with the Founding Family Individual Shareholders respectively as of November 10, 2023, and they have made an agreement that the Shares to be Tendered held by the Founding Family Individual Shareholders (Number of shares held: 4,907,033 shares in total, Ownership Ratio: 5.09% in total) will be tendered in the Tender Offer. Among the Founding Family Individual Shareholders, since Mr. Michinori Nishimura has pledged as collateral, the whole or a part of the Company Shares he holds, it is understood that the Company Shares pledged as collateral will be tendered on the precondition that the security interest has lawfully and effectively extinguished, and that the Tender Offeror has received a report from Mr. Michinori Nishimura that he had obtained consent from the holders of the security interest in mid-December 2023 to release the security interest upon tendering the Company's shares. In addition, it is understood that there is no agreement between the Tender Offeror and the Founding Family Individual Shareholders with respect to the Tender Offer other than the Tender Agreement (Founding Family Individual Shareholders) and that there is no consideration to be provided from the Tender Offeror to the Founding Family Individual Shareholders with respect to the Tender Offer other than the amount of money that would be obtained by tendering shares in the Tender Offer.

(IV) Tender Agreement (Fukutake Education and Culture Foundation)

It is understood that the Tender offeror concluded the Tender Agreement (Fukutake Education and Culture Foundation) agreement with Fukutake Education and Culture Foundation on December 8 2023 and has made an agreement that the Shares to be Tendered held by Fukutake Education and Culture Foundation (Number of shares held: 1,919,000 shares, Ownership Ratio: 1.99%) will be tendered in the Tender Offer. It is understood that there is no agreement between the Tender Offeror and Fukutake Education and Culture Foundation with respect to the Tender Offer other than the Tender Agreement (Fukutake Education and Culture Foundation) and that there is no consideration to be provided from the Tender Offeror to Fukutake Education and Culture Foundation with respect to the Tender Offer other than the amount of money that would be obtained by tendering shares in the Tender Offer.

5. Details of Benefits to be Provided by the Tender Offeror or its Special Related Parties
Not applicable
6. Policy for Responding under the Basic Policy to Control of the Company
Not applicable

7. Questions to Tender Offeror

Not applicable

8. Request for Extension of Tender Offer Period

Not applicable

9. Future Outlook

Please see “(II) Background, Purpose and Decision-making Process Leading to Tender Offeror’s Decision to Conduct Tender Offer” in “(2) Basis and Reason for Opinions” in “3. Contents, Basis of and Reason for Opinions on Tender Offer”, “(4) Likelihood of and Reasons for Delisting” and “(5) Policy for Organizational Restructuring, Etc. after Tender Offer (Matters Regarding the So-called ‘Two-Step Acquisition’)”.

10. Others

(1) Revision of the Company’s Dividend Forecast and Abolition of Shareholder Benefit Plan

At a meeting of the Company’s Board of Directors held on November 10, 2023, the Company resolved, in connection with the Tender Offer, to revise its dividend forecast for the fiscal year ending March 2024 published on May 12, 2023, not to pay dividend at the end of the fiscal year ending March 2024, and to abolish the shareholder benefit plan effective the fiscal year ending March 2024.

For details, please see “Announcement of Revision of Dividend Forecast for the Fiscal Year Ending March 2024 (No Dividend) and Abolition of Shareholder Benefit Plan” published on November 10, 2023.

(2) Revision of the Company’s Consolidated Full-Year Earnings Forecast

The Company has decided to revise the Consolidated Full-Year Earnings Forecasts for the fiscal year ending March 2024 (from April 1, 2023 to March 31, 2024) published on May 12, 2023.

For details, please see “Notice Concerning Revision of Consolidated Full-Year Earnings Forecast” published today.

(Reference) Outline of Purchase, etc.

For the outline of the Tender Offer, please see “Notice Concerning Commencement of a Tender Offer for the shares of Benesse Holdings, Inc. (Securities Code: 9783)” published by the Tender Offeror today (attachment).

End

[Regulations on Solicitation]

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

[Future projections]

This press release and any reference materials to this press release may include statements concerning future prospects such as “expect,” “forecast,” “intend,” “plan,” “be convinced,” and “estimate,” including those concerning the future business of the Company and other companies and entities. These statements are based on the current business prospects of the Tender Offeror, the Company and their affiliates and may change depending on future circumstances. The Company shall not be obligated to update statements concerning future prospects to reflect actual business results or other various developments, changes in the conditions, or other related factors.

[US Regulations]

The Tender Offer shall be implemented in compliance with the procedures and information disclosure standards provided by the Financial Instruments and Exchange Act of Japan, which procedures and standards are not necessarily identical to the procedures and information disclosure standards applied in the United States. Specifically, Section 13(e) or Section 14(d) of the U.S. Securities Exchange Act of 1934, (as amended, the same shall apply hereinafter, the “Securities Exchange Act”) or the rules promulgated under such Sections do not apply to the Tender Offer, and the Tender Offer is not necessarily in compliance with the procedures and standards thereunder. All procedures regarding the Tender Offer shall be conducted in the Japanese language unless otherwise provided. While some or all of the documents regarding the Tender Offer will be prepared in English, the Japanese documents shall prevail in case of any discrepancies between Japanese documents and corresponding English documents. This press release includes forward-looking statements as defined in Section 27A of the U.S. Securities Act of 1933 (as amended, the “U.S. Securities Exchange Act of 1933”) and Section 21E of the U.S. Securities Exchange Act of 1934. The actual results may be significantly different from the predictions expressly or implicitly indicated in the forward-looking statements, due to known or unknown risks, uncertainties, or other factors. None of the Tender Offeror, the Company or any of their respective affiliates can promise that the predictions expressly or implicitly indicated as the “forward-looking statements” will turn out to be correct. The “Forward-looking statements” included in this press release and in the reference materials to this press release were prepared based on the information held by the Tender Offeror and the Company as of the date of this press release and, unless obliged by laws and regulations, neither the Tender Offeror, the Company nor their affiliates shall have the obligation to update or revise the statements made herein in order to reflect the future incidents or situations. The financial information in this press release and in the reference materials to this press release has been prepared based on Japanese generally accepted accounting principles which may significantly be different from the generally accepted accounting standards of the United States or other countries. Also, because the Tender Offeror and the Company are corporations incorporated outside the U.S. and all or some of their directors are non-U.S. residents, it may be difficult to exercise rights or demands against them that can be claimed based on U.S. securities laws. In addition, shareholders may not be permitted to commence any legal procedures in courts outside the U.S. against non-U.S. corporations or their directors based on a breach of U.S. securities laws. Furthermore, U.S. courts are not necessarily granted jurisdiction over non-U.S. corporations their subsidiaries or their affiliates.

The Tender Offeror, the financial advisors of the Tender Offeror or the Company, and the tender offer agent and their respective affiliates may, within their ordinary course of business, purchase or conduct any act toward the purchase of the shares of the Company listed on the Tokyo Prime Market for their own account or for their customers’ accounts outside the Tender Offer prior to the commencement of, or during, the period of the Tender Offer in accordance with the requirements of Rule 14e-5(b) under the Securities Exchange Act to the extent permissible under the financial instruments and exchange laws and other applicable laws and regulations in Japan. Such purchase may be made in the market at the market price or outside the market at a price determined through negotiation. If any information concerning such purchase is disclosed in Japan, the disclosure of such information will also be made on the website of such purchaser (or by other disclosure method) in English.

[Other National Regulations]

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



January 29, 2024

To whom it may concern:

| | |
|-------------------------|--|
| Company Name: | Benesse Holdings, Inc. |
| Name of Representative | Hitoshi Kobayashi, Representative Director and President, CEO (Code: 9783; Prime Section of the Tokyo Stock Exchange) |
| Contact: | Shinsuke Tsuboi, Managing Executive Officer, CFO, Executive General Manager of Finance and Accounting (Tel +81-42-357-3656) |
| Company Name: | Bloom 1 K.K. |
| Name of Representative: | Ryan Robert Patrick Representative Director |

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

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

End

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

(Attachment)

Notice Regarding Commencement of Tender Offer for Benesse Holdings, Inc. (Securities Code: 9783) dated January 29, 2024

January 29, 2024

To whom it may concern:

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

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

As announced in the “Notice Regarding Planned Commencement of Tender Offer for Benesse Holdings, Inc. (Securities Code: 9783)” dated November 10, 2023 (“Offeror’s Press Release Dated November 10, 2023”), Bloom 1 K.K. (the “Offeror”) decided to acquire common shares and American depository receipts (the “Share Certificates, etc.”) of Benesse Holdings, Inc. (Securities Code: 9783, Prime Market of the Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”); that company, the “Target Company”) through a tender offer (the “Tender Offer”) under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended, the “Act”).

Since the Tender Offer was planned to be commenced promptly after the Conditions Precedent (as defined in “(1) Summary of the Tender Offer” of “1. Purpose of the Tender Offer” below; hereinafter the same) are satisfied (or waived by the Offeror), and as described in “(1) Summary of the Tender Offer” of “1. Purpose of the Tender Offer” it has been confirmed that all of the Conditions Precedent (excluding the obtaining of the Clearance (as defined in “(1) Summary of the Tender Offer” of “1. Purpose of the Tender Offer” below; hereinafter the same) pertaining to the procedures under the competition laws in Japan) have been satisfied by January 29, 2024, the Offeror hereby announces that it, on the same day, decided to conduct the Tender Offer, starting January 30, 2024, as part of a series of transactions aimed at acquiring all of the common shares of the Target Company (the “Target Company Shares”) and the ADRs (as defined in “(3) Price of tender offer” of “2. Outline of the Tender Offer” below; hereinafter the same) for the purpose of taking private the Target Company Shares listed on the Prime Market of Tokyo Stock Exchange (the “Transactions”).

PARTICULAR

1. Purpose of the Tender Offer

(1) Summary of the Tender Offer

The Offeror is a stock company (*kabushiki kaisha*) established on August 1, 2023, for the purpose of the acquisition and holding of the share certificates, etc. of the Target Company through the Tender Offer. Bloom 2 K.K. (the “Offeror’s Parent Company”), which is established under the laws of Japan, holds all of the outstanding shares of the Offeror, and Bezant (HK) Limited (“Bezant (HK)”), which is established in accordance with the laws of Hong Kong, holds all of the outstanding shares of the Offeror’s Parent Company (Note:1). BPEA Fund VIII Limited (“BPEA Fund VIII”), a limited partnership formed under the laws of the Cayman Islands and operated, managed or advised by EQT AB Group (including its affiliates and other related entities, “EQT”), indirectly owns all of the outstanding shares of Bezant (HK). None of the Offeror, Offeror’s Parent Company, Bezant (HK), BPEA Fund VIII and EQT holds any Target Company Shares as of today.

(Note 1) As the possibility of structural changes was indicated in the Offeror’s Press Release Dated November 10, 2023, the Offeror has made structural changes so that, on or after November 10, 2023, Bezant (HK) holds all of the outstanding shares of the Offeror’s Parent Company,

and that the Offeror's Parent Company holds all of the outstanding shares of the Offeror. The Offeror's Parent Company functions as an intermediary holding company that does not conduct any specific business activities.

Headquartered in Sweden, EQT is a global investment organization driven by its purpose of "future-proofing" companies (transforming companies to create sustainable value for the future) and making a positive impact on the world." Currently, EQT has approximately EUR 232 billion in assets under management across over 50 active funds, divided into two business segments: Private Capital and Real Assets. EQT has offices in more than 20 countries across Europe, Asia and North America, with more than 1,800 employees and a network of more than 1,000 advisors. EQT traces its roots back to the Wallenberg family of Sweden, renowned industrialists with a 160 year history famous for their entrepreneurial mindset and philosophy of long-term ownership. EQT was established in 1994 based on the Wallenberg family's founding philosophy of "be the most respected investment firm in the world that helps companies grow ambitiously, builds great organizations, and creates value in a responsible and sustainable way." Because of its origins, EQT focuses on sustainable growth and long-term value creation, and its investments are based on providing value to all stakeholders, including investors, company management, employees, and customers.

As announced in the Offeror's Press Release Dated November 10, 2023, since the Tender Offer was expected to require a certain period of time for the necessary procedures and responses pertaining to permits and approvals under the competition laws in Japan and China and the Foreign Exchange and Foreign Trade Act in Japan (Act No. 228 of 1949, as amended; the "Foreign Exchange and Foreign Trade Act") (the procedures and responses are collectively referred to as the "Clearance"), the Offeror planned to conduct the Tender Offer promptly if certain conditions (Note: 2), including the obtaining of the Clearance (the "Conditions Precedent"), are satisfied (or waived by the Offeror).

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

(Note 3) Hideaki Fukutake indirectly owns shares in the Target Company through efu Investment Limited, the Target Company's second largest shareholder (as of September 30, 2023; the same applies to the following description of shareholder

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

- (Note 4) “Ownership ratio” is (i) calculated against 96,484,331 shares, which is the total number of the Target Company Shares as of September 30, 2023 (102,648,129 shares), which is listed in the “Second Quarterly Financial Results for the 70th Term” submitted by the Target Company as of November 14, 2023 (the “Target Company Quarterly Financial Results”), minus the number of treasury shares held by the Target Company as of the same date, which is listed in the Target Company Quarterly Financial Results (6,163,798 shares), and (ii) round to the second decimal place (hereinafter the same shall apply unless other treatment is provided for the statement of ownership ratio).

Since the Offeror, Soichiro Fukutake (number of shares held: 800 shares, ownership ratio: 0.00%), Hideaki Fukutake, and EQT (collectively, the “Offerors”) confirmed that all of the Conditions Precedent (excluding the obtaining of the Clearance pertaining to procedures under the competition laws in Japan) are satisfied based on the following steps by January 30, 2024, the Offerors decided to commence the Tender Offer as part of a series of the Transactions for the purpose of taking private the Target Company Shares listed on the Prime Market of Tokyo Stock Exchange private.

- (i) The obtaining of the Clearance under the competition laws in China and the Foreign Exchange and Foreign Trade Act in Japan has been completed by January 29, 2024. In addition, the Offeror filed a prior notification to the Japan Fair Trade Commission on January 16, 2024, with respect to the obtaining of the Clearance under the competition laws in Japan, which was accepted as of the same date, and the period during which a Prior Notice of Cease and Desist Order should be given and the Acquisition Prohibition Period (each term above is defined in Note 5) are scheduled to expire, in principle, after February 15, 2024. Therefore, the Offeror has decided to waive such Condition Precedent. Accordingly, the Offeror confirmed the satisfaction of the Condition Precedent (i) above.
- (ii) The Offeror has been informed by the Target Company that, as of January 29, 2024, at the meeting of the Target Company’s board of directors held on January 29, 2024, the Target Company resolved to express the Supporting Opinion with respect to the Tender Offer, and that such resolution has not been withdrawn, thereby confirming the satisfaction of the Condition Precedent (ii) above.
- (iii) The Offeror has been informed by the Target Company that, on January 29, 2024, the Special Committee established by the Target Company reported to the Target Company’s board of directors that it is appropriate to express the Supporting Opinion and that such report has not been withdrawn, thereby confirming the satisfaction of the Condition Precedent (iii) above.
- (iv) The Offeror has been informed by the Target Company that, on January 29, 2024, there are

no material facts concerning the Target Company that have not been made public (excluding the facts described in “Notice of Revision to the Consolidated Full-Year Financial Results Forecast” announced by the Target Company on January 29, 2024), thereby confirming the satisfaction of the Condition Precedent (iv) above.

- (v) The Offeror has been informed by the Target Company that, on January 29, 2024, no petition, action, or proceeding is pending that seeks to restrict or prohibit any part of the Transactions, and that there is no judgment by any judicial or governmental agency that restricts or prohibits any part of the Transactions, thereby confirming the satisfaction of the Condition Precedent (v) above.
- (vi) The Offeror has been informed by the Target Company that if, on January 29, 2024, the Tender Offer has commenced, no circumstances have arisen that would allow the Tender Offer to be withdrawn, thereby confirming the satisfaction of the Condition Precedent (vi) above.
- (vii) The Offeror has been informed by the Minamigata Holdings and efu Investment that Minamigata Holdings and efu Investment obtained the Consents for the Release of Collateral (as defined below) from The Chugoku Bank, Ltd. (“Chugoku Bank”) as of January 24, 2024, and from Nomura Trust and Banking Co., Ltd. (“NTB”) as of January 22, 2024, thereby confirming the satisfaction of the Condition Precedent (vii) above. The release of collateral provided to Chugoku Bank will be implemented promptly after the establishment of the Tender Offer (no later than one week prior to the effective date of the share consolidation, which will be implemented as part of the Transactions). The release of collateral provided to NTB was implemented on January 22, 2024.

- (Note 5) The Offeror is required under Article 10, Paragraph 2 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947, as amended; the “Antimonopoly Act”), to give prior notification (the “Prior Notification”) to the Japan Fair Trade Commission (the “JFTC”) regarding its plan to acquire Target Shares through the Tender Offer (the “Share Acquisition”) and under Article 10, Paragraph 8 of the Antimonopoly Act before the Share Acquisition, and the Offeror may not consummate the Share Acquisition until basically thirty (30) days have passed from the date on which the Prior Notification was accepted (provided that such period may be shortened; the period during which the Share Acquisition is prohibited being hereinafter referred to as the “Acquisition Prohibition Period”). In addition, Article 10, Paragraph 1 of the Antimonopoly Act prohibits any act of acquiring shares of other companies that will cause a substantial restraint of competition in a particular field of trade and the JFTC may order measures necessary to eliminate any acts in violation of such prohibition (Article 17-2, Paragraph 1 of the Antimonopoly Act; hereinafter referred to as a “Cease and Desist Order”), or file a petition for an emergency suspension order with the court (Article 70-4, Paragraph 1 of the Antimonopoly Act). If the JFTC intends to issue a Cease and Desist Order in case the Prior Notification is given, it must conduct a hearing of opinions with the would-be addressee of that Cease and Desist Order (Article 49 of the Antimonopoly Act), and in advance of such hearing, shall notify the addressee of the details of the planned Cease and Desist Order (Article 50, Paragraph 1 of the Antimonopoly Act; hereinafter referred to as “Prior Notice of Cease and Desist Order”), which notice must be made within a certain period of time (in principle, thirty (30) days from the date on which the Prior Notification above was accepted; however, the period might be extended or shortened; hereinafter referred to as the “Cease and Desist Period”) (Article 10, Paragraph 9 of the Antimonopoly Act). If the JFTC has decided not to give

Prior Notice of Cease and Desist Order, it will give notification to that effect (“Notification of Decision Not to Issue Cease and Desist Order”) (Article 9 of the Rules on Applications for Approval, Reporting, Notification, etc. Pursuant to the Provisions of Articles 9 to 16 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Japan Fair Trade Commission Rule No. 1 of 1953, as amended)).

The Tender Offer will be conducted by the Offeror based on discussions with Soichiro Fukutake, the Target Company's founding family member and honorary advisor to the Target Company and Hideaki Fukutake, the Target Company's founding family member and director of the Target Company, and falls under a so-called management buyout (MBO) (Note 6).

(Note 6) “Management buyout (MBO)” means a tender offer where its offeror is an officer of the target company (including a tender offer made by an offeror at the request of an officer of the target company and shares interests with the officer) (see Article 441 of the Securities Listing Regulations of Tokyo Stock Exchange).

The Transactions comprise each of the transactions described in (Outline and Structure of the Transactions) below and are ultimately intended to result in (1) the Offeror being the sole shareholder of the Target Company; (2) the Offeror's Parent Company as an intermediary holding company owning all of the outstanding shares of the Offeror and (3) efu Investment and Fukutake Foundation (as defined below; efu Investment and the Fukutake Foundation are individually or collectively referred to as the “Founding Family Group”) acquiring the Class B shares of the Offeror's Parent Company, to make the total voting rights represented by the Class B shares of the Offeror's Parent Company held by the Founding Family Group and the voting rights represented by the Class A shares of the Offeror's Parent Company held by Bezant (HK), which is the sole parent company of the Offeror as of today, equal to a ratio of 50:50 (with an investment ratio of 40:60) (Note 7).

(Note 7) Bezant (HK) plans to subscribe Class A shares of the Offeror's Parent Company, and the Founding Family Group plans to subscribe Class B shares of the Offeror's Parent Company, and the investment ratio in the Offeror's Parent Company will be 60 (Bezant (HK)) to 40 (Founding Family Group). Both Class A shares and Class B shares are voting shares and have provisions for pari passu rights for dividends and distribution of residual assets (however, in order to place a difference between Class A and Class B shares, Class A shares have priority over Class B shares, though only by a nominal amount (the total amount of Class A shares will be one JPY (1)) when distributing the residual assets), and rights to request conversion into common shares, and the ratio of voting rights is planned to be 50 to 50 by the provision for share units, etc.

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

In connection with the implementation of the Tender Offer, the Offeror will enter into a management buyout master agreement (the “Master Agreement”) as of November 10, 2023, with efu Investment, Minamigata Holdings, Public Interest Incorporated Foundation Fukutake Foundation, the Target Company's third shareholder with Soichiro Fukutake and Hideaki Fukutake acting as chairmen of the board (number of shares held: 7,758,000 shares, ownership ratio: 8.04%; hereinafter referred to as “Fukutake Foundation”), and Bezant (HK) (Fukutake Foundation participated in the Master Agreement as of December 22, 2023). The Master Agreement provides that Fukutake Foundation has agreed to

tender to the Tender Offer all of the Target Company Shares owned by Fukutake Foundation (number of shares held: 7,758,000 shares, ownership ratio: 8.04%) and that efu Investment and Minamigata Holdings have agreed to not tender to the Tender Offer any of the Target Company Shares owned by efu Investment and Minamigata Holdings respectively (number of shares held: 16,504,000 shares in total, ownership ratio: 17.11% in total). For details, please refer to “② the Master Agreement” in “(6) Matters relating to material agreements regarding the Tender Offer” below.

Minamigata Holdings provided 1.1 million shares (ownership ratio: 1.14%) of its Target Company Shares to Chugoku Bank as collateral, and efu Investment provided 2.7 million shares (ownership ratio: 2.80%) of its Target Company Shares to the Chugoku Bank, and 4 million shares (ownership ratio: 4.15%) of its Target Company Shares to “NTB, all of which as collateral. Consents for the release of said collateral (“Consents for the Release of Collateral”) were obtained from Chugoku Bank as of January 24, 2024, and from NTB as of January 22, 2024. The release of collateral provided to Chugoku Bank will be implemented promptly after the establishment of the Tender Offer (no later than one week prior to the effective date of the share consolidation, which will be implemented as part of the Transactions). The collateral provided to NTB was released on January 22, 2024.

In addition, the Offeror has entered into a tender offer agreement dated November 10, 2023, with Mr. Soichiro Fukutake (number of shares held: 800 shares, ownership ratio: 0.00%), Ms. Mitsuko Fukutake, who is a relative of Mr. Soichiro Fukutake and Mr. Hideaki Fukutake (number of shares held: 1,375,433 shares, ownership ratio: 1.43%; the tenth shareholder of the Target Company), Mr. Toshiaki Matsuura (number of shares held: 1,396,100 shares, ownership ratio: 1.45%, the ninth largest shareholder of the Target Company), Mr. Tomonori Nishimura (number of shares: 1,128,100 shares, ownership ratio: 1.17%), Mr. Yusuke Nishimura (number of shares held: 533,000 shares, ownership ratio: 0.55%), Ms. Rika Kurimoto and two of her relatives (number of shares held: 449,900 shares in total, ownership ratio: 0.47% in total), Mr. Michio Shimosuma (number of shares held: 10,700 shares, ownership ratio: 0.01%), Mr. Kazuo Shimosuma (number of shares held: 6,600 shares, ownership ratio: 0.01%), and Ms. Yoko Ohara (Number of shares held: 6,400 shares, ownership ratio: 0.01%; and together with Soichiro Fukutake, Mitsuko Fukutake, Toshiaki Matsuura, Tomonori Nishimura, Yusuke Nishimura, Rika Kurimoto and two of her relatives, Michio Shimosuma, Kazuo Shimosuma and Yoko Ohara, collectively referred to as the “Founding Family Individual Shareholders”) (the agreement is hereinafter referred to as the “Tender Agreement (Founding Family Individual Shareholders)”), respectively, and each of them has agreed to tender all of their Target Company Shares to the Tender Offer. With respect to Public Interest Incorporated Foundation Fukutake Education and Culture Foundation, the Target Company’s sixth shareholder (number of shares held: 1,919,000 shares, ownership ratio: 1.99%; hereinafter referred to as “Fukutake Education and Culture Foundation”), the Offeror entered into a tender offer agreement as of December 8, 2023, providing that it tenders all of its Target Company Shares to the Tender Offer (the agreement is hereinafter referred to as the “Tender Agreement (Fukutake Education and Culture Foundation),” and together with the Tender Agreement (Founding Family Individual Shareholders), hereinafter referred to as the “Tender Agreements”). For details, please refer to “③ The Tender Agreement (Founding Family Individual Shareholders)” and “④ The Tender Agreement (Fukutake Education and Culture Foundation)” in “(6) Matters relating to material agreements regarding the Tender Offer” below.

All of the Target Company Shares held by the shareholders who executed the Tender Agreements and for which the parties have agreed to tender to the Tender Offer (the “Tendered Shares”) are 14,584,033 shares in total, with the ownership ratio of 15.12% in total. Also, all of the Target Company Shares held by efu Investment and Minamigata Holdings and for which the parties have agreed not to tender to the Tender Offer (the “Untendered Shares”) are 16,504,000 shares in total, with the ownership ratio of 17.11% in total (including shares entrusted to MTBJ).

In the Tender Offer, the Offeror has set 47,818,900 shares (ownership ratio: 49.56%) as the minimum number of shares to be purchased since the purpose of the Tender Offer is to take the Target Company private. If the total number of the Target Company Shares tendered to the Tender Offer (“Tendered Share Certificates, etc.”) is less than the minimum number of shares to be purchased, then the Offeror will not purchase any of the Tendered Share Certificates, etc. The minimum number of shares to be purchased (47,818,900 shares) is calculated by (i) 643,229 voting rights (rounded up to the nearest unit), which is two-thirds of the number of voting rights (964,843 units) (i.e. for the number of shares (96,484,331 shares) calculated by deducting the number of treasury shares (6,163,798 shares) owned by the Target Company as of September 30, 2023, from the total number of outstanding shares (102,648,129 shares) of the Target Company as of the same day as described in the Target Company Quarterly Financial Results), (ii) minus the number of voting rights (165,040 units) pertaining to the Untendered Shares (which, in turn, is equivalent to 478,189 units), (iii) multiplied by 100, which is a share unit of the Target Company (which, in turn, is equivalent to 47,818,900 shares). If the Offeror is unable to acquire all of the Target Company Shares (except for treasury shares owned by the Target Company and the Untendered Shares) and the ADRs, the Offeror plans to implement a series of procedures to make the Target Company only shareholders of the Offeror and Minamigata Holdings and to take the Target Company’s shares private (the “Squeeze-Out Procedures”), as set forth in “(4) Policy for Reorganization, etc. after the Tender Offer (Matters Concerning so called Two-Step Acquisition)” below. In order to implement the procedures for consolidation of shares in the Target Company (the “Share Consolidation”) as the Squeeze-Out Procedures, it is required to make a special resolution at the general meeting of shareholders as set forth in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005, 1948, as amended; the “Companies Act”). Therefore, to make sure that the Offeror, efu Investment and Minamigata Holdings will own two-thirds or more of the total number of voting rights of all shareholders of the Target Company after the Tender Offer to ensure that the Squeeze-Out Procedures will be implemented, the Offeror has set the minimum number of shares to be purchased.

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

If the Tender Offer is achieved, the Offeror plans to receive an investment from the Offeror’s Parent Company (Note 8) and loans from Sumitomo Mitsui Banking Corporation (“SMBC”) and Nomura Capital Investment Co., Ltd. (“NCI”) up to a total of JPY 185,000 million (the “Acquisition Loans”) on or before the commencement date of settlement of the Tender Offer (Note 9). The Acquisition Loans may create security on some of the common shares of the Offeror that are held by the Offeror’s Parent Company, and the Target Company Shares that are acquired by the Offeror through the Transactions, or the assets of the Target Company or its subsidiaries, or the Target Company or its subsidiaries may provide a joint and several guarantee.

- (Note 8) For the investment mentioned above, the Offeror obtained a Certificate of Financing dated January 26, 2024, from Bloom 2 K.K., the Offeror’s Parent Company, to the effect that it is prepared to make an investment to the Offeror up to JPY 50 billion if the Tender Offer is achieved. In addition, (i) the Offeror’s Parent Company obtained a Certificate of Financing dated January 26, 2024, from Bezant (HK) for its investment in the Offeror to the effect that it is prepared to make an investment up to JPY 50 billion if the Tender Offer is achieved, and (ii) Bezant (HK) has obtained a Certificate of

Financing dated January 26, 2024, from BPEA Private Equity Fund VIII, L.P. (“BPEA Fund VIII L.P.”) for its investment in the Offeror’s Parent Company to the effect that it is prepared to make an investment directly or indirectly up to JPY 50 billion if the Tender Offer is achieved. However, Bezant (HK) and BPEA Fund VIII L.P. may receive funding from related funds of BPEA Fund VIII managed or operated by EQT for part of the funding amount stated in the above Certificate of Financing.

(Note 9) For the loan in the above amount, the Offeror obtained a loan certificate as of January 26, 2024, from SMBC and NCI that they are ready to loan up to JPY 185 billion. This amount includes funds required for the Transactions as well as funds for the repayment of existing loans and incidental costs thereof.

According to “Announcement of Opinion Regarding Planned Commencement of Tender Offer for Share Certificates, etc. of the Company by Bloom 1 K.K. as Part of Implementation of MBO” announced by the Target Company on November 10, 2023 (the “Target Company’s Press Release Dated November 10, 2023”), at the Target Company’s board of directors meeting held on November 10, 2023, resolutions were passed, as the opinion of the Target Company as of November 10, 2023, to express its support to the Tender Offer if the Tender Offer is commenced, and to recommend that the Target Company’s shareholders tender their shares in the Tender Offer and that the holders of the ADRs tender their ADRs in the Tender Offer upon delivery of the Target Company Shares pertaining to those ADRs by delivering the ADRs to the Depository Banks (as defined in “(3) Price of tender offer” of “2. Outline of the Tender Offer” below; hereinafter the same) in advance. At the aforementioned the Target Company’s board of directors meeting, the Target Company resolved that, the Special Committee of the Target Company review whether there are any changes to the opinion described in the Report submitted by the Special Committee to the Target Company’s board of directors as of November 10, 2023 (“Report Dated November 10, 2023”), and that, if there are any changes to the previous opinion, the Special Committee consult with the board of directors to that effect and issue a new opinion regarding the Tender Offer accordingly at the time of the commencement of the Tender Offer.

According to the “Announcement of Opinion Regarding Tender Offer for Share Certificates, etc. of the Company by Bloom 1 K.K. as Part of Implementation of MBO and Recommendation to Tender” announced by the Target Company on January 29, 2024 (“Target Company Press Release Dated January 29, 2024,” and together with Target Company’s Press Release Dated November 10, 2023, “Target Company Press Releases”), the Special Committee checked with the Target Company whether or not there have been any material circumstantial changes that could have an impact on the Transactions since November 10, 2023, and examined the abovementioned matters by sending to the Offerors a questionnaire , regarding the Offerors' prospects for the successful completion of the Tender Offer based on a situation where the market price of the Target Company Shares has remained above the tender offer price of the Tender Offer (the “Tender Offer Price”), and whether it intends to increase the Tender Offer Price, and requesting their responses.

In this regard, the Special Committee determined that the Tender Offer with the Tender Offer Price at JPY 2,600 per share continued to provide an opportunity for the Target Company’s minority shareholders to sell the Target Company Shares at a price with appropriate premium, based not only on the reasons used to determine in the abovementioned Report Dated November 10, 2023, that appropriateness of the trading terms and conditions of the Transactions including the Tender Offer Price has been ensured from the viewpoint of protecting the interests of the minority shareholders of the Target Company, but also that: (i) despite the fact that the market price of Target Company Shares after the announcement of the Transactions remained at a level slightly higher than the Tender Offer Price, the market price can be presumed to have been formed by the influence of various expectations for the Transactions, including the factors such as a counterproposal which has not actually been made at this

time based on the premise of the Transactions, and the expectations that the Offerors will increase the Tender Offer Price as a result of the increase in the market price in order to establish the Tender Offer; (ii) there have been no substantial changes in the business and performance of the Target Company over the medium to long term despite the fluctuation of the share price and other events surrounding the Target Company, and there has been no material change in circumstances from the time the Target Company announced the Tender Offer; and (iii) the Transactions would offer all minority shareholders an opportunity to sell outside the market at the same price, independent of share price or trading volume on the market.

After examining the abovementioned matters, the Special Committee confirmed that there were no reasons to make changes to the content of the Report Dated November 10, 2023, by taking into account the circumstances between November 10, 2023 and January 29, 2024, and submitted to the board of directors of the Target Company, on January 29, 2024, a report to the effect that there were no changes to the previous opinion (“Report Dated January 29, 2024”).

Based on the above, the Target Company carefully considered the terms and conditions of the Tender Offer again, while giving utmost respect the content of the Report Dated January 29, 2024, submitted by the Special Committee, based on the business conditions of the Target Company and the environment surrounding the Transactions, and concluded that there was nothing that would change its opinion as of November 10, 2023, regarding the Tender Offer, as of January 29, 2024. For details of the resolution adopted by the board of directors of the Target Company, please see “(iv) Approval of all the Target Company’s directors who do not have interest and an opinion of all statutory auditors who do not have interest that there is no objection” under “(Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the Tender Price and measures to avoid conflicts of interest)” in “(ii) Process of calculation“ of “(4) Basis for the calculation of the Tender Offer Price” under “2. Outline of the Tender Offer” below.

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

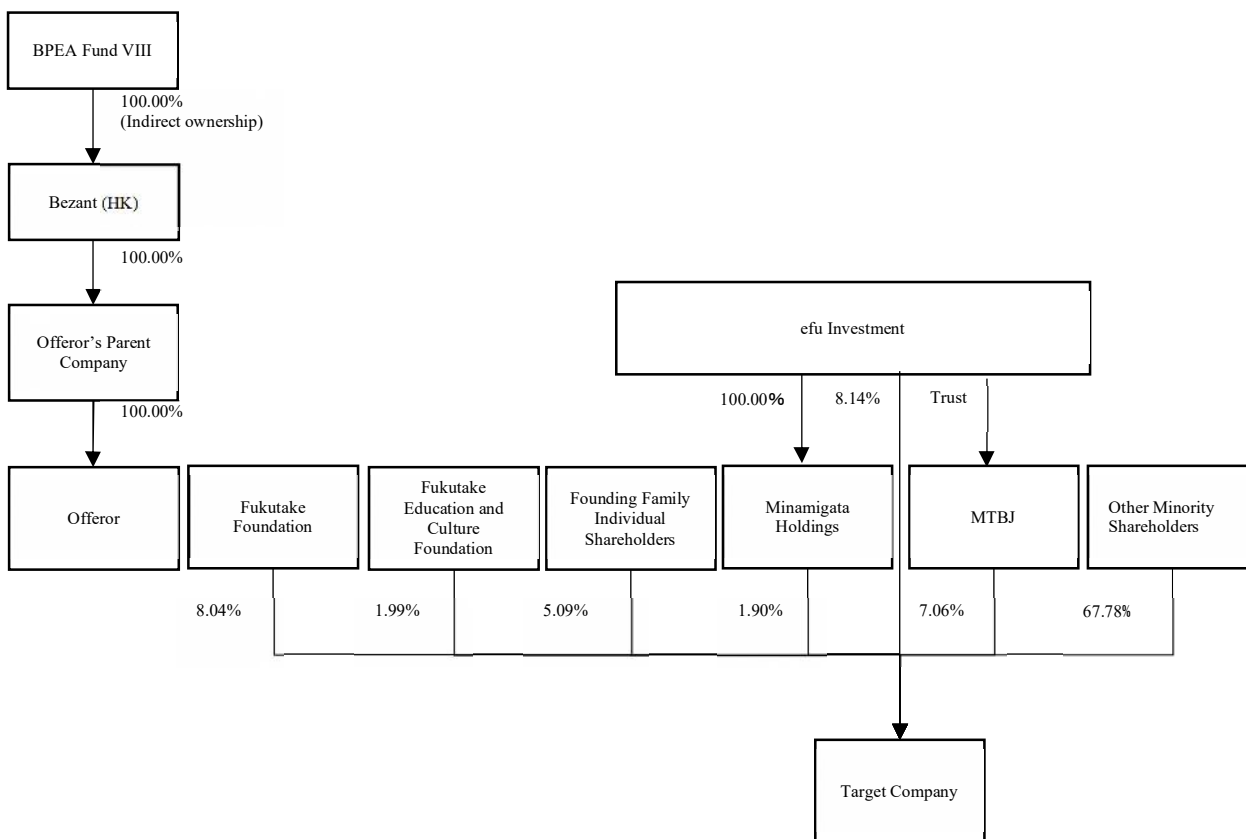
An outline and a structure chart of the Transactions are as follows. As the possibility of structural changes was described in the Offeror’s Press Release Dated November 10, 2023, structural changes have been made so that Bezant (HK) holds all of the outstanding shares of the Offeror’s Parent Company, and the Offeror’s Parent Company holds all of the outstanding shares of the Offeror.

(Outline and structure chart of the Transactions)

I. Before the Tender Offer Implementation (current state)

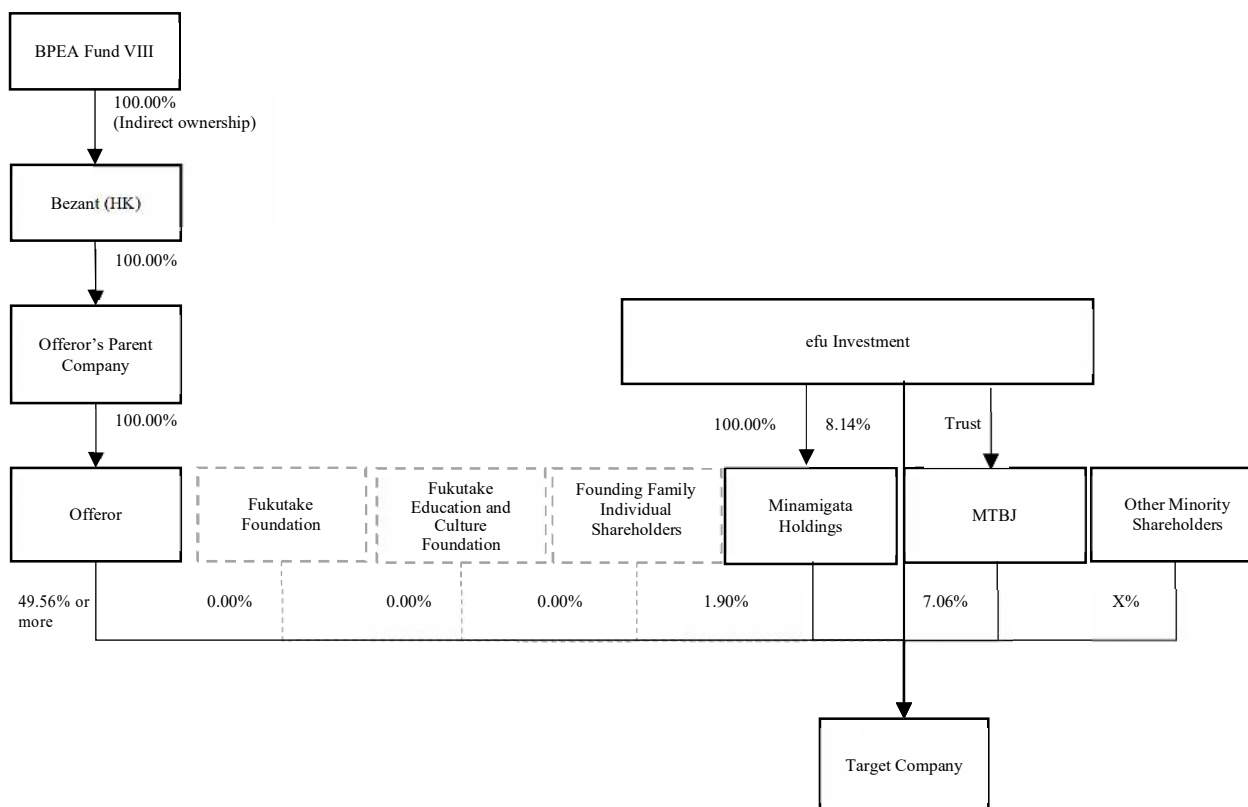
As of today, of the Target Company Shares, efu Investment owns 14,668,000 shares (including shares entrusted to MTBJ; ownership ratio: 15.20%), Minamigata Holdings owns 1,836,000 shares (ownership ratio: 1.90%), Fukutake Foundation owns 7,758,000 shares (ownership ratio: 8.04%), the Founding Family Individual Shareholders owns 4,907,033 shares (ownership ratio: 5.09% in total), Fukutake Education and Culture Foundation owns 1,919,000 shares (ownership ratio: 1.99%), and other minority

shareholders own the remaining shares of the Target Company. efu Investment made itself the sole settlor and beneficiary, and MTBJ the trustee, whose 6,809,500 shares (ownership ratio: 7.06%) of the Target Company Shares are entrusted.



II. The Tender Offer

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



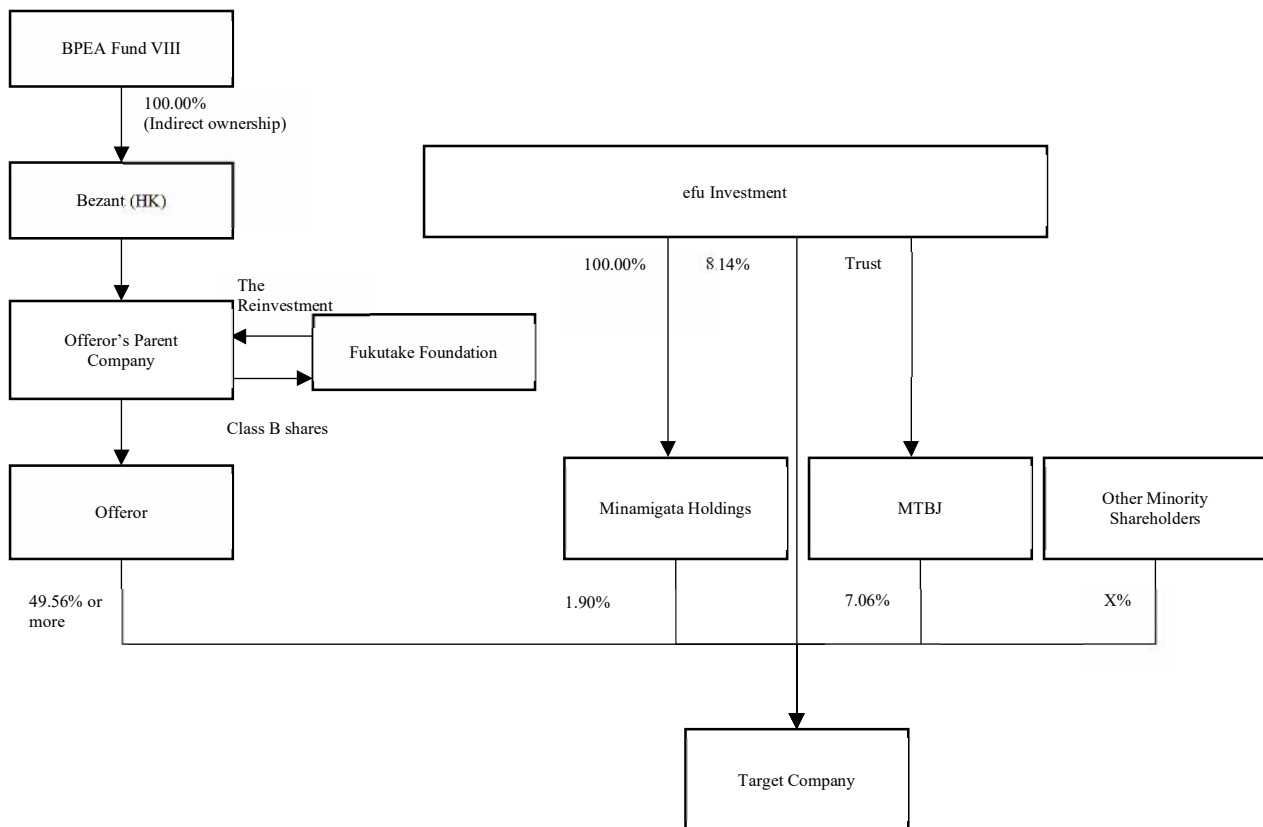
III. Reinvestment (Fukutake Foundation)

Fukutake Foundation plans to reinvest in the Offeror's Parent Company a part of the consideration received by tendering the Target Company Shares owned by it in the Tender Offer, and acquire Class B shares of the Offeror's Parent Company (the "Reinvestment (Fukutake Foundation)" (Note 1). In addition, the Offeror's Parent Company will make an additional investment in the Offeror using the funds paid by Fukutake Foundation and subscribes additional common shares of the Offeror.

(Note 1) The Reinvestment (Fukutake Foundation) will be conducted for the purpose of having the Founding Family Group be involved in the Target Company after the execution of the Transactions through the reinvestment in the Offeror's Parent Company, because the fact that they continue to manage the Target Company will contribute to the development of the entire business of the Target Company and its subsidiaries, and this reinvestment was examined independently from the possibility of the Founding Family Group tendering to the Tender Offer. In addition, (i) Class B shares are not planned to set terms and conditions that are more economically favorable than Class A shares (the Offeror's Parent Company plans to issue only Class A and Class B shares after the settlement of the Tender Offer) (Note 2), (ii) the paid-in amount per share for Class A shares and Class B shares are planned to be set at the same amount, and (iii) the valuation of Target Company Shares (indirectly owned by the Offeror's Parent Company through the Offeror) in determining the corporate valuation of the Offeror's Parent Company, which is the basis for determining the price to be paid per share of Class B shares, is expected to be substantially the same as the Tender Offer Price, and the Class B shares will be issued at market value based on such corporate valuation (i.e., the shares will not be issued at a discounted issue price). Therefore, the transaction terms for the subscription of Class B shares of the Offeror's Parent Company by the Founding Family Group are expected to be not substantially more favorable than the Tender Offer Price. Therefore, the allocation

of Class B shares to the Founding Family Group does not contradict with the intent of the regulations on uniformity of the tender offer price (Article 27-2, Paragraph 3 of the Act).

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



IV. The Share Lending Transaction

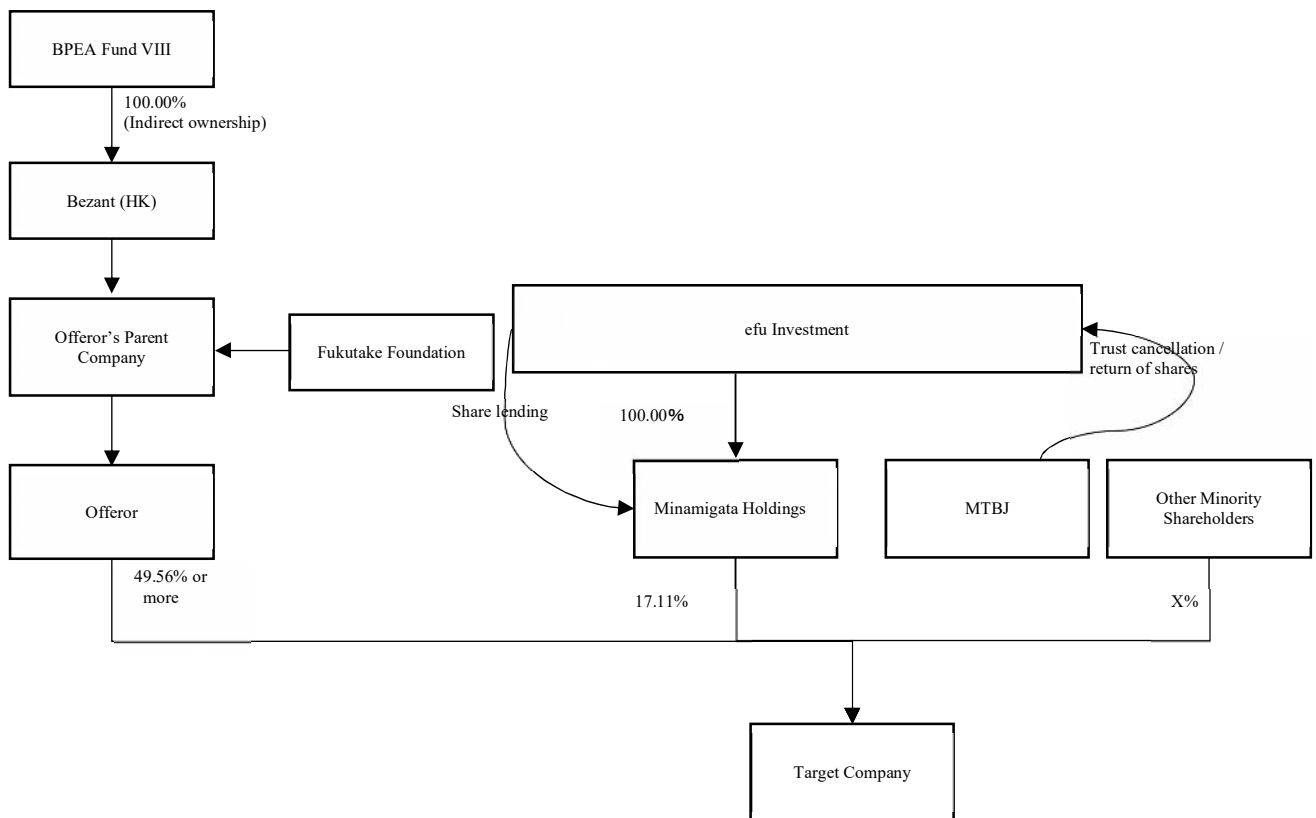
Following the settlement of the Tender Offer and before the Squeeze-Out Procedures becoming effective, efu Investment expects to receive all of the Target Company Shares (number of shares owned: 6,809,500 shares, ownership ratio: 7.06%) deposited in trust with MTBJ as the sole settlor and beneficiary, upon cancellation of the trust and without any payment of consideration (Note 3). Following the receipt of the Target Company Shares, efu Investment plans to lend all of its shares in the Target Company to Minamigata Holdings (the "Share Lending Transaction") (Note 4).

(Note 3) As (i) the Target Company Shares to be returned to efu Investment are the share

certificates, etc. owned by MTBJ, the trustee (defined as a person engaged in trust business in Article 7, Paragraph 1, Item 1 of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers (Ministry of Finance Order No. 38 of 1990, as amended; the “Cabinet Office Ordinance”) as trust property, (ii) efu Investment was the sole settlor and beneficiary under the trust agreement for the relevant trust as of the date of execution thereof and no change has been made thereto, (iii) only efu Investment has the right to instruct MTBJ on the exercise of voting rights (MTBJ has no rights to exercise voting rights or investment), and (iv) efu Investment will only receive the return of the Target Company Shares without any payment of consideration, the return of Target Company Shares does not contradict with the intent of the tender offer regulations, and a tender offer is not necessary for the acquisition of such Target Company Shares.

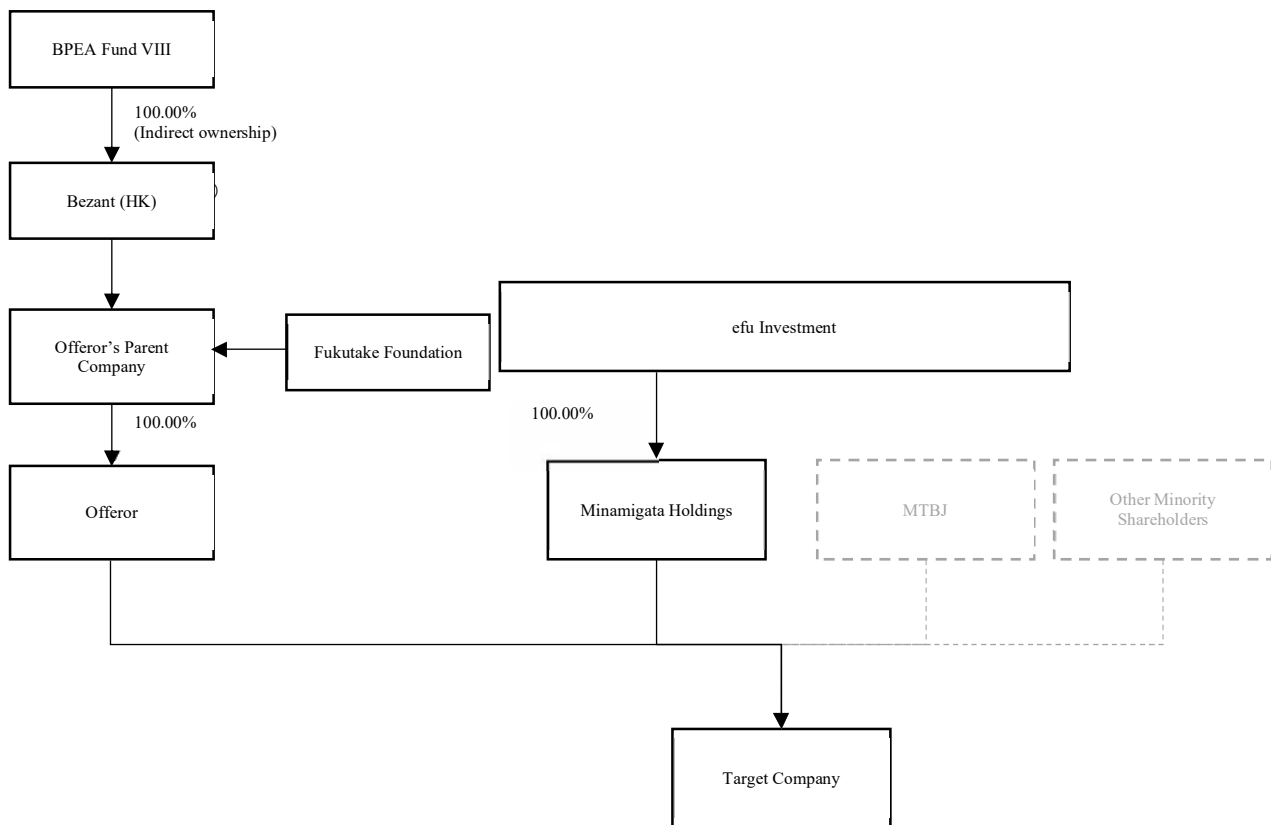
(Note 4)

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



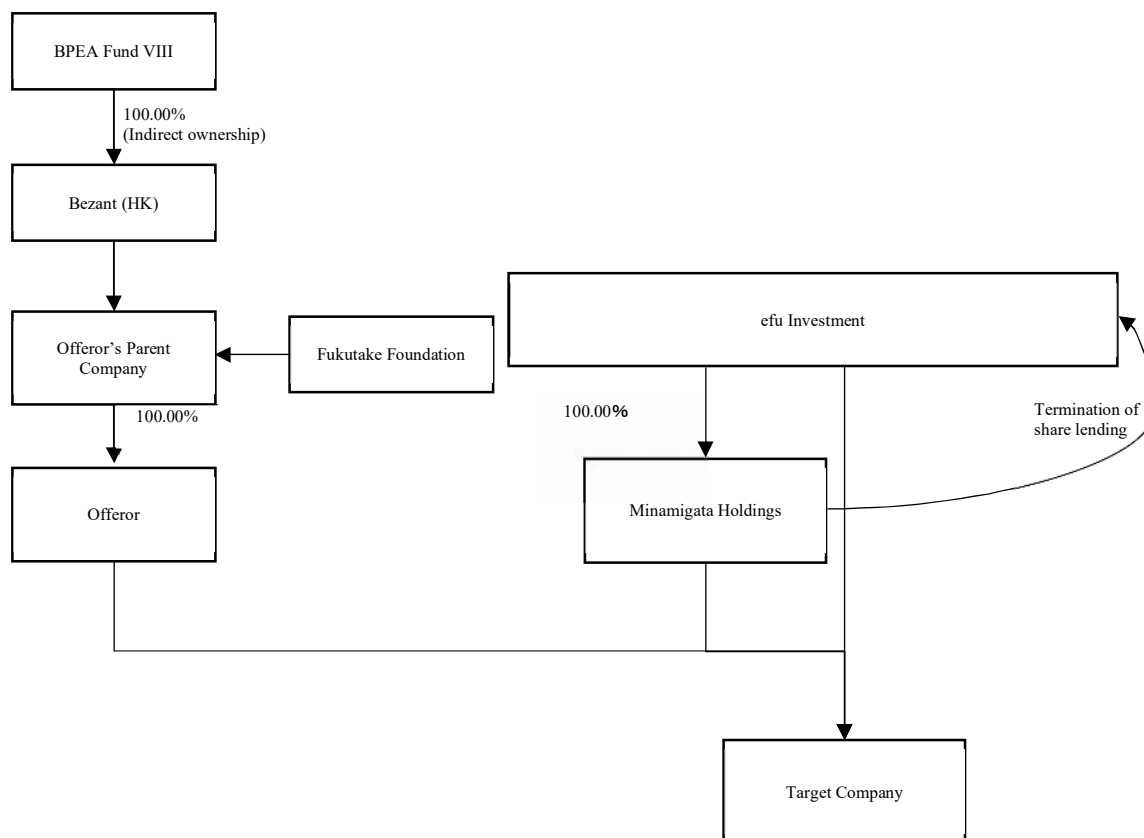
V. Implementation of the Squeeze-Out Procedures

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



VI. Termination of the Share Lending Transaction

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



VII. The Advance Share Transfer

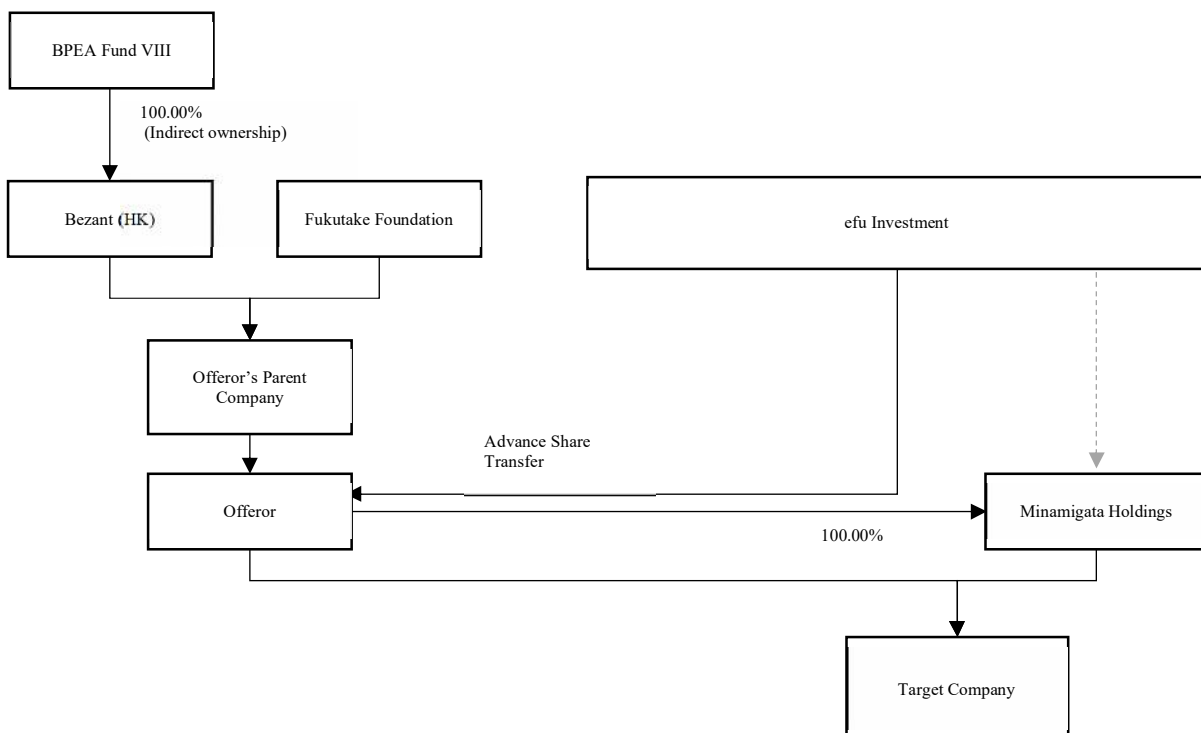
At the time of the termination of the Share Lending Transaction mentioned in “VI. Termination of the Share Lending Transaction” above, the Offeror, efu Investment and Minamigata Holdings will have owned the Target Company Shares. efu Investment will become a shareholder of the Offeror’s Parent Company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

For this reason, efu Investment plans to transfer a part of the shares owned by it in the Target Company (the shares other than the Target Company Shares subject to the Reinvestment (efu Investment)) as well as all of its shares in Minamigata Holdings to the Offeror, both in cash consideration, (collectively, the “Advance Share Transfers”) to make the ownership ratio of Bezant (HK) and the Founding Family Group in the Offeror’s Parent Company after the Reinvestment (efu Investment) 60:40 (Note 5).

(Note 5) The Advance Share Transfer will be conducted for the purpose of adjusting the voting rights ratio and investment ratio in anticipation of the Reinvestment (efu Investment) set forth in “VIII. Reinvestment (efu Investment)” below in order to involve the Founding Family Groups in the Target Company after the execution of the Transactions through the Advance Share Transfer and subsequent reinvestment in the Offeror’s Parent Company, because their continued involvement in the management of the Target Company will contribute to the development of the entire business of the Target Company and its subsidiaries, and was considered independently from the possibility of the Founding

Family Groups tendering to the Tender Offer. With respect to the transfer of shares in Minamigata Holdings, the terms and conditions will be set at the same level as those that could be set if similar transactions were conducted between independent parties. In determining the transfer price in relation to the transfer of shares by Minamigata Holdings, the valuation per Target Company Share owned by Minamigata Holdings shall be substantially equal to the Tender Offer Price, and the valuation per Target Company Share for the partial transfer of the Target Company Shares is expected to be substantially equal to the Tender Offer Price. Since the terms and conditions pertaining to the Advance Share Transfer should not be substantially more favorable than the Tender Offer Price, the Advance Share Transfer will not contradict with the concept of the regulations on uniformity of the tender offer price (Article 27-2, Paragraph 3 of the Act).

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

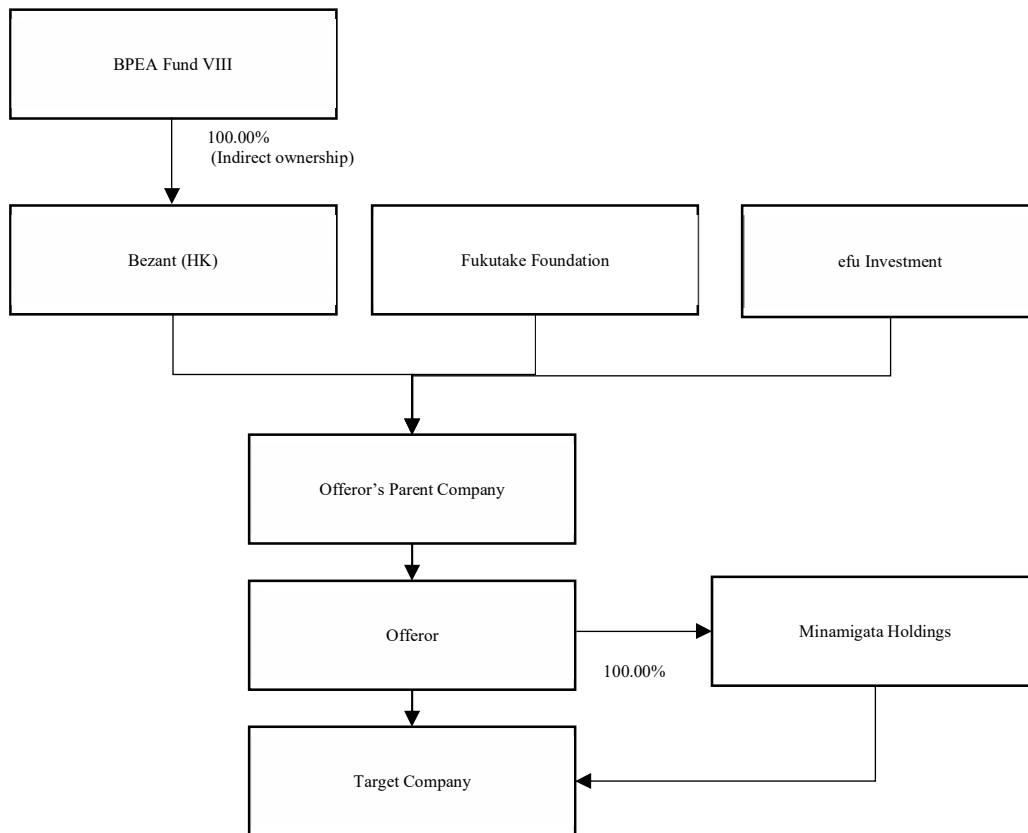


VIII. Reinvestment (efu Investment)

efu Investment will acquire Class B shares of the Offeror by making an in-kind contribution to the Offeror's Parent Company of all of its Target Company Shares or their substitutes after implementation of the Advance Share Transfer described in "VII. The Advance Share Transfer" (the "Reinvestment (efu Investment)"); together with the Reinvestment (Fukutake Foundation), collectively the "Reinvestment" (Note 6). The Offeror's Parent Company plans to acquire the common shares of the Offeror by making an in-kind contribution of all of Target Company Shares or their substitutes that efu Investment made an in-kind contribution to the Offeror's Parent Company. As a result of the Reinvestment (efu Investment), the voting rights ratio of Bezant (HK) and the Founding Family Group in the Offeror's Parent Company will be 50:50 (the investment ratio is 60:40) after the Reinvestment (efu Investment). However, details such as the specific schedule, etc. have not been determined as of today.

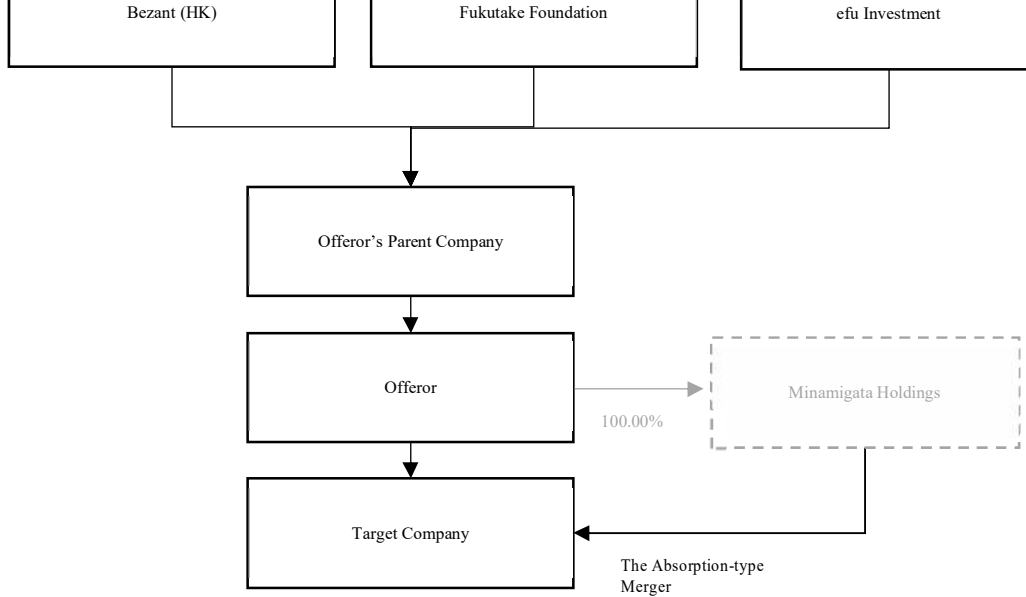
(Note 6) The Reinvestment (efu Investment) will be conducted for the purpose of having the Founding Family Group be involved in the Target Company after the execution of the Transactions through the reinvestment in the Offeror's Parent Company, because their continued involvement in the management of the Target Company will contribute to the development of the entire business of the Target Company and its subsidiaries, and the Reinvestment (efu Investment) was examined independently from the feasibility of the Founding Family Group tendering to the Tender Offer. In addition, (i) Class B shares are not planned to set terms and conditions that are more economically favorable than Class A shares (the Offeror's Parent Company plans to issue only Class A and Class B shares after the settlement of the Tender Offer), and (ii) the paid-in amount per share for Class A shares and Class B shares are planned to be set at the same amount, (iii) the valuation of Target Company Shares (indirectly owned by the Offeror's Parent Company through the Offeror in determining the corporate valuation of the Offeror's Parent Company, which is the basis for determining the price to be paid per share of Class B shares, is expected to be substantially the same as the Tender Offer Price, and Class B shares will be issued at market value based on such corporate valuation (i.e., the shares will not be issued at a discounted issue price), and (iv) because the valuation per share of the Target Company Shares contributed in kind by efu Investment is planned to be set substantially at an amount equal to the Tender Offer Price in order to set forth the transaction terms of the Reinvestment (efu Investment), the transaction terms pertaining to the subscription of Class B shares of the Offeror's Parent Company by the Founding Family Group should not be set substantially more favorable terms and conditions than the Tender Offer Price. Therefore, the allocation of Class B shares to the Founding Family Group does not contradict with the concept of the regulations on uniformity of the tender offer price (Article 27-2, Paragraph 3 of the Act). It is possible that the Reinvestment (efu Investment) will be made, not by way of contribution in kind of all of Target Company Shares to the Offeror's Parent Company and the Offeror, but by way of contribution in kind to the Offeror's Parent Company from efu Investment of the right to claim performance of joint guarantee obligations pertaining to claims on the share transfer price against the Offeror's Parent Company under the share transfer agreement, which is to be executed beforehand between efu Investment, the Offeror, and the Offeror's Parent Company (the acquirer of the Target Company Shares will be the Offeror, and the Offeror's Parent Company plans to jointly guarantee claims on the share transfer price), and by further making an in-kind contribution of the right to claim against the Offeror arising from the performance of joint guarantee by the Offeror's Parent Company (details have not been determined as of today). In setting the terms and conditions of the Reinvestment (efu Investment), the valuation per share of Target Company Shares in determining share transfer price of the share transfer agreement pertaining to the right to claim performance of joint guarantee obligations relating to the claims on the share

transfer price contributed in kind by efu Investment is also expected to be substantially the same as the Tender Offer Price. Therefore, the valuation does not contradict with the intent of the regulations on uniformity of the tender offer price (Article 27-2, Paragraph 3 of the Act).



IX. The Absorption-type Merger

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



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

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

(i) The Target Company’s business environment

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

motivating them to improve throughout their lives,” “providing services that make people happier and more deeply appreciate the meaning of life as they age,” and engages in the following businesses:

- i. Education Business in Japan: Led by Benesse Corporation, Tokyo Individualized Educational Institute, Inc., and UP Inc., the Target Company mainly engages in correspondence education business, education business for schools, and cram school and classroom business, and provides educational materials and educational services tailored to the learning styles and needs of people mainly from preschool children to high school students, with the enjoyment of learning and the joy of self-growth being the top priority.
- ii. Nursing Care and Childcare Business: Led by Benesse Style Care Co., Ltd., and with the emphasis on people’s individuality and their personal growth, the Target Company provides home care services, food delivery services, and childcare and after-school services to support elderly people, children, and their families to live well.
- iii. Business for University and Working Adult: Led by Shinken-Ad. Co., Ltd., Benesse Corporation, and Benesse i-Career Co., Ltd., the Target Company engages in study abroad support business, business to provide online video learning platform services for working adults, university support business, and career-development support business, to provide products and services that support the growth of individuals and companies through learning.
- iv. Overseas Business: Led by Benesse Corporation China and other companies, the Target Company mainly engages in correspondence education business and classroom business for preschool children and provides original educational services tailored to the developmental stage of children in its “Kodomo Challenge” business in Asian countries.

In addition, the Target Company Group has been promoting the five-year medium-term management plan starting from fiscal year 2021, entitled “Evolution of Core Businesses and Challenge to New Domains” (“Medium-Term Management Plan”), in order to quickly recover from the impact of the COVID-19 pandemic and evolve its businesses in light of environmental changes. Phase 1 of the Medium-Term Management Plan from fiscal year 2021 to fiscal year 2022 aims to achieve a prompt recovery in existing businesses affected by COVID-19, and Phase 2 from fiscal year 2023 to fiscal year 2025 aims to achieve further growth by evolving core businesses and challenging new fields where the strengths of the Target Company Group can be leveraged, such as education and nursing care. With the start of Phase 2 in fiscal year 2023, the Target Company formulated “Transformation Business Plan” in May 2023 as a plan with specific actions to be made in fiscal year 2023 to fiscal year 2025 and brushed up in light of recent environmental changes in the education and nursing care areas. With this “Transformation Business Plan,” the Target Company aims to address social issues focusing on “people,” proactively pursue the realization of the Group’s Purpose (Note 1), seek sustainable profit growth through portfolio restructuring, and realize a profit structure based on the three pillars of “Core Education Business (Note 2),” “Core Nursing Care Business (Note 3),” and “New Fields (Note 4).” Specifically, the Target Company will address the following:

- i. Core Education Business
 - Redesign of product value and sales methods (maintain and strengthen customer base and respond to diversification of needs ... Improve accuracy through ROI (return on investment) assessment)
 - Cost structure reform (review and reduce fixed cost structure across the company and organization)
 - Next generation and business model reform (start the reform with a view of moving to the next phase of the “Next GIGA Concept” (the “GIGA School Concept”) (Note 5) from fiscal year 2025 or later)

- Recovery of course enrollment in China business and expansion of LTV (customer lifetime value)
- ii. Core Nursing Care Business
 - Recovery of occupancy rate (measures to restore willingness to move in and reinforcement of sales force and management)
 - New expansion of property development target areas
- iii. New Fields
 - < Business for University and Working Adult >
 - Based on learning centered on Udemy, aim to build a business model that can provide reskilling support for both businesses and individuals through a single step, and also engage in matching business
 - < Nursing care business >
 - Achieve further growth by focusing on the nursing care HR business and nursing care food business, which have market attractiveness and can leverage our strengths.
 - < Overseas business >
 - Expand into domains (related to education and nursing care) where the Target Company Group has strengths and know-how
 - Maintain a strategy that is deeply committed to specific countries and not a strategy aiming for a global expansion (e.g., supporting school education in India)
 - In areas where there is insufficient organizational capacity, consider M&A as an option to use as a starting point and booster
- iv. Management and Corporate Transformation as a Management Structure for Realizing Portfolio Transformation
 - Restructure the CXO structure as a management team, increase expertise, and strengthen cross-sectional cooperation
 - Establish a management system for company-wide resource allocation by top management
 - Consider and promote automation and mechanization using shared ownership and latest AI technologies to improve corporate productivity

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

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

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

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

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

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

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

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

Soichiro Fukutake and Hideaki Fukutake believe that, while the capabilities that people should nurture and develop are drastically changing in such a drastically changing society, Japanese society does not have adequate structures to nurture and evaluate the capabilities required in modern society, which is undergoing digitalization and globalization, and Japan's international competitiveness and presence are declining. In addition, while the number of elderly people who are lonely and cannot be happy has increased due to the accelerating aging of the population, the number of service providers who can provide sufficient high-quality care is very low, and we are in a situation where it is difficult to lead a high-quality senior life "as who they are." Soichiro Fukutake and Hideaki Fukutake believed that confronting such a structural crisis in modern Japanese society and leading the future of Japan through education and nursing care as a flag-bearer is possible for the Target Company because it has a brand that is widely trusted in society, and employees who share a long history of supporting growth and problem solving alongside customers who are striving to realize their dreams and ideals and share a common philosophy. Based on this belief, Soichiro Fukutake and Hideaki Fukutake, as the "third business" of the Target Company following the "first business" by Tetsuhiko Fukutake of the educational business and the "second business" by Soichiro Fukutake of the nursing care business, realized that, in order for the Target Company to become a global platform for "well-living" of all generations in the world, in both the digital and the real world, it would be necessary to deviate from the extension of the current line of business and to implement changes beyond the content of the business reforms that the Target Company has already implemented and considered, through the implementation of bold measures including to promote additional measures such as digitalization of education business, reinforcement of overseas education business, and expansion of nursing care

business through M&A. In addition, Soichiro Fukutake and Hideaki Fukutake came to the conclusion that a long-term and sustainable business transformation is unavoidable in order to realize the “third business” by achieving the Transformation Business Plan formulated by the Target Company in May 2023 and going beyond the content of the business transformation that the Target Company has previously implemented and considered through additional measures on the Target Company. Therefore, through privatization of the Target Company Shares distancing the Target Company from capital market, where financial results are expected to be achieved in every accounting period, and cooperating with an influential external partner to utilize their knowledge and experiences would be a viable option.

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

Under such circumstances, in early December 2022, EQT had an opportunity to meet with Soichiro Fukutake and Hideaki Fukutake through its network and made an initial approach to Soichiro Fukutake and Hideaki Fukutake on the commencement of negotiations to realize the Transactions. Upon this approach, Soichiro Fukutake and Hideaki Fukutake had an interview with EQT regarding the future of the Target Company’s business and the Transactions, including the privatization of the Target Company Shares, and had discussions over the next six months. Through the discussions with EQT, Soichiro Fukutake and Hideaki Fukutake came to realize that, as the “third business” of the Target Company, in implementing additional measures, such as digitizing its education business, strengthening its overseas education business and expanding nursing care business through M&A, and conducting non-sequential reforms, even if such measures were expected to achieve significant growth in the medium to long term, there would be a possibility that such measures would not directly contribute to the Target Company’s profits in the short term, and also concern that the Target Company’s profitability would deteriorate in the short term. Therefore, they reached a conclusion that it would be difficult to implement these measures while the Target Company remains listed, since the Company could not deny the possibility that implementing these measures while maintaining the listing would have a negative impact on shareholders of the Target Company, such as a decline in the market price of Target Company Shares. Based on the recognition of those issues and after extensive discussions with EQT, Soichiro Fukutake and Hideaki Fukutake concluded that the Target Company’s corporate philosophy and business content were highly compatible with EQT’s founding principles of “be the most respected investment firm in the world that helps companies grow in ambition, build great organizations, and create value in a responsible and sustainable way” and purpose, which originated from the entrepreneurship and long-term business philosophy of the Swedish Wallenberg family, where EQT originated from. In addition, Soichiro Fukutake and Hideaki Fukutake realized that EQT and the Wallenberg family (1) actively engage in activities beyond financial capitalism, such as returning profits from sustainability initiatives and business activities to society through charitable activities, regional development, promotion of arts, development of science, and educational support; (2) have a track record of investing in 18 companies in the education field and 6 companies in the nursing care field, and has a track record and know-how

in the fields of education and nursing care; and (3) support the implementation of digital capabilities of the target companies through its in-house digital team consisting of former employees of tech companies such as Google LLC, Amazon.com, Inc. and Meta Platforms, Inc, which allows EQT to provide business intelligence in a variety of areas, including benchmarking with competitors and identifying growth areas by analyzing and structuring advanced data using advanced natural language processing platforms, and optimizing digital marketing. Based on the recognition above and after numerous discussions, in late March 2023, Soichiro Fukutake and Hideaki Fukutake decided that it would be most appropriate to conduct the Transactions with EQT as partner, in order to realize the “third business” of the Target Company. Accordingly, the Offerors retained advisors to the entire consortium, including White & Case in late March 2023 and Mori Hamada & Matsumoto in mid-April 2023, respectively, as its legal advisors, and EQT retained Nomura Securities Co., Ltd. (“Nomura Securities”) in mid-May 2023 as its financial advisor and submitted a non-binding letter of intent to the Target Company on May 22, 2023, proposing the Tender Offer and privatization of the Target Company Shares through the Squeeze-Out Procedures, in order to enhance their corporate value from a medium- to long-term perspective (the “Initial Letter of Intent”).

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

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

(i) Education Business

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

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

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

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

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

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

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

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

(ii) Nursing care business

As a leading player in the nursing care industry, the Target Company will continue to pursue the highest quality in the industry and employee satisfaction. The Target Company can achieve a competitive profit margin by eliminating the variation in service quality among different facilities, and by providing equally high-quality services at all facilities, it can increase the satisfaction of residents and reduce the overall cost of business operations. In addition to the above, a dedicated M&A team will be set up and actively expand its business through M&A. Specifically, the Target Company will achieve growth beyond market growth through acquisitions of medium-sized or leading domestic operators of fee-based

nursing homes, and aims to solidify its position as the industry leader. In addition, the Target Company will aim to maximize its corporate value by leveraging the experience in providing human resources utilizing the EQT network and measures to improve satisfaction of residents and employees of portfolio companies in addition to the brand value and operational expertise of the Target Company's fee-based nursing homes including "Aria," residential fee-based nursing homes and serviced senior residences.

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

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

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

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

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

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

Based on the above, for the final decision of the Target Company's board of directors, the Offerors made a legally binding final proposal in writing to the Target Company on November 9, 2023, at a tender offer price of JPY 2,600 (JPY 2,600 is the number calculated by adding a premium of 45.13% to the Target Company Share's closing price of JPY 1,791.5 on the Tokyo Stock Exchange's Prime Market on November 9, 2023, which is when the proposal was made; 45.90% to the simple average closing price of JPY 1,782 for the past one (1) month ended on that date; 42.39% to the simple average closing price of JPY 1,826 for the past three (3) months ended on that date; and 41.23% against the simple average closing price of JPY 1,841 for the past six (6) months ended on that date), and the Tender Offer Price per ADR at JPY 2,600, with other conditions of the Tender Offer (i.e. the minimum number of shares to be purchased and the period of purchase, etc. in the Tender Offer (the "Tender Offer Period")) as set forth in the Offeror's Press Release Dated November 10, 2023.

Subsequently, on November 10, 2023, the Offerors decided to implement the Tender Offer, on the condition that the Conditions Precedents, including the obtaining of the Clearance, have been satisfied (or waived by the Offeror), as part of the Transactions, with the tender offer price of JPY 2,600 per share of the Target Company Shares and the tender offer price of JPY 2,600 per ADR. At this time, the Offerors have confirmed that all Conditions Precedent (excluding the obtaining of the Clearance pertaining to the procedures under the competition laws in Japan) have been satisfied by January 29, 2024, and, therefore, the Offerors decided on the same day to commence the Tender Offer on January

30, 2024.

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

(i) Background to the establishment of the review system

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

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

(ii) Process of examination and negotiation

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

Specifically, the Target Company accepted due diligence procedures conducted by the Offerors in

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

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

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

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

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

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

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

(iii) Decision

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

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

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

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

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

transformation, and has set up management and corporate transformation as specific measures to realize the portfolio transformation, and are working to strengthen systems and improve productivity.

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

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

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

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

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

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

(c) Active Use of M&A

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

(d) Acceleration of decision making by privatization

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

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

Based on the foregoing, the Target Company resolved at its board of directors meeting held on November 10, 2023, that, as the Target Company's opinion as of that day, if the Tender Offer is commenced, it will express an opinion in support of the Tender Offer, that it will recommend that the Target Company's shareholders tender their shares in the Tender Offer, and that the holders of ADRs tender their shares in the Tender Offer upon delivering their ADRs to the Depositary Banks and withdrawing the Target Company Shares pertaining to those ADRs.

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

Subsequently, the Target Company was informed from the Offerors on January 22, 2024 that (i) the necessary procedures and measures under the competition laws in China and the Foreign Exchange and Foreign Trade Act in Japan have been completed, and the necessary procedures and measures under the competition laws in Japan are expected to be completed during the Tender Offer Period, and that (ii) subject to the Conditions Precedent being satisfied (or waived by the Offeror), the Tender Offer is scheduled to be commenced on January 30, 2024.

In response, the Target Company asked the Special Committee to examine if there were no changes to the opinion set forth in the Report Dated November 10, 2023, and, if there were no changes, to advise the Target Company's board of directors to that effect, or, if there were any changes, to state the changed opinion. The Special Committee, after examining the abovementioned matters, confirmed that there were no reasons to make changes to the content of the Report Dated November 10, 2023, even if the circumstances between November 10, 2023, and January 29, 2024, are taken into account, and submitted to the board of directors of the Target Company on January 29, 2024, the Report Dated January 29, 2024 to the effect that there were no changes to the previous opinion.

Based on the above, the Target Company carefully considered the terms and conditions of the Tender Offer again, while giving utmost respect the content of the Report Dated January 29, 2024, submitted by the Special Committee, based on the business conditions of the Target Company and the environment surrounding the Transactions, and concluded that there was nothing that would change its opinion as of November 10, 2023, regarding the Tender Offer, as of January 29, 2024.

Accordingly, the Target Company resolved, at the meeting of the board of directors of the Target Company held on January 29, 2024, unanimously by the directors of the Target Company (seven (7) directors out of all eight (8) directors excluding Hideaki Fukutake), to reconfirm its Supporting Opinion to the Tender Offer and to recommend to the Target Company's shareholders that they tender their shares in the Tender Offer and to the owners of the Target Company's ADRs that they deliver ADRs to the Depositary Banks in advance, receive the Target Company Shares issued for such ADRs, and tender the shares in the Tender Offer. All four (4) statutory auditors of the Target Company attended the board of directors meeting, and all of them expressed their opinion that they have no objection to the above resolutions.

For details of the above resolutions at the board of directors' meetings held on November 10, 2023, and January 29, 2024, please refer to "(iv) Approval of all the Target Company's directors who do not have interest and an opinion of all statutory auditors who do not have interest that there is no objection" under

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

(iv) Management policy after the Tender Offer

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

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

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

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

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

Given that the Tender Offers will be conducted as part of the so-called management buyout (MBO) and that structural conflicts of interest may arise, the Offeror and the Target Company have implemented the following measures to ensure the fairness of the Transactions including the Tender Offer, from the viewpoint of ensuring the fairness of the Tender Offer Price, eliminating arbitrariness in decision making process leading to the decision to implement the Tender Offer and avoiding conflicts of interest. Note that, if the minimum of the so-called “Majority of Minority” is set, the establishment of the Tender

Offer would be destabilized, which in turn might not serve the interests of general shareholders who wish to tender in the Tender Offer, and, therefore, no minimum of the so-called “Majority of Minority” was set in the Tender Offer. However, since the Offerors and the Target Company implemented the measures below, the Offerors and the Target Company believe that due consideration has been given to the interests of the Target Company’s general shareholders.

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

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

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

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

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

During the Tender Offer Period, the Offeror will request the Target Company to hold an extraordinary shareholders’ meeting, where the proposals to conduct the “Share Consolidation and to make a partial amendment to the Target Company’s Articles of Incorporation to abolish the share unit number provisions on the condition that the Share Consolidation becomes effective will be submitted (the “Extraordinary Shareholders’ Meeting”). From the viewpoint of improving the corporate value of the Target Company, the Offeror believes that it would be desirable to hold the Extraordinary Shareholders’ Meeting as soon as possible, and plans to request the Target Company to give a public notice of the setting of a record date so that a date close to the settlement of the Tender Offer (which is scheduled to be mid to late March 2024, as of today) will be the record date for the Extraordinary Shareholders’ Meeting (although undetermined as of today, it is possible that a public notice of the setting of a record date will be issued during the Tender Offer Period). The Target Company plans to comply with such request received from the Offeror. As of today, the Extraordinary Shareholders’ Meeting is planned to be held around late April to mid-May 2024. The Offeror and Minamigata Holdings intend to approve each of those proposals at the Extraordinary Shareholders’ Meeting.

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

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

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

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

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

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

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

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

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

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

(5) Expected delisting and reasons therefor

The Target Company Shares are currently listed on the Prime Market of the Tokyo Stock Exchange as of today. However, since the Offeror has not set a maximum number of share certificates, etc. to be

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

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

① The Shareholders’ Agreement

Bezant (HK) and the Founding Family Group entered into the Shareholders Agreement dated November 10, 2023, which contains the following details regarding the operation, etc. of the Target Company and its subsidiaries. The Shareholders’ Agreement is set to take effect upon completion of the investment in the Offeror’s Parent Company by Bezant (HK) and the investment in the Offeror by the Offeror’s Parent Company to fund the settlement of the Tender Offer, except for certain provisions. (Note 1)

- (i) The maximum number of directors of the Offeror’s Parent Company, the Offeror and the Target Company shall each be seven (7). Initially, Hitoshi Kobayashi (Representative Director, President and CEO), Hideaki Fukutake (Chairperson of the board of directors) and one (1) director to be jointly appointed by Bezant (HK) and the Founding Family Group shall be elected, and Bezant (HK) shall have the right to nominate three (3) directors and the Founding Family Group shall have the right to nominate two (2) directors (one of whom will be Hideaki Fukutake).
- (ii) The number of statutory auditors of the Offeror’s Parent Company, the Offeror and the Target Company shall be two (2) in total, respectively, and each of Bezant (HK) and the Founding Family Group is entitled to nominate one (1).
- (iii) Prior consent of Bezant (HK) and the Founding Family Group with respect to important matters including, amendments to the articles of incorporation of the Target Company and its major subsidiaries, restructuring activities, issuance or disposal of shares etc., important acquisition or sale of shares or business, and material borrowings.
- (iv) Restriction on transfer of the shares of the Offeror’s Parent Company, the shares of the Offeror or Target Company Shares, etc. by Bezant (HK) and the Founding Family Group, respectively, and creation of security interest or any other disposition thereof.

(Note 1) The Shareholders’ Agreement provides that its terms shall be applied mutatis mutandis reasonably when a structure in which the Offeror’s Parent Company is to hold all of the outstanding shares of the Offeror is adopted. Thus, there has been no substantial change to the agreements or other matters set forth in the Offeror’s Press Release Dated November 10, 2023.

② The Master Agreement

The Offeror entered into the Master Agreement dated November 10, 2023, with efu Investment, Minamigata Holdings, Fukutake Foundation, and Bezant (HK) regarding privatization of the Target Company Shares through the Transactions, which contains the following details (Note 2) (Note 3). Except for the Master Agreement, there is no agreement between the Offeror and Fukutake Foundation concerning the Tender Offer, and there is no consideration to be provided

by the Offeror to Fukutake Foundation concerning the Tender Offer other than the money obtained by tendering to the Tender Offer:

- (i) All of Target Company Shares owned by Fukutake Foundation (number of shares held: 7,758,000 shares, ownership ratio: 8.04%) will be tendered in the Tender Offer.
- (ii) All of Target Company Shares owned by efu Investment and Minamigata Holdings (number of shares held: 16,504,000 shares in total, ownership ratio: 17.11% in total) will not be tendered in the Tender Offer.
- (iii) By implementing the Transactions such as the Tender Offer, the Squeeze-Out Procedures and the Share Lending Transaction, the Advance Share Transfer, the Reinvestment and the Absorption-type Merger as set forth in “(1) Summary of the Tender Offer” <the Transactions and Structure Chart> above, the Target Company Shares will be delisted and become a wholly-owned subsidiary of the Offeror, and transactions to make Bezant (HK) and the Founding Family Group become shareholders of the Offeror’s Parent Company pursuant to a voting right ratio of 50 to 50 (ownership ratio: 60 to 40) will be implemented.
- (iv) Minamigata Holdings and efu Investment will each make its reasonable best efforts to obtain the Consents for the Release of Collateral and release the collateral in accordance with the Consents before the Tender Offer commences, and the Offeror will reasonably cooperate with them.

(Note 2) In the Master Agreement, each contract party represents and warrants the following matters: (i) due incorporation, valid existence and legal capacity; (ii) full performance of the procedures for execution and performance of the Master Agreement; (iii) enforceability of the Master Agreement; (iv) absence of breach of the laws and regulations for execution and performance of the Master Agreement; (v) absence of relationships with anti-social forces; (vi) absence of events for commencement of bankruptcy proceedings; and (vii) acquisition and activation of licenses and permits pertaining to execution and performance of the Master Agreement. In addition, efu Investment, Minamigata Holdings, and Fukutake Foundation have made representations and warranties with respect to the matters concerning their rights to Target Company Shares and the matters concerning the Target Company Group (the Target Company Group shares, etc., financial statements, securities reports, etc., absence of insider information, compliance with laws, contracts, assets, taxes and public dues, personnel matters, conflicts, environment, absence of relationships with anti-social forces, and accuracy of disclosure information), and efu Investment and Minamigata Holdings have made representations and warranties with respect to the matters concerning Minamigata Holdings, respectively.

(Note 3) The Master Agreement provides that its terms shall be applied mutatis mutandis reasonably when the structure in which the Offeror’s Parent Company is to hold all of the outstanding shares of the Offeror is adopted. Thus, there has been no substantial change to the agreements or other matters set forth in the Offeror’s Press Release Dated November 10, 2023.

③ The Tender Agreement (Founding Family Individual Shareholders)
The Offeror entered into the Tender Agreement (Founding Family Individual Shareholders) with the Founding Family Individual Shareholders, respectively, as of November 10, 2023 and agreed to tender in the Tender Offer the Tendered Shares owned by the Founding Family Individual Shareholders (number of total shares held: 4,907,033 shares, ownership ratio: 5.09% in total). Of the Founding Family Individual Shareholders, Tomonori Nishimura provided all or part of his Target Company Shares as collateral, and the tendering of the Target Company Shares provided as collateral is subject to the Condition Precedent that the collateral has been legally and validly

extinguished. He has reported that, in tendering the Target Company Shares, he obtained consent for the release of the collateral from the holder of the collateral in mid-December 2023. In addition, except for the Tender Agreement (Founding Family Individual Shareholders), there is no agreement between the Offeror and the Founding Family Individual Shareholders concerning the Tender Offer, and there is no consideration to be offered by the Offeror to the Founding Family Individual Shareholders concerning the Tender Offer other than the money to be obtained by tendering to the Tender Offer.

- ④ The Tender Agreement (Fukutake Education and Culture Foundation)
 The Offeror entered into the Tender Agreement (Fukutake Education and Culture Foundation) with Fukutake Education and Culture Foundation as of December 8, 2023, and agreed to tender in the Tender Offer the Tendered Shares (number of shares held: 1,919,000 shares, ownership ratio: 1.99%) owned by the Fukutake Education and Culture Foundation. Except for the Tender Agreement (Fukutake Education and Culture Foundation), there is no agreement between the Offeror and Fukutake Education and Culture Foundation concerning the Tender Offer, and there is no consideration to be offered by Fukutake Education and Culture Foundation to the Offeror concerning the Tender Offer other than the money to be obtained by tendering to the Tender Offer.

2. Outline of the Tender Offer

(1) Outline of the Target Company

| | | |
|-------|---|---|
| (i) | Name | Benesse Holdings, Inc. |
| (ii) | Address | 3-7-17 Minamigata, Kita-ku, Okayama-shi, Okayama |
| (iii) | Name and Title of Representative Director | Hitoshi Kobayashi, Representative Director, CEO and President |
| (iv) | Businesses | The company operates in three main business segments: Education Business in Japan, Kids & Family, and Nursing Care and Childcare. The “Education Business in Japan” includes the Out-of-School Learning Business Company, the School and Teacher Support Business Company, and the University and Working Adult Business Company under the corporate structure. |
| (v) | Capital | JPY 13,857 million (as of September 30, 2023) |
| (vi) | Date of Foundation | January 28, 1955 |
| (vii) | Major Shareholders and Ownership Percentage, as of September 30, 2023 | The Master Trust Bank of Japan, Ltd. 17.55% |
| | | efu Investment (Standing proxy: Michio Shimozuma) 8.14% |
| | | Fukutake Foundation 8.04% |
| | | Custody Bank of Japan, Ltd. 4.73% |
| | | The Chugoku Bank, Ltd. 2.88% |
| | | Fukutake Education and Culture Foundation 1.98% |
| | | Minamigata Holdings 1.90% |

| | | |
|---|--|----------------|
| | Mizuho Trust & Banking Co., Ltd. | 1.65% |
| | Retirement Benefit Trust, Chugoku Bank, Ltd. Account | |
| | Toshiaki Matsuura | 1.44% |
| | Mitsuko Fukutake | 1.42% |
| (viii) Relationships Between the Offeror and the Target Company | | |
| | Capital Relationships | Not applicable |
| | Personnel Relationships | Not applicable |
| | Business Relationships | Not applicable |
| | Related Party Relationships | Not applicable |

(Note) “(vii) Major Shareholders and Ownership Percentage, as of September 30, 2023” has been excerpted from the Target Company Quarterly Financial Report.

(2) Schedule

(i) Schedule

| | |
|---|---|
| Date of Decision | January 29, 2024 (Monday) |
| Date of Public Announcement of the Commencement of the Tender Offer | January 30, 2024 (Tuesday) Electronic public notices will be made, and the same will be published in the Nihon Keizai Shimbun. (Electronic Public Notice Address -- https://disclosure2.edinet-fsa.go.jp/) |
| Date of Submission of the Tender Offer Notification | January 30, 2024 (Tuesday) |

(ii) Period for the Purchase, Etc. at the Time of Notification

From January 30, 2024 (Tuesday), until March 4, 2024 (Monday) (23 business days)

(iii) Possibility of Extension upon Request by the Target Company

If the Target Company submits a position statement requesting for an extension of the Tender Offer Period pursuant to Article 27-10, Paragraph 3, of the Act, the Tender Offer Period will be 30 business days, until March 13, 2024 (Wednesday).

(3) Price of tender offer

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

(ii) Depositary receipts for share certificates, etc.: JPY 2,600 per depositary receipt

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

Note: According to the registration statements for ADRs (Form F-6EF) or post-effective amendments (Form F-6 POS) filed by Deutsche Bank Trust Company Americas on October 10, 2008, and September 29, 2017, by The Bank of New York Mellon on August 13, 2009, by Citibank, N.A. on March 15, 2012, and by Convergenx Depositary, Inc. on October 15, 2014, with the U.S. Securities and Exchange Commission respectively (collectively, the “ADR Registration Statements”), ADRs have been issued for the Target Company Shares and according to the Target Company, the Target Company was not involved in the issuance of the ADRs. Since the Offeror aims to acquire all of the Target Company Shares (excluding treasury shares owned by the Target Company and the Untendered Shares) through the Tender Offer, the Offeror is required to solicit offers to sell all share certificates, etc. issued by the Target Company pursuant to the provisions of Article 27-2, Paragraph 5 of the Act and Article 8, Paragraph 5, Item (iii) of the Order, and the ADRs have been included in the class of share certificates, etc. to be purchased. On the other hand, as the ADRs are securities issued in the U.S., the Offeror has found it practically difficult for the Offeror, which resides in Japan, to acquire the ADRs through the Tender Offer, which will be conducted outside the U.S., because

there is no financial instruments business operator, etc. that is capable of handling the ADRs as a tender offer agent. Therefore, in the Tender Offer, the Offeror accepts only tenders of the Target Company Shares and does not accept any tender of the ADRs, but the Offeror will accept tenders of the Target Company Shares for the ADRs. Accordingly, holders of ADRs who wish to tender their ADRs in the Tender Offer are requested to deliver them to the Depository Banks in advance, and tender the Target Company Shares pertaining to the ADRs after withdrawing them.

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

(i) Basis of calculation

(a) Common stock

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

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

(b) ADRs

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

(ii) Process of calculation

(Background on the determination of the Tender Offer Price)

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

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

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

More specifically, based on the results of the due diligence review of the Target Company conducted from the end of July 2023 until late September 2023, the Offerors, on September 30, 2023, made the First Proposal in writing to the Target Company to set the Tender Offer Price per Target Company Share at JPY 2,300 (JPY 2,300 is the number calculated by adding a premium of 25.72% to the Target Company Share’s closing price of JPY 1,829.5 on the Tokyo Stock Exchange’s Prime Market on September 29, 2023, which is the business day immediately preceding September 30, 2023, which is when the proposal was made; 23.13% to the simple average closing price of JPY 1,868 for the past one (1) month ended on that date; 24.46% to the simple average closing price of JPY 1,848 for the past three (3)

months ended on that date; and 22.86% against the simple average closing price of JPY 1,872 for the past six (6) months ended on that date), and the Tender Offer Price per ADR at JPY 2,300. In response to the Offerors' First Proposal, the Offerors received a request from the Target Company, dated October 10, 2023, to increase the Tender Offer Price because the Tender Offer Price in the First Proposal was significantly inadequate from the standpoint of recommending minority shareholders of the Target Company to tender their shares.

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

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

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

Target Company Shares, from the standpoint of fulfilling accountability as the Target Company and recommending minority shareholders of the Target Company to tender their shares.

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

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

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

At this time, as stated in "(1) Summary of the Tender Offer" of "1. Purpose of the Tender Offer", the Offerors confirmed that all of Conditions Precedent (excluding the obtaining of the Clearance pertaining to the procedures under the competition laws in Japan) have been satisfied, and, the Offeror decided on January 29, 2024, to commence the Tender Offer on January 30, 2024.

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

Given that the Tender Offer is conducted as part of the Transactions for a so-called management buyout (MBO) and that structural conflicts of interest may arise, the Offerors and the Target Company have implemented the following measures to ensure the fairness of the Transactions including the Tender Offer, from the viewpoint of ensuring the fairness of the Tender Offer Price, eliminating arbitrariness in decision making process leading to the decision to implement the Tender Offer and avoiding conflicts of interest. Note that, if the minimum of the so-called "Majority of Minority" is set, the establishment of the Tender Offer would be destabilized, which in turn might

not serve the interests of general shareholders who wish to tender in the Tender Offer, and, therefore, no minimum of the so-called “Majority of Minority” was set in the Tender Offer. However, since the Offerors and the Target Company implemented the measures below, the Offerors and the Target Company believe that due consideration was given to the interests of the Target Company’s general shareholders. In addition, the actions taken by the Target Company described below are based on the Target Company Press Release and the explanations received from the Target Company.

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

(i) Background of establishment, etc.

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

The Target Company then entrusted the Special Committee to consider (i) whether the purpose of the Transactions is reasonable (including whether the Transactions will contribute to the enhancement of the corporate value of the Target Company), (ii) whether the fairness of the procedures relating to the Transactions, including the Tender Offer, is secured, (iii) whether the adequacy of the terms and conditions of the Transactions is secured, (iv) whether the Transactions is not disadvantageous to the Target Company’s minority shareholders (including expression of opinion regarding the Tender Offer) and (v) whether the board of directors of the Target Company should express its opinion in favor of the Tender Offer and recommend that the shareholders of the Target Company tender their shares in the Tender Offer, and that ADRs’ owners receive common shares of the Target Company pertaining to ADRs in advance and tender their shares in the Tender Offer (collectively, the “Matters for Consultation”), and to submit the Report Dated November 10, 2023 on the Matters for Consultation to the Target Company.

In addition, the Target Company established the Special Committee on the premise that the board of directors’ decision-making regarding the Transactions will give utmost respect to the contents of the report based on the above-mentioned entrustment, and in particular, if the Special Committee determines that the terms and conditions regarding the Transactions are not reasonable, the board of directors of the Target Company will not approve the Transactions under such terms and conditions. Further, the board of directors of the Target Company resolved that the Special Committee shall: (i) to ensure fair negotiation between the Target Company and the Offerors, where the officers and employees of the Target Company or advisors of the Target Company, etc. engage in negotiations, be substantially involved in the negotiation process between the Target Company

and the Offerors concerning the terms and conditions of the Transactions, by receiving a timely report on the status of negotiations with the Offerors in order, expressing their opinions, giving instructions and requesting at important points; (ii) consider the degree of the measures that should be implemented to ensure fairness of the Transactions and express opinions and proposals as needed; (iii) when making a report on the Matters for Consultation, upon approval of the financial or legal advisors for the Target Company (approval-after-the-fact included), receive expert advice from such advisors or retain its own financial or legal advisors and receive expert advice from such advisors (the Target Company will bear the cost in this case); and (iv) when making a report on the Matters for Consultation, have the authority to receive information necessary for consideration and decision on the Transactions from officers and employees of the Target Company, as needed.

(ii) Process of Consideration

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

As described in "(ii) Process of examination and negotiation" in "(iii) Decision-making process and reasons of the Target Company to issue the opinion to support the Tender Offer" in "(2) Background, purpose, and decision-making process leading to the decision to conduct the Tender

Offer, and management policy following the Tender Offer” in “1. Purpose of the Tender Offer” above, the Special Committee, after receiving on September 30, 2023, the Offerors’ the First Proposal that the Tender Offer Price per share of Target Company Shares be set at JPY 2,300 and the Tender Offer Price per ADR be set at JPY 2,300, received a timely report from the Target Company whenever a proposal or communication from the Offeror is received regarding the price, discussed and considered the details after hearing the views of the Target Company based on the advice from the financial point of view received from Daiwa Securities, acting as financial advisor to the Target Company, and, by expressing its opinion on the terms and conditions, including the Tender Offer Price, in material circumstances, was substantially involved in discussions and negotiations regarding the terms and conditions of transactions between the Target Company and the Offeror, including the Tender Offer Price. As a result, the Target Company received a final proposal from the Offerors on November 1, 2023, which includes setting the Tender Offer Price per share of Target Company Shares at JPY 2,600 and setting the Tender Offer Price per ADR at JPY 2,600.

(iii) Contents of the Decision

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

(a) Contents of the report

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

(b) Reasons for the report

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

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

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

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

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

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

- According to the Offerors, (i) the Target Company's plan after the Transactions is to improve the treatment and expand the incentive structure that rewards employees, while maintaining current employment status for its current employees, (ii) although EQT is a foreign fund, the Target Company's officers and employees plan to continue to conduct business in the field of education and nursing care, and its daily operations and relationships with customers, business partners and other stakeholders will remain the same as before the Transactions, and it also expects that the brand that the Target Company has built up so far will continue, and, Offerors do not expect any negative impact on the Target Company's customers and business

partners as a result of the implementation of the Transactions nor do they expect the damage to the credibility of the Target Company's brand and services, and (iii) with respect to EQT, a foreign fund originating from Northern Europe, becoming a major shareholder, it expects that the customers in the domestic school education and nursing care businesses will understand and be satisfied so long as we explain carefully that EQT shares a vision with the founding family members, and the risk of damaging the value of the Target Company's school education business in a relationship with customers, etc. is low by EQT's becoming a shareholder of the Target Company pursuant to the Transactions. Therefore, no particular circumstances can be found that would be recognized as a significant obstacle to the enhancement of the Target Company's corporate value through the Transactions.

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

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

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

- For the Target Company, since Hideaki Fukutake, a director, has been found to have a special interest with respect to the Transactions, he will not participate in the resolution regarding the expression of opinion on the Tender Offer, and it is expected that the resolution will be adopted by all directors except Hideaki Fukutake. According to the Target Company's press release, the Target Company's board of directors resolved that it would express a supporting opinion on the Tender Offer and recommend that shareholders and holders of ADRs tender their shares, unanimously by all seven (7) directors who participated in the resolution, and all four (4) statutory auditors are planning to express their opinion that they have no objection to the above resolution. In addition, the Target Company has established the Special Committee to obtain its

opinions on the premise that the board of directors' decision-making regarding the Transactions will give utmost respect to their decision, and if the Special Committee determines that the terms and conditions of the Transactions are not reasonable, the board of directors of the Target Company will not approve the Transactions under such terms and conditions. Based on these factors, the arbitrariness of the Target Company's decision making with respect to the Transactions has been eliminated, and the fairness, transparency, and objectiveness of the decision-making process have been ensured.

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

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

- Although the purchase period of the Tender Offer is scheduled to be set as 23 business days, the Tender Offer is a so-called pre-announced tender offer, which allows a relatively long period of time until the commencement of the Tender Offer after the announcement of a series of terms and conditions including the Tender Offer Price. Therefore, it is found that the shareholders of the Target Company and the holders of ADRs have an appropriate opportunity to decide the tendering in the Tender Offer and that an opportunity to make an acquisition proposal for a competitive purchase is also ensured. Furthermore, as no agreement which would unduly restrict the Target Company's contact with any person proposing a competitive purchase is entered into between the Target Company and the Offerors, so-called indirect market checks are considered to have already been conducted by conducting an M&A after establishing an environment which allows other potential acquirers to make a competitive purchase after the announcement.

- In the Transactions, each press release is expected to disclose substantial information on the authority granted to the Special Committee, the process of consideration by the Special Committee and its involvement in the process of negotiating the terms and conditions of the Transactions with the Offerors, the contents of the Report Dated November 10, 2023, and the remuneration structure for the members of the Special Committee, the outline of the Share Valuation Report, and the process leading up to and including negotiations for the implementation of the Transactions. It is deemed that the Target Company has provided its shareholders with material information that would assist their judgment on the appropriateness of the terms and conditions of the Transactions.

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

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

Based on the points below, the Tender Offer Price is found to be appropriate and the terms

and conditions of the Tender Offer including the Transactions are found to be appropriate, subject to the status of negotiation for the Transactions and the appropriateness of the scheme, etc.

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

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

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

- The method of conducting a tender offer as a first stage and a consolidation of shares as a second stage is the method generally employed in this type of private transaction, and as to the second stage of the procedure, a petition for pricing can be filed with the court after exercising appraisal rights. As the consideration to be received by shareholders and holders of ADRs is cash, the method of the Transactions is desirable because it is easy to understand the consideration, and the value of such consideration is highly stable and objective. It is also desirable over share exchange or other corporate reorganization with the consideration payable by shares, etc., in light of the possibility to request to expeditiously make the Target Company a wholly-owned subsidiary while ensuring the opportunity and time for general shareholders to make an informed and appropriate decision. It is also clarified that upon implementing a share consolidation, the amount to be delivered to the shareholders of the Target Company as consideration will be calculated so that it is equal to the Tender Offer Price multiplied by the number of the Target Company Shares held by each shareholder. Furthermore, it is also clarified that when such amount is delivered to the Depositary Banks, an amount of money equal to the Tender Offer Price multiplied by the number of the Target Company Shares owned by the Depositary Banks is planned to be delivered, and upon cancelling ADRs pursuant to the provisions set forth in ADRs, the Depositary Banks is entitled to deliver to each owner of ADRs in accordance with the number of ADRs owned by it, the amount calculated by converting the amount delivered to the Depositary Banks into U.S. dollars minus the Depositary Banks' fees and taxes. Based on the above, it is reasonable to adopt the two-step acquisition method which involves a tender offer for acquisition and uses cash as the consideration for the acquisition.

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

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

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

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

The Target Company was informed from the Offerors on January 22, 2024 that (i) the necessary procedures and measures under the competition laws in China and the Foreign Exchange and Foreign Trade Act in Japan have been completed, and the necessary procedures

and measures under the competition laws in Japan are expected to be completed during the Tender Offer Period, and (ii) subject to the Conditions Precedent being satisfied (or waived by the Offeror), the Tender Offer is scheduled to be commenced on January 30, 2024.

In response, the Target Company asked the Special Committee to examine if there were no changes to the opinion set forth in the Report Dated November 10, 2023, and, if there were no changes, to advise the Target Company's board of directors to that effect, or, if there were any changes, to state the changed opinion. The Special Committee checked with the Target Company whether or not there have been any material circumstantial changes that could have an impact on the Transactions since November 10, 2023, and examined the abovementioned matters by sending to the Offerors a questionnaire regarding the Offerors' prospects for the successful completion of the Tender Offer based on a situation where the market price of the Target Company Shares has remained above the Tender Offer Price, and whether it intends to increase the Tender Offer Price, and requesting their responses.

In this regard, the Special Committee determined that the Tender Offer with the Tender Offer Price at JPY 2,600 per share continued to provide an opportunity for the Target Company's minority shareholders to sell the Target Company Shares at a price with appropriate premium, based not only on the reasons used to determine the abovementioned Report Dated November 10, 2023 that appropriateness of the trading terms and conditions of the Transactions including the Tender Offer Price has been ensured from the viewpoint of protecting the interests of the minority shareholders of the Target Company, but also that: (i) despite the fact that the market price of Target Company Shares after the announcement of the Transactions remained at a level slightly higher than the Tender Offer Price, the market price can be presumed to have been formed by the influence of various expectations for the Transactions, including the factors such as a possible counterproposal based on the premise of the Transactions, which has not actually been made at this time, and the expectations that in order to establish the Tender Offer the Offerors will increase the Tender Offer Price as a result of the increase in the market price; (ii) there have been no substantial changes in the business and performance of the Target Company over the medium to long term despite the fluctuation of the share price and other events surrounding the Target Company, and there has been no material change in circumstances from the time the Target Company announced the Tender Offer; and (iii) the Transactions would offer all minority shareholders an opportunity to sell outside the market at the same price, independent of share price or trading volume on the market.

The Special Committee has received advice from the Target Company and Daiwa Securities that, even if the circumstances between November 10, 2023 and January 29, 2024, there has been no material change to the assumptions that affects the validity of the Share Valuation Report. Based on such fact, the Special Committee determined that with respect to the valuation of Target Company Shares, the Share Valuation Report continues to be valid, and there were no reasons to make changes to the content of the Report Dated November 10, 2023 based on the Share Valuation Report.

After examining the abovementioned matters, the Special Committee confirmed that there were no reasons to make changes to the content of the Report Dated November 10, 2023, by taking into account the circumstances between November 10, 2023 and January 29, 2024, and submitted to the board of directors of the Target Company, on January 29, 2024, the Report Dated January 29, 2024, to the effect that there were no changes to the previous opinion.

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

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

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

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

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

(b) Summary of Valuation

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

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

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

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

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

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

for the nursing care business. The perpetual growth method was adopted for calculating both the education business and the nursing care business, with the perpetual growth rate ranging between -0.5% and 0.5% for the education business and 0.0% and 1.0% for the nursing care business.

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

The financial projections of the Target Company using the DCF Method are as follows. Any information included in “Notice of Revision to the Consolidated Full-Year Financial Results Forecast” announced by the Target Company on January 29, 2024, is not included in the financial projections of the Target Company, as such information was not expected at the time of the announcement of the Tender Offer

(Unit: in JPY million)

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

(Unit: in JPY million)

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

The Target Company’s board of directors believes that, even if the circumstances between November 10, 2023, which is the day of the Target Company’s board of directors’ meeting, and January 29, 2024, there has been no material change to the assumptions that affects the validity of the Share Valuation

Report, and that, based on the advice received from Daiwa Securities and Anderson Mori & Tomotsune, the Share Valuation Report continues to be valid.

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

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

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

The Target Company has carefully considered the legal advice received from Anderson Mori & Tomotsune and the contents of the Share Valuation Report obtained from Daiwa Securities as of November 9, 2023, and, while giving utmost respect to the contents of the Report Dated November 10, 2023, submitted by the Special Committee, discussed from the perspectives of whether it is possible to enhance the corporate value of the Target Company through the Transactions and whether the interests to be enjoyed by minority shareholders are ensured by the Transactions through fair procedures.

Based on the foregoing, as described in "(iii) Decision-making process and reasons of the Target Company to issue the opinion to support the Tender Offer" in "(2) Background, purpose, and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer" in "1. Purpose of the Tender Offer" above, the Target Company at its meeting held on November 10, 2023, unanimously, among the directors who participated in the deliberation and resolution (seven (7) directors out of all eight (8) directors excluding Hideaki Fukutake), adopted a resolution as the Target Company's opinion at that point in time, expressing their opinion in favor of the Tender Offer if the Tender Offer is commenced, and also recommending to ADRs shareholders of the Target Company to have ADRs delivered to the Depository Banks in advance, receive the Target Company Shares for such ADRs, and tender them in the Tender Offer. All of the Target Company's 4 statutory auditors attended the abovementioned meeting of the Target Company's board of directors, and all of them expressed their opinion that they have no objection to the above resolution.

For this reason, at the aforementioned board of directors meeting of the Target Company, the Target Company resolved that, the Special Committee of the Target Company review whether or not there are any changes to the opinion described in the Report Dated November 10, 2023, submitted by the Special Committee to the Target Company's board of directors as of November 10, 2023, and that, if there are any changes to the previous opinion, the Special Committee consult

with the board of directors to that effect and issue a new opinion regarding the Tender Offer accordingly upon the commencement of the Tender Offer.

the Target Company was informed from the Offerors on January 22, 2024, that (i) the necessary procedures and measures under the competition laws in China and the Foreign Exchange and Foreign Trade Act in Japan have been completed, and the necessary procedures and measures are expected to be completed during the Tender Offer Period, and that (ii) subject to the Conditions Precedent being satisfied (or waived by the Offeror), the Tender Offer is scheduled to be commenced on January 30, 2024.

In response, the Target Company carefully considered the terms and conditions of the Tender Offer again, while giving utmost respect the content of the Report Dated January 29, 2024, submitted by the Special Committee, based on the business conditions of the Target Company and the environment surrounding the Transactions, and after careful review of the terms and conditions on the Tender Offer, concluded that there was no factor that would change its opinion as of November 10, 2023, regarding the Tender Offer, even as of January 29, 2024.

Accordingly, the Target Company resolved, at the meeting of the board of directors of the Target Company held on January 29, 2024, unanimously by the directors of the Target Company (seven (7) directors out of all eight (8) directors excluding Hideaki Fukutake), to confirm its Supporting Opinion to the Tender Offer and to recommend to the Target Company's shareholders that they tender their shares in the Tender Offer and to the owners of the Target Company's ADRs that they deliver ADRs to the Depositary Banks in advance, receive the Target Company Shares issued for such ADRs, and tender the shares in the Tender Offer.

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

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

The Offeror has set a tender offer period for the Tender Offer to be 23 business days. Since there will be a long period of time between the announcement and the actual commencement of the Tender Offer, it believes that an opportunity for the Target Company's general shareholders and the holders of ADRs to make appropriate decisions concerning their tendering in the Tender Offer and for persons other than the Offeror to make purchases of the Target Company Shares have been secured. In addition, the Offerors have not entered into any agreement with the Target Company that would restrict the Target Company from contacting any competing takeover bidder, including any agreement containing such restriction in a trade protection provision. With this and the ample period before the commencement of the Tender Offer mentioned above taken together, the opportunity for a competitive purchase, etc. is secured, and the fairness of the Tender Offer is respected in conjunction with.

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

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

- (iii) Relationship with calculation agent

The Offeror determined the Tender Offer Price by comprehensively taking into consideration the factors set forth in the section above “(i) Basis of Calculation” and through consultation and negotiation with the Target Company, and has not obtained a share valuation report or a fairness opinion from any third-party appraiser. Therefore, there is no information to mention under this section.

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

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

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

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

shares) and the Untendered Shares (16,504,000 shares) as of September 30, 2023, as set out in the Target Company Quarterly Financial Results.

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

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

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

| | | |
|---|---------|--|
| Number of voting rights represented by share certificates, etc. held by the Offeror prior to the Tender Offer | - | Ownership percentage of share certificates prior to the Tender Offer: -% |
| Number of voting rights represented by share certificates, etc. held by specially related parties prior to the Tender Offer | 242,620 | Ownership percentage of share certificates prior to the Tender Offer: 25.15% |
| Number of voting rights represented by share certificates, etc. held by the Offeror after the Tender Offer | 799,803 | Ownership percentage of share certificates after the Tender Offer: 82.89% |
| Number of voting rights represented by share certificates, etc. held by special related parties after the Tender Offer | 165,040 | Ownership percentage of share certificates after the Tender Offer: 17.11% |
| Number of voting rights of all shareholders of the Target Company | 963,376 | |

Note 1: The “number of voting rights represented by share certificates, etc. held by specially related parties prior to the Tender Offer” is the total number of voting rights for share certificates, etc. held by each special related party. Since the share certificates, etc. owned by each of the special related parties, but excluding Untendered Shares (16,504,000 shares), are subject to the Tender Offer, “Number of voting rights represented by share certificates, etc. held by special related parties after the Tender Offer” is the number of voting rights pertaining to Untendered Shares (165,040).

Note 2: The “Number of voting rights represented by share certificates, etc. held by the Offeror after the Tender Offer” is the number of voting rights (799,803) represented by the number of shares to be purchased (79,980,331 shares) in the Tender Offer stated in “(5) Number of share certificates, etc. to be purchased” above.

Note 3: The “Total number of voting rights of all shareholders of the Target Company” is the number of voting rights of all shareholders as of September 30, 2023, as stated in the Target Company’s “Second Quarterly Financial Results for the

70th Term” filed by the Target Company on November 14, 2023 (stated as 100 shares per unit). However, since shares less than one unit are also subject to the Tender Offer, when calculating the “Ownership percentage of share certificates, etc. prior to the Tender Offer” and the “Ownership percentage of share certificates, etc. after the Tender Offer,” the number of units of voting rights (964,843 units) pertaining to the number (96,484,331 shares) calculated by subtracting the number of treasury shares owned by the Target Company (6,163,798 shares) as of September 30, 2023, from the total number of outstanding shares (102,648,129 shares) of the Target Company as of the same day, as stated in the Target Company Quarterly Financial Results, is used as a denominator.

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

(7) Purchase price (scheduled)

JPY 207,948,860,600

Note: The “Purchase price” has been calculated by multiplying the number of shares to be purchased (79,980,331 shares) in the Tender Offer by the Tender Offer Price (JPY 2,600).

(8) Method of settlement

- i. Name and address of head office of the financial services provider, bank, etc., in charge of settlement of purchase, etc.

Nomura Securities Co., Ltd. 1-13-1 Nihonbashi, Chuo-ku, Tokyo

- ii. Commencement date of settlement

March 12, 2024 (Tuesday)

(Note) Pursuant to Article 27-10, Paragraph 3 of the Act, if the Target Company submits a position statement indicating a request for an extension of the Tender Offer Period, the commencement date of settlement will be March 22, 2024 (Friday).

- iii. Method of settlement

Upon the expiration of the Tender Offer Period, a written notice regarding the purchase under the Tender Offer will be mailed to the addresses of shareholders who accept an offer to purchase, or apply to sell share certificates, etc., in the Tender Offer (“Tendering Shareholders”) (in the case of shareholders, etc., who are residents of a foreign country and do not have an account which can be used for trading with the tender offer agent (including corporate shareholders, etc.), such notice will be mailed to the addresses or locations of their standing proxies) without delay.

The purchase will be settled in money. The Tendering Shareholders may, in accordance with the instructions given by the Tendering Shareholders, receive purchase price with respect to the Tender Offer without delay on or after the commencement date of settlement (remittance fees may be charged).

- iv. Method of return of share certificates, etc.

If the Offeror decides not to purchase all of the Tendered Shares based on the conditions stated in “i. Details regarding the existence and content of the conditions set forth in the items of paragraph (4) of Article 27-13 of the Act” and “ii. Details regarding the existence and content of conditions for withdrawal of the Tender Offer, and disclosure method of withdrawal” under “(9) Other Purchase, Etc. Conditions and Methods” below, the share certificates, etc. that are required to be returned will be returned, by revising records of the Tendering Shareholders’ accounts with the tender offer agent to their original state immediately prior to the Tender Offer, promptly after the second business day from the last day of the Tender Offer Period (or the day of withdrawal, in the case of withdrawal of the Tender Offer) (when transferring share certificates, etc. to the accounts of the Tendering Shareholders, which was set up at another financial instruments business operator, etc., please confirm with the head office or nationwide branch offices of the tender offer agent that accepted the tenders.)

(9) Other conditions and methods of purchase

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

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

(ii) Details regarding the existence and content of conditions for withdrawal of the Tender Offer, and disclosure method of withdrawal

If any of the circumstances set forth in Article 14, paragraph (1), item (i), sub-items (a) through (i) and (l) through (r); item (iii), sub-items (a) through (h) and (j), item (iv); and paragraph (2), items (iii) through (vi) of the Order arises, the Offeror may withdraw the Tender Offer.

In the Tender Offer, “facts equivalent to those set forth in sub-item (a) to sub-item (i)” set forth in sub-item (j) of item (iii) of paragraph (1) of Article 14 of the Order means the cases (i) where it has become clear that the legal disclosure documents submitted by the Target Company in the past included a false statement regarding an important matter or omitted a statement regarding an important matter that should have been provided therein, and if the Offeror did not know the existence of the false statement or the omission and was not possible to know about it despite the exercise of reasonable care, and (ii) where any of the facts set forth in sub-item (a) through (g) of that item arises with respect to any of the Target Company’s important subsidiaries.

With regard to the Offeror’s prior notification to the Fair Trade Commission pursuant to the provision of Paragraph 2, Article 10, of the Antimonopoly Act, if (1) the Offeror receives a cease and desist order from the Fair Trade Commission ordering a disposition of the Target Company Shares in whole or in part, transfer of a part of its business, or any other disposition similar thereto; (2) the period for taking such measures does not expire; or (3) the Offeror receives a petition for an emergency stop order from the court on the grounds that it is a person

who is suspected to commit an act in violation of the provision of Paragraph 1, Article 10, of the Antimonopoly Act, the Tender Offer may be withdrawn on the grounds that "permission, etc." set forth in Article 14, Paragraph 1, Item 4 of the Order has not been obtained by the day preceding the expiration date of the Tender Offer Period (including any extension).

If the Offeror intends to withdraw the Tender Offer, it will give public notice electronically and will post notice thereof in the Nihon Keizai Shimbun. However, if it is difficult to give public notice by the last day of the Tender Offer Period, the Offeror will announce such withdrawal by the method set forth in Article 20 of the Cabinet Office Ordinance.

- (iii) Details regarding the existence and content of conditions for lowering the purchase price, and disclosure method thereof

Pursuant to Article 27-6, paragraph (1), item (i) of the Act, if the Target Company conducts an act falling under any of those acts set forth in Article 13, paragraph (1) of the Order during the Tender Offer Period, the Offeror may lower the purchase price in accordance with the standards set forth in Article 19, paragraph (1) of the Cabinet Office Ordinance.

If the Offeror intends to lower the purchase price, it will give public notice electronically and will post notice thereof in the Nihon Keizai Shimbun. However, if it is difficult to give public notice by the last day of the Tender Offer Period, the Offeror will announce such lowering by the method set forth in Article 20 of the Cabinet Office Ordinance and will give public notice immediately thereafter. If the purchase price is lowered, the Tendered Shares tendered prior to the day on which such public notice is made will be purchased at the lowered purchase price.

- (iv) Matters regarding the right of the Tendering Shareholders to cancel contracts

A Tendering Shareholder may cancel any contract in connection with the Tender Offer at any time during the Tender Offer Period. A tendering shareholder who wishes to cancel the contract must send by personal delivery or mail, to the tender offer agent, cancellation documents stating that the tendering shareholder requests to cancel the contract concerning the Tender Offer (the "Cancellation Documents") before 15:30 on the last day of the Tender Offer Period. If the Cancellation Documents are sent by mail, they must be received by the person specified below by 15:30 on the last day of the Tender Offer Period.

For cancelling a contract applied through the Online Services, cancellation must be done through the Online Services (<https://hometrade.nomura.co.jp/>) or by delivering or sending the Cancellation Documents. When using the Online Services, the cancellation must be completed by 15:30 on the last day of the Tender Offer Period in accordance with the instructions described on the screen to be valid. For a contract subscribed at a dealer, cancellation cannot be done through the Online Services. If delivering or sending the Cancellation Documents, please request the Cancellation Documents from the dealer in advance and deliver or send the Cancellation Documents to the dealer by 15:30 on the last day of the Tender Offer Period. If sending the Cancellation Documents, they must arrive by 15:30 on the last day of the Tender Offer Period to be valid.

The Offeror will not request that the Tendering Shareholders pay damages or penalties in connection with their cancellation of contracts. Any expenses required for returning the Tendered Shares will be borne by the Offeror. If cancellation is requested, the Certificates, Etc. of the Tendered Shares will be returned promptly after the completion of the procedures for

such cancellation request in the manner set forth in “iv. Method of return of Share Certificates, Etc.” under “8. Method of Settlement” above.

(v) Disclosure method in the case of changes in the purchase conditions

Except as prohibited by Article 27-6, paragraph (1) of the Act or Article 13 of the Order, the Offeror may change the purchase conditions during the Tender Offer Period. If the Offeror intends to change the purchase conditions, it will give public notice regarding the details of the changes electronically and will post notice thereof in the Nihon Keizai Shimbun. However, if it is difficult to give public notice by the last day of the Tender Offer Period, the Offeror will announce such changes by the method set forth in Article 20 of the Cabinet Office Ordinance and will give public notice immediately thereafter. Where any changes are made to the purchase conditions, the Tendered Shares prior to the day on which such public notice is made will be purchased based on the changed purchased conditions.

(vi) Disclosure method where an amendment to registration statement is filed

If the Offeror files any amendment to a registration statement with the Director General of the Kanto Local Finance Bureau (except for the case set forth in the proviso clause of paragraph (11) of Article 27-8 of the Act), it will immediately announce such information as stated in the amendment to the registration statement to the extent relevant to the contents of the public notice of commencement of the Tender Offer by the method set forth in Article 20 of the Cabinet Office Ordinance. In addition, the Offeror will immediately amend the tender offer explanatory statement, and for the Tendering Shareholders to whom the tender offer explanatory statement has already been delivered, the Offeror will provide such amended tender offer explanatory statement to such Tendering Shareholders so as to inform them of the amendment. However, if the scope of the amendment is limited, the Offeror will make such amendment by preparing a document stating the reasons for the amendment, the amended matters, and the content after the amendment and by delivering such document to the Tendering Shareholders.

(vii) Method of disclosure of tender offer results

The Offeror will announce the results of the Tender Offer by the method set forth in Article 9-4 of the Order and Article 30-2 of the Cabinet Office Ordinance on the day following the last day of the Tender Offer Period.

(viii) Other matters

- As the Offeror is required to solicit offers to sell all share certificates, etc. issued by the Target Company pursuant to the provisions of Article 27-2, Paragraph 5 of the Act and Article 8, Paragraph 5, Item (iii) of the Order, the ADRs have been included in the class of share certificates, etc. to be purchased. On the other hand, as the ADRs are securities issued in the U.S., the Offeror has found it practically difficult for the Offeror, which resides in Japan, to acquire the ADRs through the Tender Offer, which will be conducted outside the U.S., because there is no financial instruments business operator, etc. that is capable of handling the ADRs as a tender offer agent. Therefore, in the Tender Offer, the Offeror accepts only tenders of the Target Company Shares and does not accept any tender of the ADRs, but the Offeror will accept tenders of the Target Company Shares for the ADRs. Accordingly, the holders of the ADRs who wish to tender their ADRs in the Tender Offer are requested to deliver them to the Depositary Banks in advance, receive the Target Company Shares pertaining to the ADRs, and tender the shares. By submitting the ADRs to

the corporate trust office of the Depositary Banks and make transaction fees and taxes set by the Depositary Banks, the holders of the ADRs can receive the Target Company Shares.

- This press release has been prepared for the purpose of informing the public of the Tender Offer and has not been prepared for the purpose of soliciting an offer to sell any securities. Any shareholder who wishes to make an offer to sell their shares in the Tender Offer should first read the Tender Offer Explanation Statement for the Tender Offer and offer his or her shares for sale and at his or her own discretion. This press release neither constitutes, nor constitutes a part of, an offer to sell or purchase, or a solicitation of an offer to sell or purchase, any securities; neither this press release (or a part thereof) nor its distribution may be interpreted to be the basis of any agreement in relation to the Tender Offer; and this press release may not be relied on at the time of entering into any such agreement.
- The Tender Offer will be conducted in accordance with the procedures and information disclosure standards prescribed in the Financial Instruments and Exchange Law of Japan, which may differ from the procedures and information disclosure standards in the U.S. In particular, Section 13(e) and Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended) do not apply to the Tender Offer, and the Tender Offer does not conform to those procedures and standards. Financial information contained in this press release has been prepared based on Japanese generally accepted accounting principles and may not necessarily be directly comparable to financial statements of companies in the United States. Also, because the Offeror and the Target Company are corporations incorporated outside the U.S. and their directors are non-U.S. residents, it may be difficult to exercise rights or demands against them that can be claimed based on U.S. securities laws. In addition, shareholders may not be permitted to commence any legal procedures in courts outside the U.S. against non-U.S. corporations or their directors based on a breach of U.S. securities laws. Furthermore, U.S. courts are not necessarily granted jurisdiction over non-U.S. corporations or their directors.
- To the extent permitted by the Financial Instruments and Exchange Act of Japan and other applicable laws and regulations, financial advisors and the Tender Agent of the Offeror and the Target Company and their affiliated companies may, within their ordinary course of business, purchase or engage in any act toward the purchase of the Target Company Shares for their own accounts or the accounts of their clients during the Tender Offer Period but outside of the Tender Offer in accordance with the requirements of Rule 14e-5 (b) of the Securities Exchange Act of 1934. If information relating to such purchase is disclosed in Japan, the information will be also disclosed in the same manner in the United States.
- All procedures relating to the Tender Offer will be conducted entirely in the Japanese language. If all or any part of a document relating to the Tender Offer is prepared in the English language and there is any inconsistency between the English document and the Japanese document, the Japanese document will prevail.
- This press release includes statements that fall under a “forward-looking statement” defined in Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934. Due to known and unknown risks, uncertainties, and other factors, the actual results might differ significantly from forward-looking statements made herein implicitly or explicitly. The Offeror and its affiliates do not guarantee that the events described in such implicit and explicit forward-looking statements will actually materialize.

The “forward-looking statements” in this press release were prepared based on the information obtained by the Offeror as of the date hereof and, unless required by law, the Offeror and its affiliates are not obligated to amend or revise such forward-looking statements to reflect future matters and situations.

- Restrictions may be imposed on the announcement, publication and distribution of this press release in certain countries and territories. In such cases, you are requested to take note of and comply with such restrictions. In countries or territories where taking part in the Tender Offer is illegal, receipt of this press release, even after receipt, shall not constitute an offer to sell or a solicitation of an offer to buy shares in the Tender Offer and shall be deemed to have distributed the materials only for beneficial purposes.
- If a right to request the purchase of shares less than one unit is exercised by shareholders in accordance with the Companies Act, the Target Company may purchase its own shares less than one unit during the Tender Offer Period in accordance with the procedures required by laws and regulations.

(10) Date of Public Notice of Commencement of Tender Offer

January 30, 2024 (Tuesday)

(11) Tender Offer Agent

Nomura Securities Co. Ltd., 1-13-1 Nihonbashi, Chuo-ku, Tokyo

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

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

4. Other matters

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

(i) Support for the Tender Offer

According to the Target Company’s Press Release Dated January 29, 2024, the Target Company concluded that, as of the same day, there were no factors that would change its opinion expressed in Target Company’s Press Release Dated November 10, 2023, after careful consideration of the terms and conditions regarding the Tender Offer, with the utmost respect for the content of the Special Committee’s Report Dated January 29, and at the Target Company’s board of directors’ meeting held on January 29, 2024, a resolution was adopted that, if the Tender Offer commences, the position of the Target Company at this point is that

it will express an opinion in support of the Tender Offer and that it will recommend that the Target Company's shareholders tender their shares in the Tender Offer, and that the holders of ADRs tender their shares in the Tender Offer upon delivering their ADRs to the Depositary Banks and withdrawing the Target Company Shares pertaining those ADRs. For details of the resolutions of the Target Company's board of directors meeting, please refer to (iv) Approval of all directors who do not have interest in the Target Company and no objection from all corporate auditors" in "Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" under "(ii) Process of calculation" of "(4) Basis for the calculation of the Tender Offer Price" in "2. Outline of the Tender Offer" above.

(ii) Whether there is an agreement between the Offeror and officers of the Target Company and the contents thereof

The Offeror has agreed with efu Investment, Minamigata Holdings, Fukutake Foundation, and Bezant (HK) to enter into the Master Agreement on November 10, 2023, whereby all of the Target Company Shares owned by Fukutake Foundation (number of shares held: 7,758,000 shares, ownership ratio: 8.04%) will be tendered in the Tender Offer, and none of the Target Company Shares owned by efu Investment and Minamigata Holdings (number of shares held: 16,504,000 shares in total, ownership ratio: 17.11% in total) will be tendered in the Tender Offer.

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

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

Please refer to "(2) Background, purpose, and decision-making process leading to the decision to conduct the Tender Offer, and management policy following the Tender Offer" in "1. Purpose of the Tender Offer" above.

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

Please refer to "(Measures to ensure the fairness of the Tender Offer including measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest)" under "(ii) Process of calculation" of "(4) Basis for the calculation of the Tender Offer Price" in "2. Outline of the Tender Offer" above.

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

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

The Target Company announced that, at the meeting of the board of directors of the Target Company held on November 10, 2023, it resolved to revise the dividend forecast for the

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

(ii) Revision of the Consolidated Full-Year Financial Results Forecast by the Target Company

The Target Company has decided to revise its Consolidated Full-Year Financial Results Forecast for the fiscal year ending March 2024 (April 1, 2023 - March 31, 2024), which was announced on May 12, 2023.

For more information, please refer to “Notice of Revision to the Consolidated Full-Year Financial Results Forecast” announced by the Target Company on January 29, 2024.

End.

Regulations on Solicitation

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

US Regulations

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

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

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

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

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

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

Other National Regulations

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