



February 8, 2024

[Unofficial Translation]

Tetsuya Kikuta
Representative Director, President
Chief Executive Officer
Dai-ichi Life Holdings, Inc.
Code: 8750 (TSE Prime section)

Notice Concerning Commencement of Tender Offer for Shares of Benefit One Inc. (Securities Code: 2412)

As announced in “Notice Concerning Planned Commencement of Tender Offer for Shares of Benefit One Inc. (Securities Code: 2412)” dated December 7, 2023 (as amended and corrected; the “Press Release Dated December 7, 2023”), Dai-ichi Life Holdings, Inc. (the “Tender Offeror”) made a decision to implement the tender offer (the “Tender Offer”) subject to all of the common shares (the “Target Company Shares”) of Benefit One Inc. (the “Target Company”) (however, excluding the Target Company Shares held by Pasona Group Inc. (“Pasona Group”), the Target Company’s parent company (81,210,400 shares, Ownership Ratio (Note 1): 51.16%; the “Shares to be Sold”), and treasury shares held by the Target Company (treasury shares held by the Target Company do not include the Target Company Shares held by the Target Company’s Employee Stock Benefit Plan (J-ESOP) and the Target Company Shares held by the Target Company’s Board Benefit Trust (BBT) (the Target Company Shares held by the Target Company’s BBT shall be hereinafter referred to as the “BBT-Owned Shares”); the same applies hereinafter in regard to the treasury shares held by the Target Company), if all of the following conditions (the “Conditions Precedent”) are satisfied (or waived by the Tender Offeror (however, limited to the following conditions precedent (i), (ii), (iii), (vi), and (vii); the same applies hereinafter)), as a series of transactions to ensure that the Tender Offeror will become the sole shareholder of the Target Company and to take private the Target Company Shares, which are listed on the Prime Market of the Tokyo Stock Exchange, Inc. (“Tokyo Stock Exchange”) as of today (the “Transactions”), and aimed to commence the Tender Offer by mid-January 2024.

(Note 1) “Ownership Ratio” means the ratio (expressed as a percentage rounded to two decimal places) of the number of shares held and the number of shares (158,740,512 shares) which is calculated by deducting the number of the treasury shares (450,388 shares) held by the Target Company as of December 31, 2023, as reported by the Target Company, from the total number of issued shares of the Target Company as of the same date as described in the “Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Q3 FY03/24) [Based on Japanese GAAP]” published by the Target Company on January 31, 2024 (the “Target Company’s Quarterly Summary Financial Results”) (159,190,900 shares); the same applies hereafter.

(i) The Target Company’s board of directors expresses an opinion in favor of the Tender Offer via the unanimous agreement of all of the attending directors (Note 2) without any conflicts of interest in Pasona Group, M3 Tender Offer (Note 3) or the Tender Offer (such opinion is hereinafter referred to as the “Affirmative Opinion”), and the Affirmative Opinion has been made public in accordance with the laws and regulations and has not been changed or withdrawn;

(Note 2) Since Ms. Junko Fukasawa is a director of the Target Company and serves concurrently as an officer or employee of Pasona Group and her interests are not necessarily the same as those of the Target Company’s minority shareholders, she is treated as a director with interests in Pasona Group.

(Note 3) “M3 Tender Offer” means the tender offer of the Target Company Shares by M3, Inc. (“M3”), under which M3 intends to acquire the Target Company Shares held by Pasona Group, the parent company of the Target Company for the purpose of making the Target Company a consolidated subsidiary of M3 (the minimum number of shares to be purchased is 81,210,400 shares, (Ownership Ratio: 51.16%), which is the same as the number of Target Company Shares held by Pasona Group; the maximum number of shares to be purchased is 87,307,300 shares (Ownership Ratio: 55.00%)), as announced in M3’s press release dated November 14, 2023 and titled “Notice Concerning Commencement of Tender Offer for Shares of Benefit One Inc. (Securities Code: 2412), and Execution of Capital and Business Tie-up Agreement” (“M3 Tender Offer Commencement Press Release”).

(ii) The Target Company Special Committee (as defined in “II. Target Company’s Decision-making Process Leading to, and Reasons for, the Support of the Tender Offer” in “(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer” in “1. Purpose of the Purchase” below; the same applies hereafter) issues an affirmative report regarding the Target Company’s board of directors expressing the Affirmative Opinion on the

- Tender Offer, and the report has not been changed (excluding cases where the changed report is affirmative in regard to the Target Company's board of directors expressing the Affirmative Opinion on the Tender Offer) or withdrawn;
- (iii) An agreement between the Tender Offeror and Pasona Group, under which it is agreed, among other matters, that (i) the Shares to be Sold held by Pasona Group will not be tendered in the Tender Offer, (ii) voting rights will be exercised in favor of the agenda presented at the Target Company's shareholders' meeting required for the Target Company to implement the Share Consolidation (as defined in "(4) Policies for Reorganization After the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)" in "1. Purpose of the Purchase" below; the same applies hereafter) after completion of the Tender Offer in order for the Tender Offeror and Pasona Group to become the only shareholders of the Target Company; (iii) the Shares to be Sold shall be sold according to the Target Company's acquisition of the Shares to be Sold held by Pasona Group after the Share Consolidation takes effect (the "Share Repurchase") has been executed and the agreement continues to exist legally and validly;
 - (iv) It is reasonably expected that all procedures for obtaining permits, authorizations, approvals and other items similar thereto by government agencies pursuant to the laws and regulations and other necessary procedures and measures that are necessary for the implementation of the Transactions will be completed;
 - (v) The Tender Offeror is not aware of any material facts (those set forth in Article 166, paragraph (2) of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the "Act")) concerning the businesses with respect to the Target Company that have not been made public by the Target Company;
 - (vi) The Target Company's board of directors has resolved not to make the year-end dividend for the fiscal year ending March, 2024, subject to the successful completion of the Tender Offer, and the resolution has been made public and has not been changed or withdrawn;
 - (vii) No event has occurred that would have a material adverse effect on the Target Company's financial status (meaning an event justifying withdrawal of a tender offer as provided in the proviso to Article 27-11, paragraph (1) of the Act); and
 - (viii) The M3 Tender Offer has not been successfully completed (including situations in which the M3 Tender Offer is ongoing).

As announced in the Press Release Dated December 7, 2023, on December 5, 2023, the Tender Offeror submitted to the Target Company's board of directors, the Target Company Special Committee, and Pasona Group a letter of intent describing the Tender Offeror's detailed proposal regarding the Transactions (the "Letter of Intent"), including the assumption (i) that the share value per share of the Target Company Shares as a premise for the calculation of the purchase price in the Tender Offer (the "Tender Offer Price") and the consideration for the Share Repurchase (per share before the share consolidation, the "Share Repurchase Price") (the "Per Share Value") is 1,800 yen (a 18.81% (rounded to two decimal places; the same applies hereafter for calculations of premium ratios) premium to the closing price of 1,515 yen of the Target Company Shares listed on the Prime Market of the Tokyo Stock Exchange on December 4, 2023, the business day immediately preceding the day on which the Letter of Intent was submitted), and (ii) that the Tender Offer Price and the Share Repurchase Price shall be set so that the amount calculated as after-tax income if Pasona Group tenders in the Tender Offer will be equal to the amount calculated as after-tax income that Pasona Group will obtain upon acceptance of the Share Repurchase, because the Tender Offeror, with a view to maximizing the Tender Offer Price while ensuring fairness among shareholders, adopted a certain approach with respect to calculating the Tender Offer Price and the Share Repurchase Price so that it can share certain tax benefits that are expected to accrue to Pasona Group due to application of the rules on exclusion of deemed dividends from gross revenue, as set forth in the Corporate Tax Act (Act No. 34 of 1965, as amended; the same applies hereinafter), that would result if Pasona Group accepts the Share Repurchase, to Pasona Group with the Target Company's other minority shareholders. Thereafter, the Tender Offeror has continued discussions and negotiations on proposals regarding the Transactions with the Target Company's board of directors, the Target Company Special Committee, and Pasona Group. In addition, during that period, the Tender Offeror obtained information necessary to calculate the relevant deemed dividends from the Target Company and Pasona Group, and on December 21, 2023, the Tender Offeror calculated the Tender Offer Price and the Share Repurchase Price so that the amount calculated as after-tax income that Pasona Group will obtain upon acceptance of the Share Repurchase will be equal to the amount calculated as after-tax income that Pasona Group will obtain upon tendering in the Tender Offer, and as a result, the Tender Offeror determined the Tender Offer Price to be 2,123 yen per share and the Share Repurchase Price to be 1,491 yen per share and made an announcement to that effect. On January 11, 2024, considering the status of discussions and negotiations with the Target Company's board of directors, the Target Company Special Committee, and Pasona Group, the Tender Offeror announced that it aimed to commence the Tender Offer around the end of January 2024. After that, on January 30, 2024, taking into account the status of discussions and negotiations with the Target Company's board of directors, the Target Company Special Committee, and Pasona Group, the Tender Offeror announced that it aims to commence the Tender Offer in mid-February of the same year.

Thereafter, as a result of the discussions and negotiations between the Tender Offeror, the Target Company's board of directors, the Target Company Special Committee, and Pasona Group, as in the "Announcement of Our Opinion on the Tender Offer for Our Shares Made by Dai-ichi Life Holdings, Inc." announced today by the Target Company (the "Target Company Press Release"), after the Target Company receives from the Target Company Special Committee the submission of a report that it considers that the Target Company's board of directors should resolve to express its opinion in favor of the Tender Offer and to recommend that the Target Company's shareholders tender their shares in the Tender Offer (the "Report"), the Target Company, at the Target Company's board of directors meeting held on the same date, has resolved to (i) express its opinion in favor of the Tender Offer and recommend that the Target Company's shareholders tender their shares in the Tender Offer and (ii) change its opinion announced on November 14, 2023 in relation to the M3 Tender Offer (under which it expressed its opinion in favor of the M3 Tender Offer and left it to the Target Company's shareholders to decide whether to tender in the M3 Tender Offer) and reserve its opinion as to whether it approves the M3 Tender Offer and whether it recommends tendering in the M3 Tender Offer. Furthermore, the Tender Offeror executed an agreement with Pasona Group under which it is agreed, among other matters, that (i) the Shares to be Sold held by Pasona Group will not be tendered in the Tender Offer, (ii) voting rights will be exercised in favor of the agenda presented at the Target Company's shareholders' meeting required for the Target Company to implement the Share Consolidation after completion of the Tender Offer in order for the Tender Offeror and Pasona Group to become the only shareholders of the Target Company; (iii) the Shares to be Sold shall be sold according to the Share Repurchase by the Target Company (the "Agreement for Pasona Group") (for details of the Agreement for Pasona Group, please refer to "(i) The Agreement for Pasona Group" in "(6) Matters Concerning Material Agreement Regarding the Tender Offer" in "1. Purpose of the Purchase" below). Based on these matters, since the Tender Offeror confirmed that the Conditions Precedent (i), (ii), and (iii) will be satisfied as of today, and any other Conditions Precedent will be satisfied on the same day, at the board of directors meeting held today, it has made a decision to commence the Tender Offer from February 9, 2024. As stated in "(iii) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer" in "I. Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer" in "(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" in "1. Purpose of the Purchase" below, based on the results of discussions and negotiations with the Target Company and Pasona Group, the Tender Offeror determined that the Tender Offer Price would be 2,173 yen per share.

1. Purpose of the Purchase

(1) Outline of the Tender Offer

The Tender Offeror, as of today, does not own any Target Company Shares, while The Dai-ichi Life Insurance Company, Limited ("Dai-ichi Life Insurance"), which is a wholly-owned subsidiary of the Tender Offeror, as of today, owns 375,100 shares of the Target Company Shares (Ownership Ratio: 0.24%).

The Transactions includes (i) the Tender Offer by the Tender Offeror; (ii) if the Tender Offeror fails to acquire all of the Target Company Shares (excluding the Shares to be Sold held by Pasona Group as well as the treasury shares held by the Target Company and the BBT-Owned Shares (Note 1)) despite the Tender Offer after successful completion of the Tender Offer, the procedures (the "Squeeze-Out Procedures") of the Share Consolidation to be implemented by the Target Company to make the shareholders of the Target Company only the Tender Offeror and Pasona Group; (iii) with the aim of securing funds and distributable amount necessary to implement the Share Repurchase after the Share Consolidation taking effect (Note 2), (a) funding to the Target Company by the Tender Offeror (the plan is to implement a capital increase through a third-party allotment with the Tender Offeror as the subscriber (the "Capital Increase") and, if necessary, provide a loan to the Target Company; the Capital Increase and such loan shall be collectively referred to as the "Funding") and (b) a reduction in the amount of the capital and capital reserves of the Target Company (the "Capital Reduction" (No. 3)) under Article 447, paragraph (1) and Article 448, paragraph (1) of the Companies Act (Act No. 86 of 2005, as amended; the "Companies Act"), and (iv) the Share Repurchase, and it is intended through the Transactions to ultimately make the shareholder of the Target Company only the Tender Offeror. For details of the Share Consolidation, please refer to "(4) Policies for Reorganization After the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)" below.

(Note 1) The Board Benefit Trust Agreement executed between the Target Company and Mizuho Trust & Banking Co., Ltd., which is the trustee of the Board Benefit Trust (including the trust administrator guidelines that the trust administrator for such trust is required to follow; the "Board Benefit Trust Agreement") provides that the trust administrator will not issue instructions to tender in tender offers for which the Target Company's board of directors have expressed affirmative opinions, such as the Tender Offer. Therefore, the BBT-Owned Shares are not expected to be tendered in the Tender Offer, and the Tender Offeror does not intend to acquire the BBT-Owned Shares through the Tender Offer.

- (Note 2) As announced in the Press Release Dated December 7, 2023, the Tender Offeror will implement the Share Repurchase with the aim of maximizing the Tender Offer Price while ensuring fairness among shareholders, by setting the Tender Offer Price and the Share Repurchase Price so that it can share certain tax benefits expected to accrue to Pasona Group with the Target Company's other minority shareholders, given that the rules on exclusion from gross revenue of deemed dividends stipulated under the Corporation Tax Act are likely to apply to Pasona Group and certain tax benefits will accrue along with this. Based on such an approach, on the premise that the Per Share Value is 1,842 yen taking into account the results of discussions and negotiations with the Target Company and Pasona Group, the Tender Offeror calculated the Tender Offer Price and the Share Repurchase Price so that (i) the amount calculated as after-tax income that Pasona Group will obtain upon acceptance of the Share Repurchase will be equal to (ii) the amount calculated as after-tax income that Pasona Group will obtain upon tendering in the Tender Offer, and as a result, the Tender Offeror determined the Tender Offer Price to be 2,173 yen per share and the Share Repurchase Price to be 1,526 yen per share. Thereafter, today, in the Agreement for Pasona Group, the Tender Offeror and Pasona Group agreed to sell the Shares to be Sold according to the Share Repurchase by the Target Company and determine the Tender Offer Price to be 2,173 yen per share and the Share Repurchase Price to be 1,526 yen per share.
- (Note 3) With respect to the Capital Reduction, the Tender Offeror intends to request that the Target Company allocate part or all of the reduced portion of the capital and capital reserves to other capital surplus.

Upon the Transactions, the Agreement for Pasona Group was executed between the Tender Offeror and Pasona Group as of today, and (i) the Tender Offeror and the Target Company executed an agreement on the Transactions (the "Agreement for the Target Company") as of today (for the details of the Agreement for the Target Company, please refer to "(ii) The Agreement for the Target Company" in "(6) Matters Concerning Material Agreements Related to the Tender Offer" below, and (ii) Pasona Group and the Target Company executed the transition service agreement as an agreement for the purpose of smoothly continuing business activities of the Target Company as of today.

The Tender Offeror has set 24,511,300 shares (Ownership Ratio : 15.44%) as the minimum number of shares to be purchased in the Tender Offer and will not purchase any of the Target Company Shares tendered in the Tender Offer (the "Tendered Shares") if the total number of the Tendered Shares in the Tender Offer does not meet the minimum number of shares to be purchased (24,511,300 shares). On the other hand, as above, since the Tender Offeror aims to take the Target Company Shares private by acquiring all of the Target Company Shares (excluding the Shares to be Sold held by Pasona Group and treasury shares held by the Target Company), there is no limit on the maximum number of shares to be purchased. Thus, the Tender Offeror will purchase all of the Tendered Shares if the total number of the Tendered Shares equals or exceeds the minimum number of shares to be purchased (24,511,300 shares).

The minimum number of shares to be purchased (24,511,300 shares) is set as the number of shares (24,511,300 shares) that is obtained by multiplying by 100, the share unit of the Target Company, the number of voting rights (245,113) remaining after subtracting the number of voting rights (812,104) attributable to the Shares to be Sold (81,210,400 shares) from the number of voting rights (1,057,217 (decimal point rounded up)) resulting from multiplying by two-thirds the number of voting rights (1,585,825) attributable to the number of shares (158,582,592 shares) remaining after subtracting the number of treasury shares (450,388 shares) held by the Target Company as of December 31, 2023, as reported by the Target Company, and the BBT-Owned Shares (157,920 shares) as of the same date, as reported by the Target Company, from the total issued shares of the Target Company (159,190,900 shares) as of the same date as stated in the Target Company's Quarterly Summary Financial Results. In the Transactions, it is planned to implement the Share Consolidation as stated in "(4) Policies for Reorganization After the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)" below, with the aim of taking the Target Company Shares private. Thus, based on the following: (i) in order to implement the Share Consolidation, the Target Company will require a special resolution at a shareholders' meeting, as specified in Article 309, paragraph 2 of the Companies Act; (ii) the Target Company agreed with Pasona Group in the Agreement for Pasona Group that the Shares to be Sold would not be tendered in the Tender Offer, and agreed upon completion of the Tender Offer that the Target Company and Pasona Group would approve each agenda item regarding the Squeeze-Out Procedures; and (iii) furthermore, the BBT-Owned Shares are not expected to be tendered in the Tender Offer, and under the Board Benefit Trust Agreement, it is stipulated that the trustees will uniformly not exercise the voting rights of the Target Company Shares that belong to the trust property based on the instructions of the trust administrator, the minimum number of shares to be purchased is accordingly set to ensure implementation of the Share Consolidation by ensuring acquisition, together with the number of voting rights that Pasona Group will agree to exercise for approval upon completion of the Tender

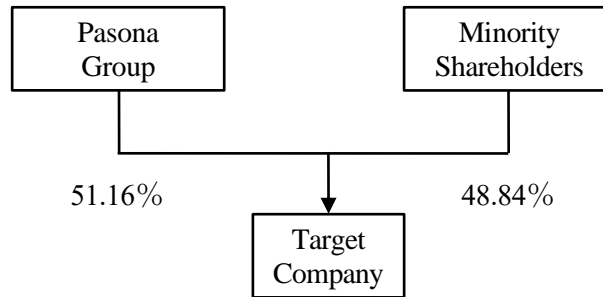
Offer, of at least two-thirds of the voting rights of the Target Company required for the Tender Offeror to obtain the special resolution at the shareholders' meeting of the Target Company.

The outline of the Transactions is as shown in the following diagrams.

<Structure Diagrams of the Transactions>

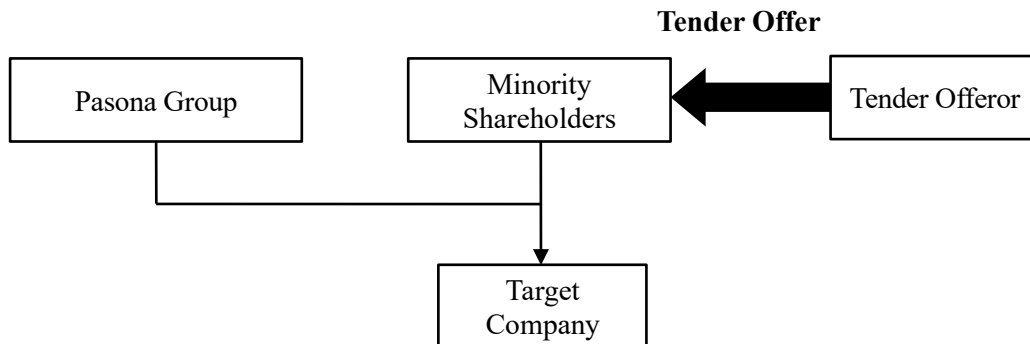
I. Before implementation of the Tender Offer (current status)

As of today, Pasona Group owns 81,210,400 shares of the Target Company Shares (Ownership Ratio: 51.16%) and minority shareholders own the remaining 77,530,112 shares (Ownership Ratio: 48.84%).



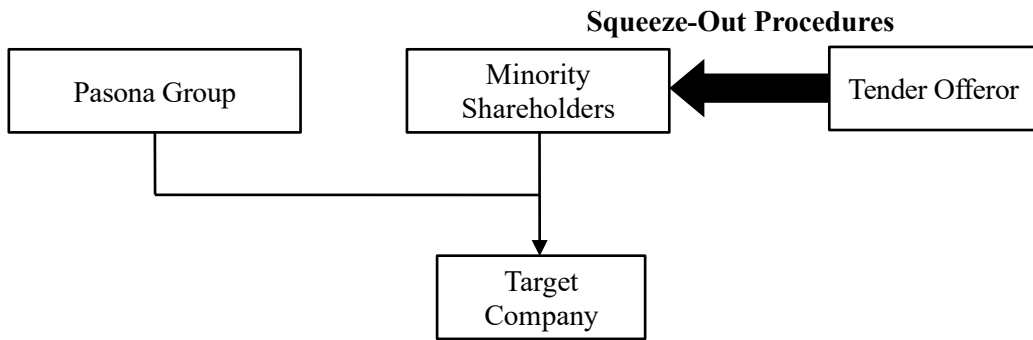
II. Tender Offer by the Tender Offeror

The Tender Offeror will implement the Tender Offer in which all of the Target Company Shares (excluding the Shares to be Sold held by Pasona Group as well as the treasury shares held by the Target Company and the BBT-Owned Shares) are applicable.



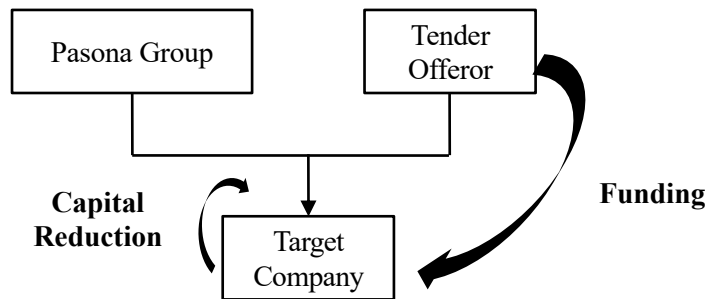
III. Squeeze-Out Procedures using the Share Consolidation (after successful completion of the Tender Offer)

If the Tender Offeror fails to acquire all of the Target Company Shares (excluding the Shares to be Sold held by Pasona Group as well as the treasury shares held by the Target Company and the BBT-Owned Shares) via the Tender Offer, the Tender Offeror will request that the Target Company implement the Squeeze-Out Procedures using the Share Consolidation to make the shareholders of the Target Company only the Tender Offeror and Pasona Group, and the Procedures will be implemented.



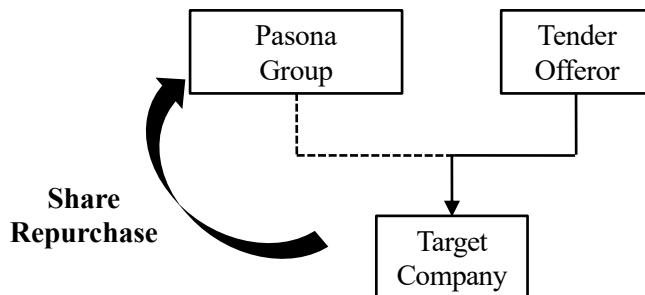
- IV. Funding to the Target Company by the Tender Offeror and the Capital Reduction by the Target Company (after the Share Consolidation takes effect)

After the Share Consolidation takes effect, in order to secure funds and the distributable amount necessary for the Share Repurchase, the Funding by the Tender Offeror to the Target Company and the Capital Reduction by the Target Company will be implemented.

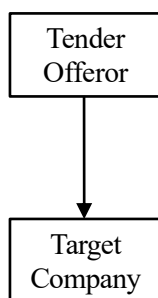


- V. Share Repurchase from Pasona Group by the Target Company (after implementation of the Funding and the Capital Reduction)

By utilizing the funds and distributable amount secured via the Funding and the Capital Reduction, the Target Company will implement the Share Repurchase to acquire all of the Shares to be Sold held by Pasona Group.



- VI. After implementation of the Transactions



According to the Target Company Press Release, at the Target Company’s board of directors meeting held today, the Target Company’s board of directors has resolved to (i) approve the Tender Offer and recommend that the Target Company’s shareholders tender their shares in the Tender Offer and (ii) with respect to the M3 Tender Offer, change its opinion announced on November 14, 2023 (i.e., opinion in favor of the M3 Tender Offer and that leaves to the Target Company’s shareholders the decision as to whether to tender in the M3 Tender Offer) and reserve its opinion on whether it approves the M3 Tender Offer and whether it recommends that the Target Company’s shareholders tender their shares in the M3 Tender Offer. For the details of the decision-making process of the Target Company’s board of directors, please refer to the Target Company Press Release and “II. Target Company’s Decision-making Process Leading to, and Reasons for, the Support of the Tender Offer” in “(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer” below.

(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer

The background, purpose, and decision-making process that led to the decision by the Tender Offeror to implement the Tender Offer, the Target Company’s decision-making process leading to, and reasons for, the support of the Tender Offer, and the management policy after the Tender Offer are as follows. Among the statements below, those regarding the Target Company are based on the Target Company Press Release.

I. Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer

(i) Outline of the Tender Offeror

The Tender Offeror was established in September 1902 under the trade name of “Dai-ichi Mutual Life Insurance Company” as the first insurance company in Japan that took the form of a mutual company. Subsequently, in April 2010, it changed its corporate structure from a mutual company to a stock company in order to transform into a company that can respond to demographic changes, diversifying lifestyles, and other challenges and to provide high-quality services that better meet customers’ diversified needs on a timely basis. In October 2016, it changed its trade name to “Dai-ichi Life Holdings, Inc.,” its current trade name, and transitioned to a holding company structure. Shares of the Tender Offeror became listed on the First Section of the Tokyo Stock Exchange in April 2010. As a result of the market segment restructuring of the Tokyo Stock Exchange in April 2022, it is currently listed on the Prime Market of the Tokyo Stock Exchange.

As of December 31, 2023, the Tender Offeror’s group consists of the Tender Offeror, its 154 subsidiaries, and its 32 affiliates (the Tender Offeror and its subsidiaries and affiliates are hereinafter collectively referred to as the “Tender Offeror Group”) and is engaged in domestic life insurance business, overseas insurance business, and other business. Under the group vision “Protect and improve the well-being of all” and by sharing the group philosophy (Mission, Vision, Values and Brand Message) with one another, each group company of the Tender Offeror Group aims to contribute to people’s security and prosperity and to the development of local communities in their regions and countries mainly through the provision of life insurance as a lifelong partner to customers. In addition, in order to continue contributing to the well-being of all, including future generations, to enable them to lead healthy and prosperous lives with peace of mind, the Tender Offeror Group established the medium-term management plan of the Dai-ichi Life Group for FY2021-2023 “Re-connect 2023” on March 31, 2021. Under the Tender Offeror MMP, the Tender Offeror has classified its domestic business into the following four domains: (i) Protection, which is centered on traditional life insurance; (ii) Asset Formation/Succession, which primarily offers asset management; (iii) Health and Medical Care, which focuses on health care services; and (iv) Enhancing Connections, which pursues improvement of emotional well-being. The Tender Offeror has held up a policy to strive to deliver a superior customer experience (CX), in other words, experiences and impressions that exceed customers’ expectations, through the deepening and exploration of

those business domains by offering insurance products, other financial products, and related services that meet individual lifestyles and needs of customers and standing by each customer's side more than ever before. The Tender Offeror Group recognizes that social changes resulting from the COVID-19 outbreak, including rapid advances in digital technology and popularization of online contactless communications, as well as greater dependence on specific communities based on common interests, tastes, and lifestyles, have accelerated changes in people's behavior and triggered more dramatic changes in the business environment than ever before. The Tender Offeror Group considers that, with people's increasingly diversifying values, each customer expects the Tender Offeror Group to offer them products and services that meet their individual needs at the time and by the method desirable for them and that the level of services expected has been higher and the content of expected services has been more diversified. To resonate with customers and to be chosen by them, the Tender Offeror Group believes that it needs to enhance its product lineup so that it meets diversifying needs and to expand contact points with customers in domains other than the "Protection" domain centered on traditional life insurance and "Asset Formation/Succession" domain centered on asset management under its CX Design Strategy, the core strategy for its domestic business, which provides products and services that meet individual needs of customers at the time and by the method desirable for each of them by combining online and face-to-face customer contact points.

(ii) Outline of the Target Company

According to the Target Company Press Release, the Target Company was established in March 1996 as Business Coop Inc. with the purpose of providing employee benefit services, etc. to corporate employees through a subscription-based system, offering various service menus at discounted prices. According to the Target Company, the Target Company changed its name to Benefit One Inc. in April 2001, and was listed on the JASDAQ market in December 2004, on the Second Section of the TSE in March 2006, and then on the First Section of the TSE in November 2018. Due to the restructuring of the market segments of the TSE which took place in April 2022, it has migrated to the Prime Market of the TSE as of today. As of November 14, 2023, the Target Company's group consists of the Target Company, its 10 consolidated subsidiaries, 1 equity-method affiliate, and 1 non-consolidated subsidiary (the "Target Company Group"). Under the corporate philosophy of "contributing to the enrichment of people's lives and the development of society through the distribution and creation of services with the aim of creating new value that connects people and businesses," and by expanding its membership base, primarily in the workplace sector, and promoting the networking of service suppliers (Note 1), the Target Company Group operates the following businesses that contribute to solving corporate management issues and improving consumer satisfaction.

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

(A) Employee benefits business

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

(B) Personal services business

The Target Company Group offers the "Benefit Station" program mainly to individual customers of the companies with which it collaborates.

(C) Incentive business

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

(D) Healthcare services business

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

(E) Purchase and settlement service business

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

(F) Payments business

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

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

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

(iii) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer

Under the circumstances stated in "(i) Outline of the Tender Offeror" above, during the term of the current Medium-term Management Plan for FY2021-2023, the Tender Offeror has attempted to expand into non-insurance and non-asset management businesses. In considering the direction of the next Medium-term Management Plan starting in fiscal year 2024, throughout fiscal year 2023, the Tender Offeror came to consider it important for the Tender Offeror to evolve from "A company that provides insurance" to "A company that also provides insurance"; in other words, from an insurance business company to insurance service business company, and to build an ecosystem which seamlessly provides four experiential values, "Protection", "Asset Formation/Succession", "Health Promotion", and "Enhancing Connections" in order to aim to become one of the top tier of global insurance groups in 2030. Accordingly, considering bold expansions into non-insurance and non-asset management businesses and acquisition of a platform, the Tender Offeror is attracted to the businesses of the Target Company Group, a leading operator in the employee benefits business industry that provides various services for companies and employees, and believes that the Tender Offeror Group, which has an extensive corporate customer base, is highly compatible with the Target Company Group, the Tender Offeror considered entering into a capital and business tie-up with the Target Company as one of its options. On the other hand, since whether or not the Target Company intended to enter into a capital and business tie-up with other companies and whether or not Pasona Group intended to sell the Target Company Shares were unclear, the Tender Offeror had no other specific considerations. Under these circumstances, on November 14, 2023, the Tender Offeror deduced the Target Company's intention to enter into a capital and business tie-up with other companies and Pasona Group's intention to sell the Target Company Shares from the announcement of the M3 Tender Offer Commencement Press Release and the like. With the announcement of the M3 Tender Offer Commencement Press Release and the like as a turning point, reconsidering the ecosystem which the Tender Offeror Group should construct, the Tender Offeror came to be extremely attracted to the Target company's business, which seamlessly provides services across a diverse range of areas centered on "Health Promotion" and "Enhancing Connections", strongly believes that the direction of domestic business tactics in Tender Offeror's next Medium-term Management Plan is compatible with the Target Company Group's business and decided to assess whether it would consider entering into a capital and business tie-up with the Target Company and commence specific consideration of acquisition of the Target Company Shares. Accordingly, in late November 2023, the Tender Offeror appointed J.P. Morgan Securities Japan Co., Ltd. ("J.P. Morgan") as a financial advisor and Nishimura & Asahi (Gaikokuho Kyodo Jigyo) as a legal advisor, both of which are

independent from the Tender Offeror, the Target Company, M3, and Pasona Group, and established the system for consideration of acquisition of the Target Company Shares through the Tender Offer and commenced specific considerations.

Subsequently, the Tender Offeror conducted due diligence on the Target Company based on the publicly available information from late-November 2023 to early December 2023 in order to develop a deeper understanding of the Target Company's businesses, management environment, growth strategies, and management issues, as well as to confirm accounting, tax, legal, and environmental matters involving the Target Company. As a result, in light of the recognition of the circumstances and various efforts related to the Target Company stated in "(ii) Outline of the Target Company" above, since the products and services offered by the Target Company are similar to those which the Tender Offeror Group has developed to date, from the point of view that the Target Company, which aims to become a B-to-E platformer, will be able to use the Tender Offeror Group's experience and strength, and that it will contribute to the Tender Offeror Group's expansion of its products and services for companies and their employees by expanding into the domains of "Health Promotion" and "Enhancing Connections" the Tender Offeror came to firmly believe that accepting the Target Company into the Tender Offeror Group may maximize the corporate value of both companies by significantly contributing to the expansion and development of both companies and creating an economic zone centered on the Target Company putting the system of the Target Company in the center of the ecosystem which the Tender Offeror is conceiving; in other words, the social infrastructure/the comprehensive platform which provides well-being services.

In other words, the Tender Offeror believes that by becoming the sole shareholder of the Target Company through the Tender Offer and through strong collaboration between both companies, it will be able to achieve, as mentioned below, improvement of the corporate value of the Target Company, in other words, synergies with the Tender Offeror Group thorough integrating the Tender Offeror Group's services on the Target Company offerings and providing it to customers, as well as the development of comprehensive employee benefits business solutions, it will be able to support human capital management by companies and provide products and services that correspond to the various lifestyles of each employee. In addition, the Tender Offeror considered entering into a business tie-up of the Tender Offeror Group and the Target Company with no capital participation as one of its options; however, there is a possibility that only the business tie-up with no capital relationship or the partial capital participation with the Target Company will not necessarily enable the Target Company to allocate its management resources to the medium-to long term business strategy or to make prompt or flexible decisions easily while promoting minority shareholders' interests, as a result of taking into account interests of the Target Company's minority shareholders and the short-term impact on share prices and the like; therefore, in order for both the Tender Offeror Group and the Target Company Group to achieve the improvement of the corporate value of the Target Company as well as, and the synergies as the Tender Offeror Group and the synergies below effectively, the Tender Offeror believes that it is necessary for the Tender Offeror to acquire all the Target Company Shares (excluding the treasury shares held by the Target Company) and to become the sole shareholder of the Target Company. If the Transactions are implemented, as stated in "(5) Possibility of Delisting and Reasons Therefor" below, the Target Company Shares will be delisted, but the Tender Offeror believes that there are no specific disadvantages associated with such delisting.

The details of the measures to improve the corporate value of the Target Company and efforts to achieve the synergies expected as the Tender Offeror Group are as follows:

The Tender Offeror believes that it is difficult to quantify an amount for the synergies listed by M3 in the M3 Tender Offer Commencement Press Release. Therefore, in this press release, the consideration and analysis of the superiority of the following measures and efforts assumed by the Tender Offeror over the synergies listed by M3 in the M3 Tender Offer Commencement Press Release are not stated.

The Tender Offeror Group has a management base, including an extensive customer network and number of business partners. The Tender Offeror believes that through the Transactions, efforts to achieve the Target Company Group's growth strategies and management visions can be promoted and that a win-win relationship beneficial to the Target Company Group can also be established. The Tender Offeror's current ideas related to the strategies and measures to support the medium to long term growth of the Target Company Group are as follows:

(i) Provision of the extensive customer base and channel network of the Tender Offeror Group

The Tender Offeror Group has a customer base consisting of approximately 13.62 million private customers, 160,000 customer companies, and 6.5 million employees of the companies that sign up for its group insurance policies in Japan and has established a "multi-brand, multi-channel" structure. It has developed a system that is capable of offering products that meet customers' needs through its best channel network in Japan, such as approximately 40,000 sales personnel, financial institutions,

insurance shops and other agents across the country. The Tender Offeror believes that if the Tender Offeror provides the Target Company Group with these items for improvement of the corporate value of the Target Company Group, it will be able to expand the scale of B-to-E services of the Target Company through utilizing the customer base that utilizes them.

(ii) Collaboration with local government

The Tender Offeror's subsidiary, Dai-ichi Life Insurance, has had partnership agreements with all 47 prefectures of Japan and also had "Local Cooperation Agreements" with 42 prefectures and more than 330 municipalities as of the end of July 2023. Even before those agreements were concluded, the Tender Offeror's branches and sales offices across Japan worked closely with their local communities, earning significant trust and empathy that led to partnerships with many local governments. The Tender Offeror Group is further deepening these connections through efforts to solve local issues related to health promotion, support for the elderly and childcare, the advancement of women, and community revitalization. The Tender Offeror believes that providing the Target Company Group with its network with local governments and its efforts to resolve community issues, it will be able to make the employee benefit services of the Target Company Group more competitive, which will lead to expanding the scale of services of the Target Company Group.

(iii) Tender Offeror Group's robust base of capital resources

The Tender Offeror Group has one of the largest capital bases among companies in Japan and believes that it will be able to provide agile capital support to the Target Company Group and support its growth potential to the fullest extent.

Furthermore, the Tender Offeror believes that through the strategies and measures to support the growth of the entire Target Company Group above, it can provide the following specific support for the Target Company Group's individual businesses:

(i) Employee benefits business

(A) Provision of comprehensive consulting services regarding employee benefits in collaboration with Dai-ichi Life Insurance

The Tender Offeror Group's subsidiary, Dai-ichi Life Insurance, provides an insurance company's unique benefits products for employees such as group insurance, defined contribution pension plan, and defined benefits pension plan. The Tender Offeror believes that adding Dai-ichi Life Insurance's employee benefit products to the Target Company Group's employee benefits services (Benefit Station) will make it possible to make proposals for more comprehensive employee benefits services for corporate customers. As such, the Target Company group also can make proposals that are closer to the needs of corporate customers than previously.

(B) Development of markets for large, medium, and small-sized enterprises

The Tender Offeror Group has a customer base consisting of approximately 13.62 million private customers, 160,000 customer companies and 6.5 million employees of the companies that sign up for its group insurance policies in Japan and has established a "multi-brand, multi-channel" structure. It has developed a system that is capable of offering products that meet customers' needs through its best channel network in Japan, such as approximately 40,000 sales personnel, financial institutions, insurance shops and other agents across the country. The Tender Offeror will be able to expand the sale of employee benefits services of the Target Company Group through the various customer contact points utilizing them.

(ii) Healthcare services business

The Tender Offeror Group has worked to promote employees' health and optimize medical costs for health insurance associations through the introduction of its services for health insurance associations, "Healstep," which has received high external evaluations; for example, it won the "Grand Prize" at the "Data Health Prevention Services Trade Fair in 2021," an event sponsored by the Ministry of Health, Labour, and Welfare. "QOLism," an application that provides services for health insurance association members in the healthcare services industry, has been deployed as a platform through collaboration with external partners in order to provide health promotion menus in a board range of fields such as exercise, meals, and mental health. In addition, the Tender Offeror Group plans to expand business into the market for customers other than health insurance associations (i.e., business owners and local governments).

The Tender Offeror believes that by linking these efforts with the Target Company Group's services,

it will be possible to provide the Target Company Group's services to more workers and expand its customer base through "health insurance associations" and "business owners."

In addition, the Tender Offeror Group has executed partnership agreements with six National Centers (Note 1) and has been promoting activities for the promotion of health based on community and working to provide accurate information about and awareness of disease prevention. The Tender Offeror believes that providing the Target Company with its network with National Centers and promoting efforts to solve health problems may lead the Target Company Group to become more competitive and lead to expanding the scale of services of the Target Company.

(Note 1) The Tender Offeror has executed partnership agreements above with all six of the National Centers in Japan: the National Cancer Center Japan, National Center for Global Health and Medicine, National Center for Child Health and Development, National Center of Neurology and Psychiatry, National Cerebral and Cardiovascular Center and National Center for Geriatrics and Gerontology.

(iii) Payments business

(A) Dai-ichi Life Insurance's expansion of services for companies with group insurance plans

Dai-ichi Life Insurance in the Tender Offeror Group offers a "group insurance payment plan," a system for paying insurance premiums via salary deductions. The Tender Offeror considers that this is similar to the Target Company Group's "Kyu Toku Barai," and integration of both can be expected to create a cost synergy. In addition, subject to consent from customers, integration of Dai-ichi Life Insurance's "group insurance payment plan" and the Target Company Group's "Kyu Toku Barai" in the future will increase the number of members of the Target Company Group's services without incurring operating costs. The Tender Offeror believes that this integration will increase the sales of the Target Company's services and contribute to the Target Company Group's interests.

(B) Joint development of products exclusively for "Kyu Toku Barai"

The Tender Offeror seeks to contribute to the expansion of services provided by the Target Company Group by adding the services of the Tender Offeror. The Tender Offeror Group deploys not only its core insurance business, but also asset formation services and the like, and it believes that listing these services in the Target Company Group's "Kyu Toku Barai" and joint development of listed products or services are possible.

The Tender Offeror Group has conducted many M&A transactions in and outside Japan and has appropriately captured growth opportunities by providing agile capital support in accordance with the market characteristics in each country. For example, in Japan, the Tender Offeror Group acquired Sompo Japan DIY Life Insurance Co., Ltd. in 2014 and rebranded it under the name Neo First Life Insurance Company, Limited (commonly known as "Neo First Life Insurance") after the acquisition and has developed it to play a part in its multi-brand and multi-channel strategy as a life insurance company that focuses on agent channels, such as insurance shops. The Tender Offeror Group has achieved considerable success; for example, most recently, it acquired ipet Holdings, Inc. through a tender offer in November 2022. In addition, with respect to overseas large-scale M&A transactions, of which Protective Life Corporation in the U.S. and TAL in Australia are two examples, these two companies have received capital support from the Tender Offeror in and after the acquisition by the Tender Offeror which has led to their sustainable growth. As a general position, the Tender Offeror's aim is for sustainable growth of acquired companies by respecting the management of the acquired companies and utilizing the know-how and capital strength of the Tender Offeror Group flexibly, and the Tender Offeror have achieved a lot of success.

The Tender Offeror learned from publicly available information on the M3 Tender Offer, such as the M3 Tender Offer Commencement Press Release, that if the Tender Offeror submits a sincere counteroffer exceeding the purchase price in the M3 Tender Offer, the Target Company and Pasona Group may accept the counteroffer. Therefore, based on the consideration above, from late November 2023 to early December 2023, the Tender Offeror decided to make a specific proposal to the Target Company and Pasona Group regarding the Transactions and on December 5, 2023, the Tender Offeror submitted to the Target Company's board of directors, Target Company Special Committee, and Pasona Group the Letter of Intent describing the Tender Offeror's detailed proposal regarding the Transactions, including the assumption that the Per Share Value is 1,800 yen (a 18.81% (Note 2) premium to the closing price of 1,515 yen of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange on December 4, 2023, the business day immediately preceding the day on which the Letter of Intent was submitted) and the Tender Offer Price and the Share Repurchase Price shall be set so that the amount calculated as after-tax income if Pasona Group tenders in the Tender Offer will be equal to the amount calculated as after-tax income that Pasona Group will obtain upon acceptance of the Share Repurchase.

Given that the rules on exclusion from gross revenue of deemed dividend, as set forth in the Corporate Tax Act are expected to apply to Pasona Group and accordingly certain tax benefits are expected to accrue to Pasona Group, by setting the Tender Offer Price and the Share Repurchase Price so that those tax benefits can be shared with other minority shareholders, the Tender Offeror can maximize the Tender Offer Price while ensuring fairness among shareholders.

(Note 2) The Per Share Value of 1,800 yen, which is the basis for the proposal in the Letter of Intent, represents a premium of 54.77% on the closing price of the Target Company Share of 1,163 yen on the Prime Market of the Tokyo Stock Exchange on November 13, 2023, which is the business day immediately preceding the day on which the M3 Tender Offer Commencement Press Release was released, a premium of 69.33% on the simple average of closing prices of 1,063 yen (rounded to the nearest whole number; the same applies hereafter for calculations of simple averages of closing prices) for the one-month period ending on that day (from October 14, 2023 to November 13, 2023; the same applies hereinafter), a premium of 61.73% on the simple average of closing prices of 1,113 yen for the three-month period ending on that day (from August 14, 2023 to November 13, 2023; the same applies hereinafter), and a premium of 38.14% on the simple average of closing prices of 1,303 yen for the six-month period ending on that day (from May 14, 2023 to November 13, 2023; the same applies hereinafter). In addition, it represents a premium of 18.03% on the closing price of the Target Company Share of 1,525 yen on December 6, 2023, which is the business day immediately preceding the date of the announcement of the scheduled commencement of the Tender Offer, a premium of 28.85% on the simple average of closing prices of 1,397 yen for the one-month period ending on that day (from November 7, 2023 to December 6, 2023; the same applies hereinafter), a premium of 52.80% on the simple average of closing prices of 1,178 yen for the three-month period ending on that day (from September 7, 2023 to December 6, 2023; the same applies hereinafter), and a premium of 40.08% on the simple average of closing prices of 1,285 yen for the six-month period ending on that day (from June 7, 2023 to December 6, 2023; the same applies hereinafter).

In addition, the Tender Offeror provided explanations on details of the proposal regarding the Transaction by the Tender Offeror to the Target Company on December 7, 2023 and to Pasona Group on December 8, 2023, respectively.

Under these circumstances, according to the M3 Tender Offer Commencement Press Release, the period for purchases of the M3 Tender Offer was initially planned to be from November 15, 2023 to December 13, 2023. Therefore, the Tender Offeror decided to announce the scheduled commencement of the Tender Offer on December 7, 2023 in order to avoid a situation where the M3 Tender Offer is successfully completed before the commencement of the Tender Offer as stated in the press release dated on the same date. The Tender Offeror announced the “scheduled commencement” of the Tender Offer and not the “commencement” thereof in the Press Release Dated December 7, 2023 because, from December 7, 2023 onward, in order to satisfy the Conditions Precedent (i) and (ii), it needed to have discussions and negotiations with the Target Company’s board of directors and Target Company Special Committee so that they will express the Affirmative Opinion and it also needed to have discussions and negotiations with Pasona Group so that to the Agreement for Pasona Group will be entered into, in order to satisfy the Conditions Precedent (iii).

Subsequently, the Tender Offeror held a meeting with the Target Company on December 7, 2023 and provided an initial explanation of the consideration process that led to the proposal for the Transactions, the outline and purpose of the Transactions, etc. Thereafter, on December 19, the Tender Offeror held a meeting with the Target Company, in which the Tender Offeror explained the details of the measures expected after the Transactions, the expected synergies, and other impacts of the Transactions, and held a question-and-answer session. The Tender Offeror then held a meeting with the Target Company on January 5, 2024 and explained the background that led to the proposal of the Transactions, the significance and purpose of the Transactions, the management structure and management policy after the Transactions, the conditions for implementing the Transactions, etc., and held a question-and-answer session. In addition, the Tender Offeror held multiple question-and-answer sessions in response to questions from the Target Company and the Target Company Special Committee through written questionnaires.

During the above discussion, the Tender Offeror explained to the Target Company the expected synergies from the Transactions and exchanged opinions with the Target Company. By deepening the understanding of both the Tender Offeror and the Target Company regarding the strategies and measures that the Tender Offeror envisions to support the medium- to long-term growth of the Target Company Group, the Tender Offeror believes that the feasibility of measures to realize synergies (for details, please refer to “(iii) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer” above) has increased. As a result, the Tender Offeror believes that, through the Transactions, efforts to achieve the Target Company Group’s growth strategies and management visions can be promoted and that a win-win relationship

beneficial to the Tender Offeror Group and the Target Company Group can also be established.

Concurrently with the above discussion, the Tender Offeror has obtained from the Target Company and Pasona Group information necessary to calculate the amount of deemed dividends, as set forth in the Corporate Tax Act, that would result if Pasona Group accepts the Share Repurchase, and the Tender Offeror has proceeded with its consideration of the Tender Offer Price and the Share Repurchase Price. On December 21, 2023, with a view to maximizing the tender offer price while ensuring fairness among shareholders, the Tender Offeror adopted a certain approach with respect to calculating the Tender Offer Price and the Share Repurchase Price so that it can share certain tax benefits that are expected to accrue to Pasona Group due to application of the rules on exclusion of deemed dividends from gross revenue to Pasona Group with the Target Company's other minority shareholders. Based on such an approach, the Tender Offeror has calculated the Tender Offer Price and the Share Repurchase Price so that (i) the amount calculated as after-tax income that Pasona Group will obtain upon acceptance of the Share Repurchase will be equal to (ii) the amount calculated as after-tax income that Pasona Group will obtain upon tendering in the Tender Offer, and as a result, the Tender Offeror determined and announced the Tender Offer Price to be 2,123 yen per share (Note 3) and the Share Repurchase Price to be 1,491 yen per share.

(Note 3) The Tender Offer Price of 2,123 yen per share, which was determined and announced on December 21, 2023, represents a premium of 82.55% on the closing price of the Target Company Share of 1,163 yen on the Prime Market of the Tokyo Stock Exchange on November 13, 2023, which is the business day immediately preceding the day on which the M3 Tender Offer Commencement Press Release was released, a premium of 99.72% on the simple average of closing prices of 1,063 yen for the one-month period ending on that day, a premium of 90.75% on the simple average of closing prices of 1,113 yen for the three-month period ending on that day, and a premium of 62.93% on the simple average of closing prices of 1,303 yen for the six-month period ending on that day. In addition, it represents a premium of 39.21% on the closing price of the Target Company Share of 1,525 yen on December 6, 2023, which is the business day immediately preceding the date of the announcement of the scheduled commencement of the Tender Offer, a premium of 51.97% on the simple average of closing prices of 1,397 yen for the one-month period ending on that day, a premium of 80.22% on the simple average of closing prices of 1,178 yen for the three-month period ending on that day, and a premium of 65.21% on the simple average of closing prices of 1,285 yen for the six-month period ending on that day.

Subsequently, according to the Target Company, regarding the Tender Offeror's proposal, on January 16, 2024, the Target Company determined, with the consent of the Target Company Special Committee, that it was appropriate to request an increase in the Tender Offer Price, aiming for the most favorable transaction conditions possible, rather than accepting the proposed price, from the perspective of giving greater consideration to the interests of minority shareholders of the Target Company, based on the background of the Transactions that a proposal regarding the Tender Offer Price was implemented and announced by the Tender Offeror without any negotiation with the Target Company regarding the valuation of the Target Company Shares by Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("MUMSS"), the Target Company's third-party valuation body, and other economic conditions. On the same day, the Tender Offeror was requested by the Target Company to reconsider the Tender Offer Price. Subsequently, on January 19, the Tender Offeror responded to the Target Company stating that it would be difficult to further increase the Tender Offer Price.

According to the Target Company, on the same day, after receiving the response from the Tender Offeror, the Target Company once again discussed and considered the Tender Offer Price and determined, with the consent of the Target Company Special Committee, that it was appropriate to once again request an increase in the Tender Offer Price for the same reasons as above. The Tender Offeror was again requested by the Target Company to increase the Tender Offer Price. Furthermore, on January 23, the Tender Offeror held a meeting with the Target Company's management and was asked by the Target Company's management to give consideration to the interests of the Target Company's minority shareholders and to increase the Tender Offer Price. Subsequently, on January 24, the Tender Offeror responded to the Target Company stating that it would be difficult to further increase the Tender Offer Price.

According to the Target Company, on January 26, after receiving the response from the Tender Offeror, the Target Company once again discussed and considered the Tender Offer Price and determined, considering the circumstances in which the Tender Offeror has not raised the Tender Offer Price while the Target Company repeatedly requested that the Tender Offeror increase the Tender Offer Price, with the consent of the Target Company Special Committee, that it would be appropriate to request an increase in the Tender Offer Price again for the same reasons as above and to continue to adhere to its policy of continuing careful negotiations that take into account the interests of minority shareholders. The Tender Offeror was again requested by the Target Company to increase the Tender Offer Price. Furthermore, on January 30, the Tender Offeror held a meeting

again with the Target Company's management and was requested to seriously consider raising the Tender Offer Price in light of the circumstances surrounding the negotiations described above. Subsequently, on February 5, 2024, the Tender Offeror held a meeting with the Target Company and was once again requested to increase the Tender Offer Price, and the Tender Offeror and the Target Company discussed the possibility of increasing the Tender Offer Price in order to agree the Tender Offer Price.

On February 6, based on the above-mentioned meeting, the Tender Offeror made a final proposal to the Target Company that, based on the assumption that the Per Share Value is 1,842 yen (Note 4), the Tender Offer Price be 2,173 yen per share (Note 5), subject to approval at the Tender Offeror's board of directors meeting to be held on February 8, 2024. According to the Target Company, regarding such proposal, on February 6, the Target Company determined, with the consent of the Target Company Special Committee and as a result of careful discussions and consideration regarding the Tender Offer Price based on the valuation of the Target Company Shares by MUMSS, that the proposed price was a price that gave a certain amount of consideration to the interests of minority shareholders. The Tender Offeror received a response from the Target Company stating that it had unofficially agreed to set the Tender Offer Price at 2,173 yen per share, based on the assumption that the final decision would be made by a resolution at the Target Company's board of directors meeting held on February 8, 2024.

Furthermore, in parallel with discussions and negotiations with the Target Company, the Tender Offeror held meetings regarding the Transactions with Pasona Group from December 8, 2023 to February 6, 2024, and during the meetings, the Tender Offeror received requests from Pasona Group to raise the Tender Offer Price to a level that would allow the Target Company's board of directors to approve the Tender Offer. On February 6, 2024, the Tender Offeror informed Pasona Group that it had agreed with the Target Company to set the Tender Offer Price at 2,173 yen per share, based on the assumption that the Per Share Value is 1,842 yen, subject to approval by the boards of directors of both the Tender Offeror and the Target Company and to set the Share Repurchase Price at 1,526 yen, and on the same day, the Tender Offeror received a response from Pasona Group stating that it had unofficially agreed to set the Tender Offer Price at 2,173 yen per share and to set the Share Repurchase Price at 1,526 yen, subject to approval by resolution of Pasona Group's board of directors.

(Note 4) The Per Share Value of 1,842 yen represents a premium of 58.38% on the closing price of the Target Company Share of 1,163 yen on the Prime Market of the Tokyo Stock Exchange on November 13, 2023, which is the business day immediately preceding the day on which the M3 Tender Offer Commencement Press Release was released, a premium of 73.28% on the simple average of closing prices of 1,063 yen for the one-month period ending on that day, a premium of 65.50% on the simple average of closing prices of 1,113 yen for the three-month period ending on that day, and a premium of 41.37% on the simple average of closing prices of 1,303 yen for the six-month period ending on that day. In addition, it represents a premium of 20.79% on the closing price of the Target Company Share of 1,525 yen on December 6, 2023, which is the business day immediately preceding the date of the announcement of the scheduled commencement of the Tender Offer, a premium of 31.85% on the simple average of closing prices of 1,397 yen for the one-month period ending on that day, a premium of 56.37% on the simple average of closing prices of 1,178 yen for the three-month period ending on that day, and a premium of 43.35% on the simple average of closing prices of 1,285 yen for the six-month period ending on that day.

(Note 5) The Tender Offer Price of 2,173 yen per share represents a premium of 86.84% on the closing price of the Target Company Share of 1,163 yen on the Prime Market of the Tokyo Stock Exchange on November 13, 2023, which is the business day immediately preceding the day on which the M3 Tender Offer Commencement Press Release was released, a premium of 104.42% on the simple average of closing prices of 1,063 yen for the one-month period ending on that day, a premium of 95.24% on the simple average of closing prices of 1,113 yen for the three-month period ending on that day, and a premium of 66.77% on the simple average of closing prices of 1,303 yen for the six-month period ending on that day. In addition, it represents a premium of 42.49% on the closing price of the Target Company Share of 1,525 yen on December 6, 2023, which is the business day immediately preceding the date of the announcement of the scheduled commencement of the Tender Offer, a premium of 55.55% on the simple average of closing prices of 1,397 yen for the one-month period ending on that day, a premium of 84.47% on the simple average of closing prices of 1,178 yen for the three-month period ending on that day, and a premium of 69.11% on the simple average of closing prices of 1,285 yen for the six-month period ending on that day.

As described above, as a result of the Tender Offeror repeatedly having continuous discussions and negotiations for the implementation of the Transactions between the Target Company and Pasona Group, today, the Tender Offeror agreed with the Target Company and Pasona Group that the Tender Offer Price will be 2,173 yen per share

and the Share Repurchase Price will be 1,526 yen per share, based on the assumption that the Per Share Value is 1,842 yen; therefore, the Tender Offeror determined on the same date that it would execute the Agreement for Pasona Group with Pasona Group and execute the Agreement for the Target Company with the Target Company, and that it would implement the Tender Offer on February 9, 2024 (for the details of the Agreement for Pasona Group and the Agreement for the Target Company, please refer to “(i) The Agreement for Pasona Group” and “(ii) The Agreement for the Target Company” in “(6) Matters Concerning Material Agreements Related to the Tender Offer” below.).

II. Target Company’s Decision-making Process Leading to, and Reasons for, the Support of the Tender Offer

(i) Consideration of the M3 Tender Offer Prior to the Transactions, etc. Under the circumstances described in “(ii) Outline of the Target Company” in “I. Background, Purpose, and Decision-making Process Which Led to the Decision to Implement the Tender Offer” above, as stated in the “Announcement of Our Opinion on the Tender Offer for Our Shares made by M3, Inc. and the Conclusion of a Capital and Business Tie-up Agreement with M3, Inc.” announced by the Target Company on November 14, 2023 (the “M3 Opinion Announcement Press Release”), on August 21, 2023, the Target Company received an explanation from Pasona Group that it expected a transaction by which M3 would make the Target Company a consolidated subsidiary through a tender offer premised on the acquisition of all the Target Company Shares held by Pasona Group. Subsequently, on August 24, 2023, the Target Company received a letter of intent from M3 stating that it was considering the execution of a tender offer premised on the acquisition of all the Target Company Shares held by Pasona Group and a business tie-up with the Target Company. The Target Company established a special committee consisting of Tomonori Fujiike, Nobuyasu Kubo, and Toshiaki Hamada, all of who are its outside directors (audit and supervisory committee members) (the “Target Company Special Committee,” and for the specific activities of the Target Company Special Committee, please refer to “(iv) Establishment by the Target Company of an Independent Special Committee and Acquisition by the Target Company of Reports from the Special Committee” in “(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest”) based on the resolution at the board of directors of the Target Company held on August 31, 2023 in order to eliminate arbitrariness in the Target Company’s decision-making regarding the M3 Tender Offer, ensure fairness, transparency and objectivity in the Target Company’s decision-making process, and avoid conflicts of interest in light of the fact that M3 and Pasona Group, the Target Company’s parent company, intended to execute a tender agreement to tender the Target Company Shares held by Pasona Group in a tender offer, and the interest of Pasona Group may not necessarily coincide with that of the minority shareholders of the Target Company, and the Target Company responded to M3 on the same day that it would officially consider the proposal for the M3 Tender Offer.

In addition, in late August 2023, the Target Company began consulting with MUMSS and Mori Hamada & Matsumoto with regard to how to respond to the letter of intent received from M3, and the Target Company Special Committee confirmed on August 31, 2023 that there were no problems with MUMSS and Mori Hamada & Matsumoto from the prospective of the independence from Pasona Group, M3, and the Target Company, as well as their expertise, and approved the appointment of MUMSS and Mori, Hamada & Matsumoto as a financial advisor and a legal advisor of the Target Company, respectively.

Thereafter, from mid-September to late October 2023, M3 conducted a due diligence on the Target Company with respect to its business, financial and tax affairs, and legal affairs, etc. In parallel with this, the Target Company discussed and examined matters such as the purpose of the M3 Tender Offer, the management policy of the Target Company after the M3 Tender Offer and synergies, and held meetings with M3’s management. In addition, the Target Company requested M3 and Pasona Group to consider the possibility that the M3 Tender Offer might result in the Target Company Shares meeting the delisting standards and how to deal with such situation.

As a result of these considerations, regarding the M3 Tender Offer, as described in the M3 Opinion Announcement Press Release, at the Target Company’s board of directors meeting held on November 14, 2023, the Target Company has made a resolution to express its affirmative opinion, to leave to the Target Company’s shareholders the decision as to whether to tender in the M3 Tender Offer, and to execute a capital and business tie-up agreement with M3.

(ii) Establishment of a system to consider the Transactions

The M3 Tender Offer commenced on November 15, 2023, as scheduled; however, the Target Company received the Letter of Intent from the Tender Offeror on December 5, 2023 and decided to commence its consideration of the proposal for the Transactions, including the Tender Offer by the Tender Offeror. With a

view to ensure fairness in considering such proposal, the Target Company resolved, at its board of directors meeting held on December 6, 2023, to refer the proposal concerning the Transactions, including the Tender Offer, to the Target Company Special Committee.

The Target Company Special Committee confirmed again, premised on the Transactions, that there are no issues with the independence and expertise of MUMSS, which is the Target Company's financial advisor and third-party valuation body, and Mori Hamada & Matsumoto, the Target Company's legal advisor.

In addition to the above, please refer to "(iv) Establishment by the Target Company of an Independent Special Committee and Acquisition by the Target Company of Reports from the Special Committee" in "(3) Measures to Ensure Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below for the background of establishment of the Target Company Special Committee, the process of consideration, and the details of the decision.

(iii) Background of Consideration and Negotiations Regarding the Transactions

Under the system described in (ii) above, the Target Company has commenced deliberations regarding the Transactions, and has continued to discuss and negotiate the terms and conditions of the Transactions, including the Tender Offer Price, with the Tender Offeror.

Specifically, the Target Company held a meeting with the Tender Offeror on December 7, 2023, and received an initial explanation from the Tender Offeror of the consideration process that led to the proposal for the Transactions, the outline and purpose of the Transactions, etc. Thereafter, on December 19, the Target Company held a meeting with the Tender Offeror, where the Target Company received an explanation of the details of the measures expected after the Transactions, the expected synergies, and other impacts of the Transactions, and held a question-and-answer session. The Target Company then held a meeting with the Tender Offeror on January 5, 2024 and received explanation from the Tender Offeror of the background that led to the proposal of the Transactions, the significance and purpose of the Transactions, the management structure and management policy after the Transactions, the conditions for implementing the Transactions, etc., and held a question-and-answer session. In addition, the Target Company and the Target Company Special Committee held question-and-answer sessions with the Tender Offeror multiple times through written questionnaires, and based on the results, held discussions with the Target Company's management. Based on this, the Target Company has decided to continue considering whether the Transactions will contribute to improving the Target Company's corporate value and commenced discussions and negotiations with the Tender Offeror regarding the Tender Offer Price from the middle of the same month. With regard to the Tender Offer Price, the Target Company received an offer from the Tender Offeror on December 5, 2023, indicating that the Per Share Value shall be 1,800 yen (this is the amount that represents a premium of 54.77% on the closing price of the Target Company Share of 1,163 yen on the Prime Market of the Tokyo Stock Exchange on November 13, 2023, which is the business day immediately preceding the day on which the M3 Tender Offer Commencement Press Release was released, a premium of 69.33% on the simple average of closing prices of 1,063 yen for the one-month period ending on that day, a premium of 61.73% on the simple average of closing prices of 1,113 yen for the three-month period ending on that day, and a premium of 38.14% on the simple average of closing prices of 1,303 yen for the six-month period ending on that day. In addition, it represents a premium of 18.03% on the closing price of the Target Company Share of 1,525 yen on December 6, 2023, which is the business day immediately preceding the date of the announcement of the scheduled commencement of the Tender Offer, a premium of 28.85% on the simple average of closing prices of 1,397 yen for the one-month period ending on that day, a premium of 52.80% on the simple average of closing prices of 1,178 yen for the three-month period ending on that day, and a premium of 40.08% on the simple average of closing prices of 1,285 yen for the six-month period ending on that day), comprehensively taking into account: (i) the valuation results of the Target Company Shares in the Share Valuation Report (J.P. Morgan) (as defined in "(i) Acquisition by the Tender Offeror of a Share Valuation Report from an Independent Third-Party Valuation Body" in "(3) Measures to Ensure Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below), (ii) the tender offer price in the M3 Tender Offer, (iii) trends of the market price of the Target Company Shares, (iv) the result of the due diligence on the Target Company that was carried out by the Tender Offeror based on the publicly available information on the Target Company, and (v) anticipated levels of tendering in the Tender Offer, among others, and that premised on the foregoing, the Tender Offeror is able to set the Tender Offer Price at an amount higher than the Per Share Value of 1,800 yen as it intends to set the Tender Offer Price and Share Repurchase Price so that (i) the amount calculated as after-tax income that Pasona Group will obtain upon acceptance of the Share Repurchase will be equal to (ii) the amount calculated as after-tax income that Pasona Group will obtain upon tendering in the Tender Offer.

Thereafter, on December 19, the Target Company received an offer from the Tender Offeror stating the following: based on the information provided by the Target Company and Pasona Group which is necessary to calculate the amount of deemed dividends, as set forth in the Corporate Tax Act, that would result if Pasona Group accepts the Share Repurchase that is to be carried out after implementation of the Tender Offer, with a

view to maximizing the tender offer price while ensuring fairness among shareholders, the Tender Offeror adopted a certain approach with respect to calculating the Tender Offer Price and the Share Repurchase Price so that it can share certain tax benefits that are expected to accrue to Pasona Group due to application of the rules on exclusion of deemed dividends from gross revenue to Pasona Group with the Target Company's other minority shareholders. Based on such an approach, the Tender Offeror has calculated the Tender Offer Price so that (i) the amount calculated as after-tax income that Pasona Group will obtain upon acceptance of the Share Repurchase will be equal to (ii) the amount calculated as after-tax income that Pasona Group will obtain upon tendering in the Tender Offer, and as a result, the Tender Offeror determined the Tender Offer Price to be 2,123 yen per share (the Tender Offer Price represents a premium of 82.55% on the closing price of the Target Company Share of 1,163 yen on the Prime Market of the Tokyo Stock Exchange on November 13, 2023, which is the business day immediately preceding the day on which the M3 Tender Offer Commencement Press Release was released, a premium of 99.72% on the simple average of closing prices of 1,063 yen for the one-month period ending on that day, a premium of 90.75% on the simple average of closing prices of 1,113 yen for the three-month period ending on that day, and a premium of 62.93% on the simple average of closing prices of 1,303 yen for the six-month period ending on that day. In addition, it represents a premium of 39.21% on the closing price of the Target Company Share of 1,525 yen on December 6, 2023, which is the business day immediately preceding the date of the announcement of the scheduled commencement of the Tender Offer, a premium of 51.97% on the simple average of closing prices of 1,397 yen for the one-month period ending on that day, a premium of 80.22% on the simple average of closing prices of 1,178 yen for the three-month period ending on that day, and a premium of 65.21% on the simple average of closing prices of 1,285 yen for the six-month period ending on that day.).

According to the Target Company, regarding the Tender Offeror's proposal, on January 16, 2024, the Target Company determined, with the consent of the Target Company Special Committee, that it was appropriate to request an increase in the Tender Offer Price, aiming for the most favorable transaction conditions possible, rather than accepting the proposed price, from the perspective of giving greater consideration to the interests of minority shareholders of the Target Company, based on the background of the Transactions that a proposal regarding the Tender Offer Price was implemented and announced by the Tender Offeror without any negotiation with the Target Company regarding the valuation of the Target Company Shares by MUMSS, the Target Company's third-party valuation body, and other economic conditions, and the Target Company requested that Tender Offeror reconsider the Tender Offer Price. According to the Target Company, subsequently, on January 19, the Target Company received a response from the Tender Offeror stating that it would be difficult to further increase the Tender Offer Price.

According to the Target Company, on the same day, after receiving the response from the Tender Offeror, the Target Company once again discussed and considered the Tender Offer Price and determined, with the consent of the Target Company Special Committee, that it was appropriate to once again request an increase in the Tender Offer Price for the same reasons as above, and again requested that the Tender Offeror increase the Tender Offer Price. Furthermore, on January 23, the Target Company held a meeting with the Tender Offeror's management and asked the Tender Offeror to give consideration to the interests of the Target Company's minority shareholders with respect to the Tender Offer Price and again requested that the Tender Offeror increase the Tender Offer Price. Subsequently, on January 24, the Target Company received a response from the Tender Offeror stating that it would be difficult to further increase the Tender Offer Price.

According to the Target Company, on January 26, after receiving the response from the Tender Offeror, the Target Company once again discussed and considered the Tender Offer Price and determined, considering the circumstances in which the Tender Offeror has not raised the Tender Offer Price while the Target Company repeatedly requested that the Tender Offeror increase the Tender Offer Price, with the consent of the Target Company Special Committee, that it would be appropriate to request an increase in the Tender Offer Price again for the same reasons as above and to continue to adhere to its policy of continuing careful negotiations that take into account the interests of minority shareholders, and again requested that the Tender Offeror increase the Tender Offer Price. Furthermore, on January 30, the Target Company held a meeting again with the Tender Offeror's management and requested that the Tender Offeror seriously consider raising the Tender Offer Price in light of the circumstances surrounding the negotiations described above. Subsequently, on February 5, 2024, the Target Company held a meeting with the Tender Offeror and once again requested that the Tender Offeror increase the Tender Offer Price, and the Tender Offeror and the Target Company discussed the possibility of increasing the Tender Offer Price.

On February 6, based on the above-mentioned meeting, the Target Company received a final proposal from the Tender Offeror that, based on the assumption that the Per Share Value is 1,842 yen (Note 1), the Tender Offer Price be 2,173 yen per share (Note 2), subject to approval at the Tender Offeror's board of directors meeting to be held on February 8, 2024. According to the Target Company, regarding such proposal, on February 6, the Target Company determined, with the consent of the Target Company Special Committee and as a result of careful discussions and consideration regarding the Tender Offer Price based on the valuation of

the Target Company Shares by MUMSS, that the proposed price was a price that gave a certain amount of consideration to the interests of minority shareholders, and made a response to the Tender Offeror stating that it had unofficially agreed to set the Tender Offer Price at 2,173 yen per share, based on the assumption that the final decision would be made by a resolution at the Target Company's board of directors meeting held on February 8, 2024.

(Note 1) The Per Share Value of 1,842 yen represents a premium of 58.38% on the closing price of the Target Company Share of 1,163 yen on the Prime Market of the Tokyo Stock Exchange on November 13, 2023, which is the business day immediately preceding the day on which the M3 Tender Offer Commencement Press Release was released, a premium of 73.28% on the simple average of closing prices of 1,063 yen for the one-month period ending on that day, a premium of 65.50% on the simple average of closing prices of 1,113 yen for the three-month period ending on that day, and a premium of 41.37% on the simple average of closing prices of 1,303 yen for the six-month period ending on that day. In addition, it represents a premium of 20.79% on the closing price of the Target Company Share of 1,525 yen on December 6, 2023, which is the business day immediately preceding the date of the announcement of the scheduled commencement of the Tender Offer, a premium of 31.85% on the simple average of closing prices of 1,397 yen for the one-month period ending on that day, a premium of 56.37% on the simple average of closing prices of 1,178 yen for the three-month period ending on that day, and a premium of 43.35% on the simple average of closing prices of 1,285 yen for the six-month period ending on that day.

(Note 2) The Tender Offer Price of 2,173 yen per share represents a premium of 86.84% on the closing price of the Target Company Share of 1,163 yen on the Prime Market of the Tokyo Stock Exchange on November 13, 2023, which is the business day immediately preceding the day on which the M3 Tender Offer Commencement Press Release was released, a premium of 104.42% on the simple average of closing prices of 1,063 yen for the one-month period ending on that day (from October 14, 2023 to November 13, 2023), a premium of 95.24% on the simple average of closing prices of 1,113 yen for the three-month period ending on that day (from August 14, 2023 to November 13, 2023), and a premium of 66.77% on the simple average of closing prices of 1,303 yen for the six-month period ending on that day (from May 14, 2023 to November 13, 2023). In addition, it represents a premium of 42.49% on the closing price of the Target Company Share of 1,525 yen on December 6, 2023, which is the business day immediately preceding the date of the announcement of the scheduled commencement of the Tender Offer, a premium of 55.55% on the simple average of closing prices of 1,397 yen for the one-month period ending on that day (from November 7, 2023 to December 6, 2023), a premium of 84.47% on the simple average of closing prices of 1,178 yen for the three-month period ending on that day (from September 7, 2023 to December 6, 2023), and a premium of 69.11% on the simple average of closing prices of 1,285 yen for the six-month period ending on that day (from June 7, 2023 to December 6, 2023).

In addition, concurrently with the above, the Target Company has discussed and negotiated with each of Pasona Group and the Tender Offeror in order to confirm matters such as Pasona Group's intent on tendering in the M3 Tender Offer and the implementation of the Transactions, as well as possibility of changing the tender offer price of the M3 Tender Offer and other conditions concerning the M3 Tender Offer. As a result, on February 8, 2024, the Target Company received a response from Pasona Group indicating that Pasona Group intends to enter into an agreement with the Tender Offeror on February 8, 2024, on the condition that Pasona Group does not tender in the M3 Tender Offer. Further, the Target Company has not been informed by Pasona Group or M3 that Pasona Group and M3 have reached an agreement on a change to the tender offer price of the M3 Tender Offer or other conditions concerning the M3 Tender Offer.

(iv) Details of the decision

As a result of the above circumstances, the Target Company carefully discussed and considered in its board of directors meeting held on February 8, 2024 whether the Transactions, including the Tender Offer, would contribute to the enhancement of its corporate value, and whether the conditions of the Transactions, including the Tender Offer Price, are appropriate, paying utmost respect to the legal advice given by Mori Hamada & Matsumoto and the advice given by MUMSS, the details of the share valuation report concerning the results of the share valuation of the Target Company Shares obtained from MUMSS on February 7, 2024 (the "Share Valuation Report (MUMSS)"), as well as the details of decision of the Target Company Special Committee as presented in the Report.

With regard to the M3 Tender Offer, as stated in the M3 Opinion Announcement Press Release, the Target Company believed that making itself a consolidated subsidiary of M3 through the M3 Tender Offer and establishing a cooperative framework with M3 would contribute to promotion of the implementation of the

Target Company Group's medium-term management plan by creating synergies through the sharing of resources and know-how possessed by both companies, and would also provide opportunities for further growth and development while maintaining the listing of the Target Company Shares, which would further enhance its corporate value. However, after the consideration stated above, the Target Company decided that by becoming a wholly-owned subsidiary of the Tender Offeror through the Tender Offer and making strong efforts to collaborate with the Tender Offeror, it would be able to obtain opportunities for further growth and development of the Target Company's business as stated below, which would further enhance the Target Company's corporate value.

(A) Differentiation of employee benefits business and enhancement of customer base

The Tender Offeror Group plans to implement measures to support the expansion and introduction of the Target Company's employee benefits services after the Transactions as measures for "development of a platform centered on employee benefits services at the Tender Offeror Group and enhancement of value provided thereby," under which the Tender Offeror Group will prepare systems to implement various measures to improve the Target Company Group's value and realize synergies (such as establishment of a department dedicated to such measures and expansion of the sales team in order to obtain new customers of the Target Company's services). Further, the Tender Offeror Group intends to make the most of the Tender Offeror Group's customer base and its extensive sales network, including its sales personnel and agents, and the Tender Offeror Group as a whole intends to work toward expansion of the Target Company's services at high priority. Therefore, the Target Company believes that the Transactions would enable the Target Company to vigorously promote the strategy to expand its customer base, as included in its medium-term management plan. In addition, the Target Company believes that the Tender Offeror Group's corporate insurance products and other relevant products are highly compatible with the Target Company's employee benefits services; and therefore, it believes that it will be able to differentiate its services by designing and proposing the operation of a system that is integrated with the Tender Offeror Group's insurance products and other relevant products.

(B) Enhancement of payments business

The payments business of the Target Company called "Kyu Toku Barai," which utilizes salary deduction, has a mechanism similar to the Tender Offeror Group's group insurance plan; and therefore, both are considered to be highly compatible. As a result, the Target Company's payment business is expected to increase sales from the Tender Offeror Group's customers. In addition, in order to further improve the appeal of the Target Company Group's payments business, the Tender Offeror Group intends to contribute to the expansion of the Target Company Group's services by adding the Tender Offeror Group's services to the services provided by the Target Company Group. The Tender Offeror Group carries out not only insurance businesses, which is its core business, but also services for asset formation and the like, and it is able to provide these services under the Target Company Group's "Kyu Toku Barai" and jointly develop services taking into account the features of the applicable products and services; therefore, it believes that it is able to make the service more appealing. Further, the Target Company believes that such efforts would contribute to the implementation and promotion of its payments business, which is one of the important subjects in its Medium-Term Management Plan.

(C) Implementation of agile growth measures through enforcement of base of capital resources

The Target Company believes that it needs to actively carry out company acquisitions and capital tie-up through M&As as well as other measures for growth in order to grab various growth opportunities surrounding the Target Company Group in a speedy manner. The Target Company believes that the Tender Offeror Group has one of the most prominent bases of capital resources in Japan, and that by utilizing agile capital support from the Tender Offeror Group, the Target Company will be able to eliminate the impact of capital constraints in carrying out M&A and other various growth measures and fully unlock its growth potential.

In general, the delisting of a company may affect the brand recognition and creditworthiness that the company has enjoyed as a listed company as well as its ability to secure human resources; however, in the case of the Target Company, its creditworthiness would be reinforced by the Tender Offeror Group's creditworthiness, and it has no plans to change the trade name and service name it has used in business and social settings for a long time. Accordingly, the Target Company believes that its delisting would not hinder the maintenance of the brand power and recognition it has built so far or the relationships of trust with its various stakeholders, including its customers and suppliers. Further, as stated in "III. Management Policy After the Tender Offer" below, since the Tender Offeror intends to introduce proper incentive plans, the Target Company (which was a listed company) believes that becoming a wholly-owned subsidiary of the Tender Offeror would not cause any material adverse effects on the motivation of the Target Company Group's officers and employees to improve business results and corporate value. Moreover, the Target Company considered the possibility of dis-synergies arising from a reduction of transactions with customers and suppliers and their group companies that are competitors of the Tender Offeror resulting from the Target Company becoming a wholly-owned subsidiary of the Tender Offeror,

and it concluded that synergies exceeding the dis-synergies can be created through the measures and effect stated in the above (A) to (C).

In addition, although it is expected that Pasona Group ceasing to be the Target Company's parent company as a result of implementation of the Tender Offer would cause a reduction in and loss of opportunities of shared know-how and operational efficiency through personal exchanges, sublease of branch offices, joint purchase of general-purpose software, etc., which were premised on the parent-subsidary relationship with Pasona Group, the Target Company can implement alternative measures such as hiring, handover, lending and borrowing of alternative properties, and negotiations with subcontractors during a certain period, and Pasona Group has agreed to continue to provide services necessary to operate the Target Company's business during the transition period required for such measures at the same level as before the Tender Offer. Therefore, the Target Company believes that synergies exceeding the impact of the above measures can be created with the Tender Offeror after implementation of the Tender Offer.

In addition, the Target Company determined that, after taking into account various circumstances including the matters stated below, the Tender Offer Price (2,173 yen per share) is a reasonable price that secures the interests that the Target Company's minority shareholders should enjoy and that the Tender Offer provides the Target Company's minority shareholders with a reasonable opportunity to sell the Target Company Shares at a price with an appropriate premium.

- (A) the Tender Offer Price is significantly higher than the tender offer price in the M3 Tender Offer (1,600 yen);
- (B) Pasona Group will execute the Agreement for Pasona Group, which is premised on Pasona Group not tendering its shares in the M3 Tender Offer, with the Tender Offeror; in addition, Pasona Group and M3 have not reached an agreement in their discussions concerning change in the tender offer price in the M3 Tender Offer and other conditions on the M3 Tender Offer;
- (C) the Tender Offer Price is above the upper end of the valuation range evaluated in the market price analysis and the valuation range evaluated in the comparable company analysis, and is above the midpoint of the valuation range evaluated in the discounted cash flow analysis ("DCF Analysis") in the valuation results of the Target Company Shares valued by MUMSS in the Share Valuation Report (MUMSS) stated in "(ii) Acquisition by the Target Company of a Share Valuation Report from an Independent Third-party Valuation Body" in "(3) Measures to Ensure Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below;
- (D) the Tender Offer Price is a price of which the Reference Date is set as November 14, 2023, on which the transaction was carried out before announcement of the M3 Tender Offer (made after the close of market hours on November 14, 2023), in which the impact of such announcement on the share price was eliminated, and with a 90.11% premium added to the closing price of 1,143 yen of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange on the Reference Date, a 103.85% premium added to the simple average of closing prices of 1,066 yen for the one-month period immediately preceding the Reference Date, a 95.41% premium added to the simple average of closing prices of 1,112 yen for the three-month period immediately preceding the Reference Date, and a 66.90% premium added to the simple average of closing prices of 1,302 yen for the six-month period immediately preceding the Reference Date;
- (E) the Tender Offer Price is a price determined after measures to secure fairness of the Transactions, as stated in "(3) Measures to Ensure Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below, are sufficiently taken, and the Tender Offer Price was deemed to be appropriate in the Response obtained by the Target Company from the Target Company Special Committee, as stated in "(iv) Establishment by the Target Company of an Independent Special Committee and Acquisition by the Target Company of Reports from the Special Committee"
- (F) the Share Repurchase (a) enables an increase in profits by providing the Target Company's minority shareholders with a favorable opportunity to sell the Target Company Shares by setting the Tender Offer Price higher than the acquisition price per share of the Target Company Shares (based on the number of shares before implementation of the Share Consolidation procedures) in the Share Repurchase, thereby allocating more funds required to obtain all the Target Company Shares to the Target Company's minority shareholders; and (b) as the Share Repurchase Price would be subject to application of the rules on exclusion of deemed dividends from gross revenue as provided under the Corporate Tax Act, even if maximum consideration is given to the tax benefits that Pasona Group may theoretically enjoy, the amount calculated as after-tax income to be obtained by Pasona Group upon acceptance of the Share Repurchase will be equal to the amount calculated as after-tax income that will be obtained by Pasona Group upon tendering in the Tender Offer.

At the aforementioned Target Company's board of directors meeting, the Target Company made a resolution to change its opinion disclosed on November 14, 2023 regarding the M3 Tender Offer (opinion in favor of the M3 Tender Offer, leaving the decision as to whether to tender in the M3 Tender Offer to the shareholders of the Target Company) and to reserve its opinion on whether to approve the M3 Tender Offer and whether to recommend tendering in the M3 Tender Offer. For details, please refer to the "Announcement of Changes to Our Opinion on the Tender Offer for Our Shares made by M3, Inc.," announced by the Target Company today.

III. Management Policy After the Tender Offer

The Tender Offeror believes that the Tender Offeror and the Target Company can contribute to the further development of their businesses and maximization of their corporate values by seeking and realizing potential synergies in their respective business domains through their collaboration while continuing to fully utilize their business characteristics after the Transactions.

The Tender Offeror believes that it is essential to highly motivate the current management of the Target Company, who have abundant industry experience and track records, to further improve the corporate value of the Target Company and accordingly, Ms. Junko Fukasawa, who is a director of the Target Company and serves concurrently as an officer or employee of Pasona Group, plans to resign on the implementation date of the Share Repurchase after the Tender Offer is successfully completed. In addition, for the purpose of ensuring appropriate governance of the Target Company as a member of the Tender Offeror Group, the Tender Offeror is considering possible dispatch of directors from the Tender Offeror Group to the Target Company Group after the Transactions. However, excluding such directors, the Tender Offeror intends to maintain the current management structure of the Target Company in principle, and it plans to build a system that respects the management independence and autonomy of the Target Company by asking the directors to continue to execute their duties after the Transactions. In addition, the Tender Offeror and the Target Company have confirmed that the Target Company's management, excluding Ms. Junko Fukasawa, will continue to strive to realize the Target Company's current growth strategy even after the Transactions and that the Target Company will work together to create synergies through collaboration between the Tender Offeror and the Target Company. Furthermore, the Tender Offeror also plans to maintain the current employment conditions of the Target Company's employees, in principle, and hopes to continue to engage them in the business of the Target Company after the Transactions. The Tender Offeror wishes to determine the other details of specific management policies and management structure of the Target Company after having discussions with the Target Company after successful completion of the Tender Offer with a view to further increasing the corporate values of both of the groups. At present, it has no plan in particular to change the trade name or the service name of the Target Company, reform or alter the current management structure of the Target Company, or change the employment or employment conditions of the employees of the Target Company Group.

Moreover, with regard to the performance-linked share remuneration currently granted to the Target Company Group's officers and employees, the Tender Offeror will determine how to deal with it and provide the applicable officers and employees with detailed explanations by the date on which the Target Company joins the Tender Offeror Group upon completion of the Transactions. The Tender Offeror plans to implement measures for the handling of such performance-linked share remuneration so that each of the applicable Target Company Group's officers and employees do not incur disadvantages compared to the case where the performance-linked share remuneration system is maintained as before, and it is planning the introduction of proper incentive plans to substitute the existing performance-linked share remuneration. In particular, the Tender Offeror plans to introduce an incentive system (such as a phantom stock plan) for the officers and employees of the Target Company Group so that the officers and employees of the Tender Offeror and of the Target Company Group can work together to improve the Target Company Group's long-term corporate value. The Tender Offeror will discuss the system with the Target Company, based on factors such as the design and operation of the existing system and current compensation level at the Target Company Group and design the details of the system so that the Target Company Group's officers and employees do not incur disadvantages compared to the current situation. Thereafter, the Tender Offeror intends to provide explanations to the Target Company Group's officers and employees so that they can adequately understand the system, with the aim of introducing the specific system by the date the Target Company joins the Tender Offeror Group upon completion of the Transactions.

The Tender Offeror will implement measures to support the expansion and introduction of the Target Company's employee benefits services after the Transactions as measures for "development of a platform centered on employee benefits services at the Tender Offeror Group and enhancement of value provided thereby," under which the Tender Offeror Group will prepare systems to implement various measures to improve the Target Company Group's value and realize synergies (such as establishment of a department dedicated to such measures and expansion of the sales team in order to obtain new customers of the Target Company's services). The Tender Offeror Group will make the most of the Tender Offeror Group's customer base and its extensive

sales network, including its sales personnel and agents, and the Tender Offeror Group as a whole will work toward expansion of the Target Company's services at high priority. In addition, the Tender Offeror Group carries out not only insurance businesses, which is its core business, but also services for asset formation and the like, and by making these services available under the Target Company Group's "Kyu Toku Barai" and jointly developing services taking into account the features of the applicable products and services, it will contribute to the implementation and promotion of the Target Company Group's payments business. Also, the Tender Offeror will cooperate with the Target Company to improve the Target Company Group's corporate value.

Since the Tender Offeror believes that some of the measures to create business synergies between M3 and the Target Company, which M3 holds up in M3 Tender Offer Commencement Press Release, may be compatible with the ones the Tender Offeror assumes in "(iii) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer" in "I. Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer" above, the Tender Offeror will consider engaging in discussions with M3 about the possibility that the three companies--M3, the Target Company, and the Tender Offeror--will collaborate after the Transactions.

(3) Measures to Ensure Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest

As of today, the Target Company is not a subsidiary of the Tender Offeror, and the Tender Offer is not a tender offer by a controlling shareholder. In addition, the Transaction including the Tender Offer does not fall under a so-called management buy-out (MBO) transaction as equity contribution by all or some of the senior management members of the Target Company directly or indirectly in the Tender Offeror is not contemplated. That said, the Tender Offeror and the Target Company has taken the measures described below to ensure the fairness and transparency of the Transaction by eliminating any arbitrariness and possibility of conflicts of interest in the decision-making process to determine the execution of the Tender Offer while ensuring the fairness of the Tender Offer Price in consideration of, among others, the fact that the Tender Offeror planned to execute the Agreement for Pasona Group with Pasona Group, which is the parent company and the largest shareholder of the Target Company, including (i) not to tender the Shares to be Sold owned by the same company in the Tender Offer, (ii) to vote in favor of the proposal to be submitted to the Target Company's shareholders' meeting necessary for the implementation of the Share Consolidation by the Target Company in order to make the Target Company's shareholders be only the Tender Offeror and Pasona Group after the consummation of the Tender Offer, and (iii) to sell the Shares to be Sold in response to the Share Repurchase implemented by the Target Company after the Share Consolidation became effective, and the interests of Pasona Group and the minority shareholders of the Target Company may not necessarily coincide and that one of the objectives of executing the Tender Offer is to make the Target Company a wholly-owned subsidiary of the Tender Offeror..

The Tender Offeror has not set the minimum number of shares to be purchased in the Tender Offer that corresponds to the level of a so-called majority of minority ("MoM") based on the understanding that setting such minimum number may be detrimental to the interest of minority shareholders who wish to tender the Tender Offer by increasing the uncertainty of the execution of the Tender Offer as Pasona Group has 81,210,400 Target Company Shares (Ownership Ratio: 51.16%) as of today. However, the Tender Offeror believes that sufficient consideration has been given to the interests of minority shareholders of the Target Company since the Tender Offeror and the Target Company have implemented the following measures to ensure the fairness and transparency of the Transaction, while ensuring the fairness of the Tender Offer Price and eliminating the possibility of arbitrariness and conflicts of interest in the decision-making process leading to the decision to implement the Tender Offer.

In the following description, the description of measures taken by the Target Company is based on the Target Company Press Release and explanations received from the Target Company:

(i) Acquisition by the Tender Offeror of a Share Valuation Report from an Independent Third-Party Valuation Body

In determining the Per Share Value, the Tender Offeror requested that J.P. Morgan, the Tender Offeror's financial advisor, calculate the share value of the Target Company's shares as a third-party calculation body independent of the Tender Offeror, the Target Company, M3 and Pasona Group. J.P. Morgan does not constitute a related party of the Tender Offeror, the Target Company, M3, or Pasona Group, and it has no material interest in the Transaction including the Tender Offer. In addition, the Tender Offeror has not obtained a written opinion on the fairness of the Per Share Value and the Tender Offer Price (a fairness opinion) from J.P. Morgan, because the Tender Offeror has determined and decided the Per Share Value and the Tender Offer Price by comprehensively considering the various factors described in "(i) Basis for Calculation" of "(4) Basis for Calculation of the Tender Offer Price" in "2. Outline of Purchase" below.

For a summary of the share valuation report on the value of the Target Company shares acquired by the Tender Offeror from J.P. Morgan (the “Share Valuation Report (J.P. Morgan)”), please refer to “(i) Basis for Calculation” and “(ii) Background of Calculation” in “(4) Basis for Calculation of the Tender Offer Price” in “2. Outline of Purchase” below.

(ii) Acquisition by the Target Company of a Share Valuation Report from an Independent Third-party Valuation Body

(i) Valuation Body’s Name and Its Relationship with the Target Company and the Tender Offeror

The Target Company said that it requested MUMSS to evaluate the share value of the Target Company Shares as a third-party valuation body independent of the Tender Offeror, M3, Pasona Group, and the Target Company, and acquired the Share Valuation Report (MUMSS) on February, 7, 2024. MUMSS said that it does not constitute a related party of the Tender Offeror, M3, Pasona Group, or the Target Company, nor does it have any material interest in connection with the Transaction including the Tender Offer. MUMSS is a company with the same parent company as MUFG Bank, Ltd. (“MUFG Bank”) and Mitsubishi UFJ Trust and Banking Corporation (“MUTB”). MUFG Bank is a shareholder of Pasona Group, and also has loan transactions with Pasona Group and the Target Company as part of its regular banking transactions. However, according to MUMSS, appropriate conflict of interest management systems, such as information bulkhead measures, which strictly manage information on the Tender Offeror, M3, Pasona Group, and the Target Company, have been established and implemented among MUTB, MUFG Bank, and MUMSS, which are financial advisors, as well as within their respective companies, as measures to prevent adverse effects in accordance with the applicable laws and regulations under Article 36, paragraph (2) of the Act as well as Article 70-4 of the Cabinet Office Order on Financial Instruments Business (Cabinet Office Order No. 52 of 2007; as amended); therefore, MUMSS provides services as a financial advisor without being affected by the judgment of MUFG Bank and MUTB, and it evaluates the share value of the Target Company Shares in a position independent of the lender of MUFG Bank. The Target Company Special Committee said that it approved the designation of MUMSS as a third-party valuation body of the Target Company at its special committee meeting held on December 8, 2023 because of the strict information management system established for information management among MUMSS, MUFG Bank, and MUTB as well as within their respective companies, and because of MUMSS’ rich track record as a third-party valuation body for similar transactions in the past.

In addition, according to the Target Company, although the remuneration to be paid to MUMSS as a financial advisor and third-party valuation body for the Transactions includes a contingency fee to be paid on the condition that the Target Company’s board of directors resolves to express its opinion on the Tender Offer and a contingency fee to be paid on the condition that the Transaction is completed, the Target Company has determined that the inclusion of such contingency fees does not negate its independence, taking into consideration the general practice in similar transactions and the pros and cons of such remuneration structure compared to the remuneration structure that would impose a corresponding financial burden on the Target Company if the Transactions were to fail.

The Target Company said that it has not obtained a fairness opinion on the fairness of the Tender Offer Price from MUMSS in light of other measures implemented in the Transaction to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest (for details, please refer to the “(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest”).

(ii) Outline of Calculation

MUMSS believes that it is appropriate to calculate the value of the Target Company Shares from multiple perspectives based on the results of consideration of the calculation method in the Tender Offer. Based on this belief, MUMSS calculates the value of the Target Company Shares using the market share price analysis because the Target Company Shares are listed on the Prime Market of the Tokyo Stock Exchange, the similar companies comparative analysis because there are several listed companies engaged in businesses relatively similar to those of the Target Company and it is possible to infer the value of the Target Company Shares by comparing similar companies, and the DCF analysis to reflect the status of the Target Company’s future business activities in the valuation.

The ranges of the per share values of the Target Company Shares calculated by MUMSS using the above methods are as follows.

Market share price analysis:	1,066 yen to 1,302 yen
Similar companies comparative analysis:	630 yen to 1,542 yen
DCF analysis:	1,818 yen to 2,533 yen

MUMSS stated as follows:

In the market share price analysis, the range of the per share value of the Target Company Shares is calculated as being from 1,066 yen to 1,302 yen based on the closing price of the Target Company Shares on the Reference Date of 1,143 yen on the Prime Market of the Tokyo Stock Exchange, the simple average of closing prices for the one month immediately preceding the Reference Date (inclusive) (1,066 yen), the simple average closing prices for the most recent three months up to the Reference Date (inclusive) (1,112 yen), and the simple average closing prices for the six months immediately preceding the Reference Date (inclusive) (1,302 yen), with November 14, 2023 as the Reference Date, on which the transaction was carried out before announcement of the M3 Tender Offer (made after the close of market hours on November 14, 2023), in which the impact of such announcement on the share price was eliminated.

In the similar companies comparative analysis, the value of the Target Company Shares is calculated through comparison with the market share prices and financial indicators of the Target Company against those of listed companies engaged businesses relatively similar to the businesses carried out by the Target Company, and the range of the value of the Target Company Shares per share is calculated as being from 630 yen to 1,542 yen.

In the DCF analysis, the corporate value and the share value of the Target Company are calculated by discounting the free cash flow that the Target Company expects to generate in the future to the present value at a certain discount rate, based on various factors such as the business plan for the two fiscal periods from March 2025 to March 2026, based on the Medium-term Management Plan announced by the Target Company on May 11, 2023, the trend of business performance up to the most recent period, and publicly available information, and the range of the corporate value and the share value of the Target Company is calculated as being from 1,818 yen to 2,533 yen. The Target Company's business plan, on which the DCF analysis is based, covers the period up to the fiscal year ending March 2026, the last fiscal year of the Target Company's externally announced Medium-Term Management Plan, as a period for which estimation by the Target Company is reasonably possible. Further, the Target Company Special Committee has confirmed that the fairness of the circumstances of formulating the business plan should be questioned, and that it has found no unreasonable points in the details of the business plan. In addition, the business plan includes a business year in which a significant increase or decrease in profit is expected. Specifically, for the fiscal year ending March 2026, operating income under the Target Company's Medium-Term Management Plan is set at 22.5 billion yen, which is expected to increase by 66.1% from the previous fiscal year. As described in "(ii) Announcement of "Notice Concerning the Revision of Full-year Consolidated Performance Forecasts for FY03/24 and Revision of Year-End Dividend Forecast (No Dividend) and Abolition of Shareholder Special Benefit Plan" in "(2) Other Information Deemed Necessary for Investors to Decide Whether or Not to Tender" in "4. Other Matters" below, the consolidated financial results forecast for the fiscal year ending March 2024 has been revised, and this has been factored into the business plan. Free cash flow for that fiscal year is planned to be 16 billion yen, which is expected to be a 48.0% increase from the previous fiscal year. In the fiscal year ending March 2026, the demand for welfare services and healthcare services, which are the main businesses of the Target Company Group, is expected to increase due to an increase in human capital investment resulting from the worsening labor shortage as well as the growing emphasis on health management through ESG management. In addition, sales are expected to increase as a result of ensuring the acquisition of demand which is expected to increase from the fiscal year ending March 2025 to the fiscal year ending March 2026 by way of implementing sales measures and marketing investments by market segment in the fiscal year ending March 2024. In addition, through investments in core systems, which form the basis of each business, in the fiscal year ending March 2024, profits are expected to increase significantly from the fiscal year ending March 2025 through operational improvements. Furthermore, since the business plan is not based on the implementation of the Tender Offer, the synergy effects expected to be realized through the Tender Offer are not included in the business plan.

(Note) According to MUMSS, the analysis by MUMSS and the analysis of value of the Target Company Shares that serves as its basis are intended only for the Target Company's

board of directors and to serve as a reference for the same board of directors in considering its opinion on the Tender Offer of the Target Company Shares by the Tender Offeror. The analysis does not constitute a financial opinion or recommendation by MUMSS or its affiliates and does not express an opinion concerning any actions of shareholders of the Target Company or the Tender Offeror in relation to the Tender Offer, or any exercise of voting rights by shareholders in relation to any shareholders' meetings regarding the Transactions, or make any recommendation to support the Transactions. According to MUMSS, when calculating the value of the Target Company Shares, MUMSS adopted any information provided by the Target Company and any publicly disclosed information as they were and assumed that all such materials and information to be accurate and complete, and MUMSS makes no independent verification concerning the accuracy or completeness thereof. In addition, MUMSS assumed that information on the Target Company's financial forecasts was reasonably prepared by the Target Company based on the best forecasts and determinations available as of February 7, 2024 (the "Analysis Date"). Furthermore, MUMSS assumed that all of the permits, licenses, consents, etc. by governmental organizations, competent authorities, and the like necessary for the Transactions are available, and that no delays, restrictions, or conditions on such permits, licenses, consents, etc. that would have a material adverse effect on the Transactions will be made. MUMSS is not an advisor on legal, accounting, or tax matters. MUMSS is a financial advisor, and without making independent verification concerning issues related to legal, accounting, and tax matters, MUMSS has relied on the determinations by the Target Company and other advisors of the Target Company. MUMSS did not perform any independent evaluation or examination of assets and liabilities of the Target Company and its affiliates (including unlisted assets and liabilities and other contingent liabilities), and MUMSS has not requested any third-party organization to appraise or examine such assets or liabilities. The calculation by MUMSS reflects the above information on and before the Analysis Date and is based on economic, financial, market, and other conditions as of the Analysis Date and information obtained by MUMSS as of the Analysis Date. Events occurring on and after the Analysis Date may have an impact on the analysis by MUMSS and the assumptions used in the preparation of the Share Valuation Report (MUMSS), but MUMSS is not obligated to update, amend, or reconfirm the Share Valuation Report (MUMSS) or analysis. The preparation of the Share Valuation Report (MUMSS) and its underlying analysis are complex, and they may not necessarily be suitable for partial analysis or summary descriptions. The valuation range based on the specific analyses identified in the Share Valuation Report (MUMSS) may not be construed as an assessment by MUMSS of the Target Company's actual value. MUMSS provided the service as the Target Company's financial advisor in relation to the Transactions and will receive the fees as consideration for the relevant service. Receipt of a substantial portion of those fees is conditioned on the Target Company's board of directors making a resolution to express an opinion on the Transactions or the completion of the Transactions.

(iii) Advice of independent external experts to the Target Company

The Target Company said that it receives legal advice on the method and process of the decision-making by the Target Company's board of directors, including various procedures regarding the Transactions and other points to be noted, from Mori Hamada & Matsumoto as a legal advisor independent of the Tender Offeror, the Target Company, M3, and the Pasona Group to get professional advice on the fairness and appropriateness of the decision-making process of the Target Company's board of directors concerning the Transactions. The remuneration of Mori Hamada & Matsumoto shall be calculated by multiplying the working hours by the hourly unit price, regardless of the success or failure of the Transactions, and does not include the contingency fee to be paid on the condition that the Transactions are completed.

In addition, the Target Company has appointed MUMSS as a financial advisor independent of the Tender Offeror, the Target Company, M3, and Pasona Group to obtain expert advice on matters such as negotiations regarding the Transactions, and has received advice from MUMSS on matters such as negotiation policy regarding the Transactions. The remuneration of MUMSS as a financial advisor and a third-party valuation body for the Transactions and M3 Transaction includes a contingency fee to be paid on the condition that the Target Company's board of directors resolves to express an opinion on

the Tender Offer, and a contingency fee to be paid on the condition that the Transactions are completed. However, according to the Target Company, the Target Company has determined that the inclusion of such contingency fees does not negate its independence, taking into consideration the general practice in similar transactions and the pros and cons of such remuneration structure compared to the remuneration structure that would impose a corresponding financial burden on the Target Company if the Transactions were to fail.

(iv) Establishment by the Target Company of an Independent Special Committee and Acquisition by the Target Company of Reports from the Special Committee

The Target Company said that at the meeting of Target Company's board of directors held on August 31, 2023, in order to exclude the arbitrariness of its decision on the acquisition of Target Company Shares, including those held by the Pasona Group, through the M3 Tender Offer and the business tie-up between M3 and the Target Company (hereinafter collectively referred to as the "M3 Transaction") and ensure the fairness, transparency, and objectiveness of the decision-making process, the Target Company resolved to establish the Target Company Special Committee, which consisted of three of its independent external directors: Mr. Tomonori Fujiike, Mr. Nobuyasu Kubo, and Mr. Toshiaki Hamada. The Target Company chose these three directors as the members of the Target Company Special Committee when it set up the Committee, and there is no fact that any of the Committee members has been changed.

Based on the foregoing, the Target Company received a report on the M3 Transaction on November 14, 2023, and M3 commenced the M3 Tender Offer on November 15, 2023.

However, since it received the Letter of Intent and the materials on proposals (hereinafter collectively referred to as the "Letter of Intent, Etc.") dated December 5, 2023 from the Tender Offeror, the Target Company asked the Target Company Special Committee for the Target Company's opinion about the M3 Transaction and the Transactions (hereinafter referred to as the "Matters Referred to for Deliberation") at the meeting of its board of directors held on December 6, 2023. The Target Company has confirmed that all members of the Target Company Special Committee are independent from the Pasona Group, M3, and the Tender Offeror and from the success or failure of the Transactions.

After receipt of the Letter of Intent, Etc., based on the deliberations, etc. it had theretofore had, the Target Company Special Committee held a total of 13 meetings for a total of around 15 hours during the period from December 8, 2023 to February 8, 2024, and in addition, mainly by reporting, sharing information, deliberating, and making decisions between the meetings through email, it carefully discussed and considered the Matters Referred to for Deliberation as described below. The Target Company Special Committee has confirmed with MUMSS, the Target Company's financial advisor and third-party valuation body, and Mori Hamada & Matsumoto, the Target Company's legal advisor, that there is no problem with the independence and specialized nature of the respective entities. Furthermore, the Target Company Special Committee has approved the system the Target Company internally established to examine the Transactions after confirming from the viewpoint of independence that there was no problem with the system.

The Target Company Special Committee examined the materials and documents submitted by the Tender Offeror, M3, and the Target Company. The Target Company Special Committee was practically involved in the process of negotiations with the Tender Offeror, M3, and the Pasona Group chiefly by receiving reports from the Target Company from time to time on matters such as the history and details of the M3 Transaction and the Transactions between the Tender Offeror/M3/Pasona Group and the Target Company and consultations and negotiations related to the M3 Transaction and the Transactions and then holding meetings to discuss its policy for consultations and negotiations and other matters and expressing its opinions several times.

Based on the circumstances described above, the Target Company Special Committee carefully and repeatedly discussed and considered the Matters Referred to for Deliberation as written above, and as a result, on February 8, 2024, it unanimously submitted the Report, whose content is summarized below, to the Target Company's board of directors.

1. Details of the Report

- (1) The Target Company's board of directors should resolve to approve the Tender Offer.
- (2) The Target Company's board of directors should resolve to recommend that the Target Company's shareholders tender their Target Company Shares in the Tender Offer
- (3) The resolution by the Target Company's board of directors to effectuate the Transactions (including approving the Tender Offer, recommending that the Target Company's shareholders tender their Target Company Shares in the Tender Offer, executing the Agreement for the Target Company and the Transition Service Agreement, and implementing the Squeeze-Out Procedures) is not disadvantageous to the Target Company's minority shareholders.

- (4) The Target Company's board of directors should resolve to change its opinion and reserve its opinion on whether it approves the M3 Tender Offer and whether it recommends that the Target Company's shareholders tender their shares in the M3 Tender Offer.
- (5) Resolving as specified in Item (4) above is not disadvantageous to the Target Company's minority shareholders.

2. Consideration

- (1) Consideration as to Whether or Not the Transactions Contribute to the Enhancement of the Target Company's Corporate Value

- (i) The Target Company's management environment, management issues, etc.

The Target Company Special Committee has the same understanding of the management environment, management issues, etc. as the Target Company does as described in "II. Target Company's Decision-making Process Leading to, and Reasons for, the Support of the Tender Offer" under "(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" above, and the Target Company Special Committee does not object to the understanding.

- (ii) Measures to Enhance Corporate Value after the Transactions and Synergies from the Transactions

- [1] Synergies the Tender Offeror Expects from the Transactions

As described in "(iii) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer" in "I. Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer" in "(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" above, the Tender Offeror Group can accelerate initiatives to realize the Target Company Group's growth strategy and management vision through the Transactions, and the Tender Offeror believes that it can build win-win relationships that benefits the Target Company Group as well.

- [2] Synergies the Target Company Expects from the Transactions

The Target Company favorably evaluates the Transactions believing that by becoming a wholly-owned subsidiary of the Tender Offeror through the Tender Offer and working closely with the Tender Offeror, it can obtain opportunities for its business to grow and develop as described in "II. Target Company's Decision-making Process Leading to, and Reasons for, the Support of the Tender Offer" in "(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" above, and for this reason, the Target Company determines that the Transactions contribute to the enhancement of its corporate value.

- [3] Brief Summary

As described above, it is recognized that the Tender Offeror and the Target Company generally have a similar understanding of measures the Target Company Group will take after the Transactions in order to enhance its corporate value and the synergies from the Transactions. The Target Company Special Committee has no objection to this point and agrees that the above-mentioned measures to enhance corporate value after the Transactions are in accord with the Target Company's awareness of issues it should address now, including expanding the membership base, making the settlement business profitable, and strengthening the healthcare business and that they are important in that they contribute to the further enhancement of the Target Company's corporate value.

- (iii) Anti-synergies from the Transactions

As described in "II. Target Company's Decision-making Process Leading to, and Reasons for, the Support of the Tender Offer" in "(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" above, the Target Company believes that it is expected to bring synergies that exceed expected dis-synergies mainly by taking measures to enhance corporate value as suggested by the Tender Offeror after the Transactions.

The Target Company's recognition mentioned above is not unreasonable, and the Target Company Special Committee does not object to it.

- (iv) The Target Company's Management Policy after the Transactions

The Target Company has no objection to the Tender Offeror's policy specified in "III.

Management Policy After the Tender Offer” in “(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer” above. The Target Company believes that the above-mentioned policy is in accord with the policy it will adopt when taking measures to enhance its corporate value after the Transactions.

The Target Company Special Committee has no objection to the Target Company’s judgment.

(v) Brief Summary

Based on the foregoing, the Target Company Special Committee has no objection to the Target Company’s management environment, management issues, etc. which the Target Company and the Tender Offeror envision, and it is expected that the Target Company will bring synergies that exceed expected dis-synergies mainly by taking measures to enhance its corporate value after the Transactions as suggested by the Tender Offeror. There is no particular difference in the opinion about the Target Company’s management policy between the Tender Offeror and the Target Company. For this reason, it can be said that the Transactions contribute to encouraging the Target Company to implement its Medium-term Management Plan, thus enhancing the corporate value of the Target Company.

(2) Consideration of the Appropriateness of the Transaction Conditions of the Transactions

(i) Appropriateness of the Tender Offer Price

[1] Business Plan Formulation Procedures and Content

While the Target Company obtained the Share Valuation Report (MUMSS), which is based on the Target Company’s business plan, there are no circumstances in which there is anything to suggest that the fairness of the circumstances of formulating the business plan should be questioned, and no unreasonable points have been found in the details of the business plan.

[2] Consideration of the Valuation Result of MUMSS

(A) Choice of Valuation Method

The valuation methods adopted by MUMSS are valuation methods generally used also for share valuation in transactions similar in type to the Transactions, and the reasons for adopting the valuation methods used by MUMSS do not show any unreasonable points.

(B) Reasonableness of Valuation Content

(a) Market Share Price Analysis

The content of valuation through market share price analysis does not show any unreasonable points.

(b) Similar Companies Comparative Analysis

Neither the choice of comparable companies by MUMSS nor the adoption of comparison indicators by it shows any unreasonable points.

(c) DCF Analysis

The explanation on the basis for the discount rate calculation by MUMSS and its calculation method does not particularly show any unreasonable points.

The explanation on the method of the continuation value calculation by MUMSS, the basis for the multiple calculation by it and the calculation method does not particularly show any unreasonable points.

[3] Premium Analysis

According to MUMSS, there were a total of 34 tender offers that were announced after June 28, 2019, when the Ministry of Economy, Trade and Industry published its “Fair M&A Guidelines,” and were concluded for the purpose of making the target companies wholly-owned subsidiaries (limited to friendly transactions and excluding transactions in which the premiums of the tender offer prices to the averages of the closing prices on the business days immediately preceding the public announcements or during any of the preceding one-month, three-month, or six-month periods were negative, and in which the number of voting rights of the target companies held by the offerors and specially related parties accounted for 15% or more of the total number of voting rights of all shareholders of the target companies before commencement of the tender offers), and in these tender offers, the premium levels to the closing prices

on the business days immediately preceding the announcement dates and the simple averages of the closing prices for the one-month, three-month, and six-month periods ending on those dates were 66.0%, 68.3%, 70.3% and 69.9%.

Therefore, the Tender Offer Price is deemed to have been assigned with a premium rivaling the premiums of past comparable transactions.

[4] Brief Summary

As stated above, there are no circumstances in which there is anything to suggest that the fairness of the circumstances of formulating the business plan should be questioned, and no unreasonable points have been found in the details of the business plan used in the Share Valuation Report (MUMSS) as a premise for the valuation.

The valuation methods adopted by MUMSS are valuation methods generally used also for share valuation for transactions similar in type to the Transactions, and the reasons for adopting the valuation methods used by MUMSS do not show any unreasonable points. The content of the valuation by MUMSS through the market share price analysis, similar companies comparative analysis, and DCF analysis does not particularly show any unreasonable points.

We believe that the Tender Offer Price is an appropriate one given that the Tender Offer Price is deemed to have been assigned with a premium rivaling the premiums of past comparable transactions.

Given that the Tender Offer Price is thought to be appropriate, consideration to be given to Target Company's shareholders in the Squeeze-Out Procedures equal in value to the price is deemed to be appropriate.

(ii) Appropriateness of Other Transaction Conditions

The structure of conducting a tender offer as the first step and a share consolidation as the second step is a structure generally adopted in a transaction whose purpose is to make the target company a wholly-owned subsidiary, and this structure enables the shareholders of the Target Company to file a petition for a court to determine the share price after Exercise of Appraisal Rights.

The Share Repurchase Price is thought to not give the Pasona Group such financial benefits in excess of those of minority shareholders as the consideration of Target Company Shares in comparison to the Tender Offer Price. Therefore, although the Share Repurchase will be done in the Transactions, we believe that the Pasona Group will not unfairly benefit at the expense of the minority shareholders of the Target Company.

Thus, the structure of the Transactions does not show any unreasonable points and is thought to be appropriate.

(iii) Brief Summary

As stated above, we believe that the Tender Offer Price, the consideration in the Squeeze-Out Procedures and other conditions of the Transactions are appropriate.

(3) Consideration of the Fairness of the Procedures of the Transactions

As stated below, although no majority of minority requirements were put in place for the Transactions, other measures to ensure fairness were taken sufficiently. Given this fact, we deem that fair procedures were done for the purpose of keeping the benefits of minority shareholders and sufficient consideration was given to the benefits of shareholders of the Target Company by way of the fair procedures.

- (i) An independent Target Company Special Committee was established by the Target Company, and the committee is deemed to have functions effective.
- (ii) The Target Company is deemed to have obtained an independent and specialized advice from external experts.
- (iii) As the foundation of the judgment on the Transactions, the Target Company evidently obtained a share valuation report from an independent third-party valuation body equipped with expertness.
- (iv) The Target Company is deemed to have excluded interested directors from the consideration and negotiation processes for the Transactions and to have established a framework in which it can consider and negotiate in a position independent from the Pasona Group.

- (v) It is deemed that an environment enabling other potential acquirer to make a counteroffer after the announcement has been secured for the Transactions and that what is commonly referred to as an “Indirect Market Check” has been made.
- (vi) If a minimum number of shares to be purchased under majority of minority requirements is set for the Tender Offer, it could potentially become unstable to be effected and it rather could potentially not contribute to the benefits of minority shareholders wishing to tender their shares in the Tender Offer. Even if no minimum number of shares to be purchased under majority of minority requirements is set, it alone will probably not compromise the fairness of the procedures for the Transactions. This is given that sufficient measures to ensure fairness have been taken independently as stated in items (i) through (v) above and items (vii) and (viii) below.
- (vii) We deem that appropriate judgment opportunities based on sufficient information from minority shareholders will be ensured for the Transactions.
- (viii) It is deemed that practical procedures said to be desirable in the “Fair M&A Guidelines” dated June 28, 2019 from the Ministry of Economy, Trade and Industry have been done for the Transactions and that coerciveness has been eliminated.

(4) M3 Tender Offer

The M3 Tender Offer is intended to acquire Target Company Shares held by Pasona Group, the parent company of the Target Company, and make it a consolidated subsidiary of M3, and will not be effected if the Pasona Group does not tender the Shares to be Sold in the M3 Tender Offer. While the Tender Offer and the M3 Tender Offer will contradict each other, the Pasona Group executed the Agreement for Pasona Group with the Tender Offeror that was premised on the fact that the former party shall not tender the Shares to be Sold in the M3 Tender Offer. Moreover, according to the Pasona Group, consultations between it and M3 were yet to reach any agreement on potential change to the tender offer price of the M3 Tender Offer and other conditions of the M3 Tender Offer as of February 7, 2024. Therefore, it is reasonably expected that the M3 Tender Offer will not be effected.

The tender offer price of the M3 Tender Offer is 1,600 yen per share, and the Tender Offer Price (2,173 yen per share) far exceeds it.

(5) Summary

As stated in item (1) above, the Transactions are thought to contribute to enhancing the corporate value of the Target Company and the transaction conditions of the Transactions are thought to be appropriate as stated in item (2) above, and fair procedures were done for the Transactions for the purpose of securing the benefits of minority shareholders as stated in item (3) above. However, it is reasonably expected that the M3 Tender Offer will not be effected as stated in item (4) above. The Tender Offer Price (2,173 yen per share) far exceeds the tender offer price of the M3 Tender Offer.

Therefore, the Target Company’s board of directors should resolve to approve the Tender Offer and to recommend that the Target Company’s shareholders tender their Target Company Shares in the Tender Offer and resolve to change its opinion to approve the M3 Tender Offer and reserve its opinion on whether it approves the M3 Tender Offer.

In consideration of what are stated above, it will not compromise the benefits of the minority shareholders of the Target Company even if its board of directors resolves to do so and enter into the Transactions.

(v) Approval of All Non-interested Directors of the Target Company (Including Directors Who are Audit and Supervisory Committee Members)

The Target Company said that it has carefully discussed and considered the Tender Offer from December 8, 2023 until February 8, 2024, based on the legal advice described above in “(iii) Advice of independent external experts to the Target Company.”

As a result, at the Target Company’s board of directors meeting held today, the Target Company’s board of directors has resolved to express its opinion in favor of the Tender Offer and recommends that the Target Company’s shareholders tender their shares in the Tender Offer because it considers that (i) the Transactions, including the Tender Offer, will contribute to the improvement of the Target Company’s corporate value, and (ii) the conditions of the transactions relating to the Transactions, including the Tender Offer Price, are reasonable as they secure the interests that should be received by the Target Company’s minority shareholders, and that the Tender Offer provides the Target Company’s minority shareholders with a reasonable opportunity to sell the Target Company Shares at a price with an appropriate premium, upon

unanimous agreement of all seven directors of the Target Company who participated in the resolution (including directors who serve as audit and supervisory committee members)].

In regard to the resolution of the Target Company's board of directors concerning the Tender Offer (the above resolution of the Target Company's board of directors held on February 8, 2024, and the resolution of the board of directors meeting held on December 6, 2023 to the effect that it will inquire with the Target Company Special Committee regarding the Tender Offer), it was decided that Ms. Junko Fukasawa, who is a director of the Target Company and currently serves as an officer or employee of Pasona Group would not participate in the deliberations and resolutions based on the fact that Pasona Group's interests may not necessarily coincide with the interests of the Target Company's minority shareholders relating to the Tender Offer from the viewpoint of eliminating the possibility that the deliberations and resolutions at the meeting of the board of directors may be affected by such issue, and all seven directors of the Target Company (including directors who serve as audit and supervisory committee members) excluding the above-mentioned director deliberated on the matter and the resolution was adopted unanimously.

(vi) Securing Objective Conditions That Ensure the Fairness of the Tender Offer

While the Tender Offeror has set the period for purchase in the Tender Offer (the "Tender Offer Period") to be 20 business days, the period from December 7, 2023, when a plan for the commencement of the Tender Offer was announced, and December 21, 2023, when the Tender Offer Price was determined and announced to be 2,123 yen per share, until the commencement of the Tender Offer is long. Therefore, the Tender Offeror believes that the opportunity for minority shareholders of the Target Company to make decisions on their tenders to the Tender Offer has been sufficiently secured. As described in "(iii) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer" in "I. Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer" in "(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" above, as a result of discussions and negotiations with the Target Company and Pasona Group, the Tender Offeror decided and announced on February 8, 2024 that it would commence the Tender Offer after raising the Tender Offer Price from 2,123 yen per share, which was decided and announced on December 21, 2023, to 2,173 yen per share. However, given that the change is favorable to the minority shareholders of the Target Company, the Tender Offeror believes that the opportunity for Target Company minority shareholders to make a decision on the Tender Offer remains sufficiently secure.

In addition, as described in "(iii) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer" under "I. Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer" in "(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" above, M3 announced the M3 Tender Offer on November 14, 2023, which revealed the Target Company's intention to form a capital and business tie-up with other companies and Pasona Group's intention to sell the Target Company Shares. Since the period from that date until the commencement of the Tender Offer is long, the Tender Offeror believes that there are already sufficient opportunities for persons other than the Tender Offeror to conduct counter offers in respect of the Target Company Shares.

(vii) Establishment of the Target Company's Independent Consideration System

According to the Target Company, the Target Company has established an internal system to consider and make decisions regarding the Tender Offer from a standpoint independent of the Tender Offeror, the M3, and Pasona Group. Specifically, no officers or employees of the Tender Offeror, M3, or the Pasona Group concurrently serve as officers or employees of those companies, and those who are recognized as independent from the Tender Offeror, M3, and Pasona Group are designated as the members involved in the consideration and decision regarding the Tender Offer (as of today, 20 members are involved), and the Target Company Special Committee has confirmed that there are no problems with this consideration system with regard to independence.

(viii) Elimination of Coerciveness

The Tender Offeror intends to carry out the Share Consolidation as a series of procedures to make the Target Company its wholly-owned subsidiary promptly after the Tender Offer payment is completed, and does not intend to adopt a method that does not ensure that the Target Company's shareholders have the right to request a determination of price. In addition, when implementing the Share Consolidation, the Tender Offeror intends to set the amount of money to be granted to the Target Company's shareholders to be equal to the amount calculated by multiplying the Tender Offer Price by the number of Target Company Shares held by each shareholder, and to request that the Target Company apply to the court for permission to sell fractional shares. Therefore, under the Tender Offer, the Target Company's shareholders have an appropriate

opportunity to tender their shares in the Tender Offer, and consideration is given to avoid coercion.

(ix) Ensuring Opportunities for Other Acquiring Parties to Make Proposals (Market Checks)

The Tender Offeror has not entered into an agreement with the Target Company that will excessively restrict the Target Company from communicating with competing counterbidders. Further, although the Tender Offeror has set the Tender Offer Period for 20 business days, which is a relatively short period, taking into account that it has previously announced the Tender Offer in a Press Release Dated December 7, 2023 and in its press release dated December 21, 2023, titled “Notice Concerning Determination of Tender Offer Price and Share Repurchase Price Stated in ‘Notice Concerning Planned Commencement of Tender Offer for Shares of Benefit One Inc. (Securities Code: 2412),” the Tender Offeror can be considered to have secured an environment which allows other prospective acquiring parties to make competing proposals and has carried out the “indirect market checks,” and that the appropriateness of such measures is secured.

(4) Policies for Reorganization After the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)

As described in “(1) Outline of the Tender Offer” above, if the Tender Offer is successfully completed and the Tender Offeror is unable to acquire all of the Target Company Shares (excluding the Shares to be Sold held by Pasona Group, treasury shares held by the Target Company, and BBT-Owned Shares), the Tender Offeror plans to request, promptly after the completion of the settlement of the Tender Offer, the Target Company to hold an extraordinary shareholders’ meeting around the later-April 2024 (the “Extraordinary Shareholders’ Meeting”), which will include the following proposals in the agenda items: (i) to conduct a consolidation of the Target Company Shares (the “Share Consolidation”) pursuant to Article 180 of the Companies Act, and (ii) to make amendments to the Target Company’s Articles of Incorporation to abolish the provision regarding the number of shares constituting one unit of shares subject to the Share Consolidation taking effect. The Tender Offeror and Pasona Group plan to approve the proposals described above at the Extraordinary Shareholders’ Meeting.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders’ Meeting, on the effective date of the Share Consolidation, the shareholders of the Target Company will hold the number of the Target Company Shares proportionate to the ratio of the Share Consolidation that is approved at the Extraordinary Shareholders’ Meeting (Note). If, due to the Share Consolidation, any fraction constituting less than one share arises, the Target Company’s shareholders holding fractional shares will be delivered an amount of cash, which is to be obtained by selling the Target Company Shares (the number of which is equivalent to the total number of such fractions constituting less than one share; if any fraction constituting less than one share arises with respect to such total number, such fraction shall be rounded down to the nearest whole number; the same applies hereafter), to the Target Company or the Tender Offeror in accordance with the procedures set forth in Article 235 of the Companies Act and other relevant laws and regulations. The sale price of such Target Company Shares, the number of which is equivalent to the total number of such fractions constituting less than one share, will be set such that, as a result of the sale, the amount of cash delivered to the Target Company’s shareholders (excluding the Tender Offeror, Pasona Group and the Target Company) who did not tender their shares in the Tender Offer will be equal to the price obtained by multiplying the Tender Offer Price by the number of the Target Company Shares held by each of such shareholders. Upon setting the price as such, the Tender Offeror will request the Target Company to file a petition with a court for permission with respect to voluntary sale of such Target Company Shares. Although the ratio of the consolidation of the Target Company Shares has not yet been determined as of today, the Tender Offeror plans to determine the ratio to make the number of the Target Company Shares held by the Target Company’s shareholders (excluding the Tender Offeror, Pasona Group and the Target Company) who did not tender their shares in the Tender Offer a fraction constituting less than one share, in order for the Tender Offeror and Pasona Group alone to own all the Target Company Shares (excluding treasury shares held by the Target Company).

In the interest of protecting the rights of minority shareholders relating to the procedures described above, the Companies Act provides, that, if the Share Consolidation is conducted and any fraction constituting less than one share arises as a result of the Share Consolidation, the shareholders of the Target Company may request the Target Company to purchase, at a fair price, all of their shares in fraction constituting less than one share, and may file a petition with the court for determination of the price of the Target Company Shares pursuant to the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations. In the event that such petition is filed, the sale price of the Target Company Shares will be finally determined by the court.

The Tender Offer is not in any way intended to solicit the shareholders of the Target Company to approve the proposals at the Extraordinary Shareholders’ Meeting.

There is a possibility that time will be required to perform the procedures above, or that the method of performance will change due to the status of amendments to, enforcement of, and regulatory authorities’ interpretations of relevant laws and regulations, among other matters. However, even in such a case, if the

Tender Offer is successfully completed, ultimately, a cash payment is planned to be made to the Target Company's shareholders (excluding the Tender Offeror, Pasona Group and the Target Company) who did not tender their shares in the Tender Offer, and in such case, the amount of cash to be paid to those Target Company's shareholders is planned to be the same amount as the Tender Offer Price multiplied by the number of the Target Company Shares held by those Target Company's shareholders.

The Target Company will announce specific procedures, the time when they will be implemented and other details in the case above as soon as the Tender Offeror determines those details upon discussions with the Target Company. All the shareholders of the Target Company need to take sole responsibility for seeking advice from their tax experts with regard to the tax consequences of tendering their shares in the Tender Offer or participating in each of the procedures outlined above.

(Note) If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders' Meeting, the BBT-Owned Shares will be transferred to the Target Company without any consideration and will be cancelled by the Target Company on the grounds that the delisting of the Target Company Shares has been decided, in accordance with the provisions of the Board Benefit Trust Agreement.

(5) Possibility of Delisting and Reasons Therefor

As of today, the Target Company Shares are listed on the Prime Market of the Tokyo Stock Exchange, however, the Tender Offeror has not set a maximum number of shares planned to be purchased in the Tender Offer, and therefore, the Target Company Shares may be subject to delisting after performing the prescribed procedures in accordance with the Tokyo Stock Exchanges' delisting criteria, depending on the results of the Tender Offer. Even in the case where those criteria are not met at the time of establishment of the Tender Offer, after the completion of the Tender Offer, the Tender Offeror plans to implement Squeeze-Out Procedures as described in "(4) Policies for Reorganization After the Tender Offer (Matters Concerning So-Called Two-Step Acquisition)" above. After the Squeeze-Out Procedures are implemented, the Target Company Shares will be delisted after performing the prescribed procedures in accordance with the Tokyo Stock Exchanges' delisting criteria. Following delisting, the Target Company Shares will no longer be traded on the Prime Market of the Tokyo Stock Exchange.

(6) Matters Concerning Material Agreement Regarding the Tender Offer

(i) The Agreement for Pasona Group

As described in "(1) Outline of the Tender Offer" and "(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" above, in implementing the Tender Offer, the Tender Offeror has executed the Agreement for Pasona Group with Pasona Group as of today, whereby Pasona Group agreed not to tender any of the Shares to be Sold in the Tender Offer. However, under the Agreement for Pasona Group, if, after the execution of the Agreement for Pasona Group, a person other than the Tender Offeror makes, at least five business days prior to the last day of the Tender Offer Period (such day shall be referred to as the "Expiration Date" in this "(i) The Agreement"), a sincere offer or announcement of a sincere offer (such offer or announcement shall be referred to as the "Counteroffer" in this "(i) The Agreement for Pasona Group") to the effect that it will acquire (whether through a tender offer, corporate reorganization or any other means) the Target Company Shares for acquisition consideration (whether in cash, shares, or otherwise) that is above the Tender Offer Price (however, in the case where a transaction structure similar to the Transactions is adopted, this shall refer to both the Tender Offer Price and the Share Repurchase Price; the same applies hereafter in this "(i) The Agreement for Pasona Group"), it is provided that Pasona Group may request that the Tender Offeror enter into discussions regarding the change of the Tender Offer Price. In such a case, (i) if the Tender Offeror does not change the Tender Offer Price to an amount equal to or higher than the acquisition consideration of the Counteroffer by the earlier of (a) the date on which five business days have passed from the date on which such request for discussion was made or (b) the day before the Expiration Date, or (ii) if Pasona Group reasonably determines that there is a specific possibility that Pasona Group's failure to accept the Counteroffer will breach the duty of due care as a prudent manager as Pasona Group's director, unless Pasona Group actively solicited the Counteroffer or induced an offer to a third party other than the Tender Offeror (except the person who made the Counteroffer) in violation of the Obligation to Refrain From Solicitation of Competitive Transactions (defined below) in a material respect, Pasona Group may (x) accept the Counteroffer and (y) only if such Counteroffer is an offer to acquire all of the Target Company Shares (only through tender offer or combination of tender offer and share repurchase by the Target Company) with cash as the acquisition consideration (such Counteroffer shall be referred to as the "Entire Shares Acquisition Counteroffer" in this "(i) The Agreement for Pasona Group"), Pasona Group will not owe certain obligations under the Agreement for Pasona Group (Note). However, such exemption of obligations shall not apply to cases where (i) the tender offer under the Entire Shares Acquisition Counteroffer does not commence by the

date on which three months have passed from the date on which the Entire Shares Acquisition Counteroffer has been made (or if such date is not a business day, the following business day; such day shall be referred to as “Entire Shares Acquisition Commencement Due Date” in this “(i) The Agreement for Pasona Group”) or (ii) the tender offer under the Entire Shares Acquisition Counteroffer commences by the Entire Shares Acquisition Commencement Due Date but is withdrawn or fails; Pasona Group will owe certain obligations under the Agreement for Pasona Group (Note) from the day following the Entire Shares Acquisition Commencement Due Date in the case of (i), and from the day following the date on which the tender offer under the Entire Shares Acquisition Counteroffer is withdrawn or fails in the case of (ii). In addition, if the tender offer under the Entire Shares Acquisition Counteroffer is commenced by the Entire Shares Acquisition Commencement Due Date and such tender offer is successfully completed, Pasona Group may terminate the Agreement for Pasona Group from the day following the date on which such tender offer under the Entire Shares Acquisition Counteroffer is successfully completed.

Further, under the Agreement for Pasona Group, Pasona Group agreed that (i) up to the implementation date of the Share Repurchase, except for cases where Pasona Group accepts the Counteroffer pursuant to the above, fractions less than one share resulting from the Share Consolidation will be disposed of, or other cases provided under the Agreement for Pasona Group, it will not (a) transfer, create any security over, or otherwise dispose of all or part of the Shares to be Sold (including but not limited to tendering in a tender offer other than the Tender Offer or agreeing to exercise the voting rights of the Shares to be Sold), or (b) acquire the Target Company Shares or the rights thereto (such obligation described in (i) here shall be referred to as the “Obligation to Refrain From Share Disposal and Acquisition”); (ii) it will not directly or indirectly engage in communications, provision of information, solicitation, discussion, consideration, and agreement for (such actions will hereinafter be collectively referred to as “Discussions for Competitive Transactions” in this “(i) The Agreement for Pasona Group”) transactions that are substantially inconsistent with, or that conflict or compete with, the Transactions, or those that would make it substantially difficult to implement the Transactions (such transactions will hereinafter be collectively referred to as “Competitive Transactions” in this “(i) The Agreement for Pasona Group”) with a third party other than the Tender Offeror (except for the person who made the Counteroffer), and if Discussions for Competitive Transactions are already underway at the time of execution of the Agreement for Pasona Group, it shall promptly cease such Discussions for Competitive Transactions (such obligation described in (ii) here shall be referred to as the “Obligation to Refrain From Solicitation of Competitive Transactions” in this “(i) The Agreement for Pasona Group”); and (iii) if it receives an offer concerning Competitive Transactions from a third party other than the Tender Offeror, it will promptly notify the Tender Offeror of such offer and the details thereof and discuss with the Tender Offeror within a reasonable extent how to handle such offer concerning Competitive Transactions upon the Tender Offeror’s request (however, if Pasona Group accepts the Counteroffer pursuant to the Agreement for Pasona Group, Pasona Group will not owe the above obligation of notification and discussion in relation to the offer concerning Competitive Transactions received from a third party other than the Tender Offeror thereafter) (such obligation described in (iii) here shall be referred to as the “Obligation to Notify and Discuss Competitive Transactions” in this “(i) The Agreement for Pasona Group”).

Moreover, under the Agreement for Pasona Group, the Tender Offeror and Pasona Group agreed to the following: (i) if the Tender Offeror fails to acquire all of the Target Company Shares (excluding the Shares to be Sold as well as the treasury shares held by the Target Company and the BBT-Owned Shares) via the Tender Offer despite successful completion of the Tender Offer, the Tender Offeror will, as soon as practically possible, cause the Target Company to carry out the procedures required to implement the Share Consolidation, including holding an Extraordinary Shareholders’ Meeting, and carry out all actions required for the Share Consolidation (including exercise of voting rights in favor of the Share Consolidation at the Extraordinary Shareholders’ Meeting), and Pasona Group will exercise its voting rights at the Extraordinary Shareholders’ Meeting in favor of the agenda concerning the implementation of the Share Consolidation in relation to the all of the Shares to be Sold; (ii) the Tender Offeror will, after the Share Consolidation becomes effective, as soon as practicably possible, cause the Target Company to carry out the Capital Increase and Capital Reduction, and will carry out all actions required for the Capital Increase and Capital Reduction (including exercise of voting rights in favor of the Capital Increase and Capital Reduction at the Target Company’s shareholders’ meeting), and Pasona Group will exercise its voting rights for all of the Shares to be Sold (excluding shares representing the portion of a fraction less than one share as a result of the Share Consolidation) in favor of the agenda concerning the Capital Increase and Capital Reduction presented at the Target Company’s shareholders’ meeting; (iii) the Tender Offeror will, on the day on which the Capital Reduction becomes effective or on the date separately agreed upon between the Tender Offeror and Pasona Group, cause the Target Company to carry out the Share Repurchase for all of the Shares to be Sold (excluding shares representing the portion of a fraction less than one share as a result of the Share Consolidation) with the total amount of consideration being the amount calculated by multiplying the Share Repurchase Price by the number of Shares to be Sold immediately before the Share Consolidation becomes effective (excluding

shares representing the portion of a fraction less than one share as a result of the Share Consolidation), and Pasona Group will accept the Share Repurchase and exercise its voting rights for all of the Shares to be Sold (excluding shares representing the portion of a fraction less than one share as a result of the Share Consolidation) in favor of the agenda concerning the Share Repurchase presented at the Target Company's shareholders' meeting (Pasona Group's obligations described in this (i) to (iii) shall hereinafter be referred to as "Obligations to Cooperate in Implementation of the Transactions").

In addition, under the Agreement for Pasona Group, the Tender Offeror and Pasona Group agreed on matters related to the terms and conditions of the Tender Offer, representation and warranties by the Tender Offeror and Pasona Group, the obligation to notify the other party of breaches such as breaches of representation and warranties or of obligations, Pasona Group's obligation to discuss with the Tender Offeror in advance in the case it will exercise its shareholder rights such as the voting rights of the Target Company by the implementation date of the Share Repurchase (the "Obligation to Discuss Before Exercising Shareholder Rights"), Pasona Group's obligation to exercise its voting rights against an agenda presented at the Target Company's shareholders' meeting that may have a material adverse effect on the Target Company Group's financial condition or operating results if approved, such as agenda concerning dividend of surplus (the "Obligation to Exercise Opposing Voting Rights"), and Pasona Group's obligation to execute the transition service agreement with the Target Company and not to amend or terminate such transition service agreement, Pasona Group's obligation not to solicit the Target Company's officers and employees; Pasona Group's non-compete obligation, indemnification obligation, and confidentiality obligation; and the obligation of each party to bear its own taxes, public charges, and costs, and not to transfer its contractual rights and obligations.

(Note) Certain obligations set forth under the Agreement for Pasona Group primarily include Pasona Group's (i) Obligations to Cooperate in Implementation of the Transactions, (ii) Obligation to Refrain From Share Disposal and Acquisition, (iii) Obligation to Refrain From Solicitation of Competitive Transactions, (iv) Obligation to Notify and Discuss Competitive Transactions, (v) obligation to notify the Tender Offeror of breaches such as breaches of representation and warranties or of obligations, (vi) Obligation to Discuss Before Exercising Shareholder Rights, (vii) Obligation to Exercise Opposing Voting Rights, (viii) obligation to execute and not to amend or terminate the transition service agreement, (ix) obligation not to solicit the Target Company's officers and employees, and (x) non-compete obligation.

(ii) The Agreement for the Target Company

As described in "(1) Outline of the Tender Offer" and "(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" above, in implementing the Tender Offer, the Tender Offeror has executed the Agreement for the Target Company with the Target Company as of today, whereby the Target Company agreed that from the execution date of the Agreement for the Target Company and up to the date on which the Tender Offer Period expires (such last day of the Tender Offer Period shall be referred to as the "Expiration Date" in this "(ii) The Agreement for the Target Company"), it will not change or withdraw its opinion in favor of the Tender Offer, and to recommend that its shareholders tender their Target Company Shares in the Tender Offeror, which was resolved via unanimous agreement of all the directors without conflicts of interests (such resolution shall be referred to as the "Affirmative Opinion and Recommendation of Tender" in this "(ii) The Agreement for the Target Company"), or pass any resolution that is inconsistent with such resolution (such obligation shall be referred to as the "Obligation to Maintain the Affirmative Opinion and Recommendation to Tender" in this "(ii) The Agreement for the Target Company").

Moreover, under the Agreement for the Target Company, the Target Company agreed that from the execution date of the Agreement for the Target Company and up to the implementation date of the Share Repurchase, (i) it will not directly or indirectly engage in offers, solicitation, information provision, discussion, negotiation, agreement, etc. in relation to implementation of a tender offer for the Target Company Shares by a third party or any other actions with a third party that compete with or contradict the Tender Offer or the Transactions (such actions shall be referred to as "Competitive Transactions" in this "(ii) The Agreement for the Target Company") (such obligation described in (i) shall be referred to as the "Obligation to Refrain From Solicitation of Competitive Transactions" in this "(ii) The Agreement for the Target Company"); and (ii) if it receives any offer or solicitation concerning Competitive Transactions from a third party, it will, as promptly as practically possible, notify the Tender Offeror of such offer or solicitation and the details thereof, and discuss with the Tender Offeror in good faith how to handle such offer or solicitation concerning Competitive Transactions (such obligation described in (ii) shall be referred to as the "Obligation to Notify and Discuss Competitive Transactions" in this "(ii) The Agreement for the Target Company"). In addition, under the Agreement for the Target Company, the Target Company agreed to execute the transition service agreement with Pasona Group and not to amend or terminate such agreement without the Tender

Offeror’s prior consent (such obligation shall be referred to as the “Obligation to Execute and Maintain the Transition Service Agreement”).

Moreover, notwithstanding the above, if the Target Company’s board of directors reasonably determines that there is a specific possibility that performing the Obligation to Maintain the Affirmative Opinion and Recommendation to Tender, the Obligation to Refrain From Solicitation of Competitive Transactions, the Obligation to Notify and Discuss Competitive Transactions, or the Obligation to Execute and Maintain the Transition Service Agreement will constitute a breach of the duty of loyalty or the duty of due care as a prudent manager of the Target Company’s directors, the Target Company will not owe such obligations.

In addition, under the Agreement for the Target Company, the Tender Offeror and the Target Company agreed on matters related to the terms and conditions of the Tender Offer, confirmation of the management policy stated in “III. Management Policy After the Tender Offer” in “(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer” above, and representations and warranties made by the Tender Offeror and the Target Company; the indemnification obligation; the confidentiality obligation; and the obligation of each party to bear its own costs, and not to transfer its contractual rights and obligations.

The performance of the Target Company’s Obligation to Maintain the Affirmative Opinion and Recommendation to Tender, Obligation to Refrain From Solicitation of Competitive Transactions, Obligation to Notify and Discuss Competitive Transactions, or Obligation to Execute and Maintain the Transition Service Agreement is subject to the following conditions precedent: (i) the Tender Offeror has performed or complied with, in material respects, all of the obligations provided in the Agreement for the Target Company that it is required to perform or comply with; (ii) the Tender Offeror’s representations and warranties provided in the Agreement for the Target Company are true and correct in all material respects; (iii) the Tender Offeror and Pasona Group have, on the execution date of the Agreement for the Target Company, executed an agreement under which Pasona Group’s obligation not to tender in the Tender Offeror and other obligations are included, and such agreement effectively exists without change and Pasona Group owes the aforementioned obligations to the Tender Offeror, and (iv) the Transactions will not violate laws and regulations.

2. Outline of Purchase

(1) Outline of the Target Company

(i)	Name	Benefit One Inc.	
(ii)	Address	3-7-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo	
(iii)	Name and title of representatives	Norio Shiraishi, President	
(iv)	Description of business	Employee benefit service business	
(v)	Capital stock	1,527 million yen (as of September 30, 2023)	
(vi)	Date of incorporation	March 15, 1996	
(vii)	Major shareholders and shareholding ratio (as of September 30, 2023)	Pasona Group Inc.	51.16%
		The Master Trust Bank of Japan, Ltd. (Trust Account)	7.01%
		Custody Bank of Japan, Ltd. (Trust Account)	3.45%
		SSBTC CLIENT OMNIBUS ACCOUNT (Standing Proxy: HSBC Bank, Tokyo Branch)	3.45%
		BNYM AS AGT/CLTS 10 PERFECT (Standing Proxy: MUFG Bank, Ltd.)	1.89%
		TAIYO FUND L.P. (Standing Proxy: MUFG Bank, Ltd.)	1.76%
		GOVERNMENT OF NORWAY (Standing Proxy: Citibank, N.A., Tokyo Branch)	1.38%
		Norio Shiraishi	1.16%
		TAIYO HANEI FUND, L.P. (Standing Proxy: MUFG Bank, Ltd.)	1.07%
		Tokio Marine & Nichido Fire Insurance Co., Ltd.	1.01%
(viii)	Relationship between the listed company and the Target Company		
	Capital relationship	As of today, the Tender Offeror does not own any Target Company Shares, while Dai-ichi Life Insurance, a wholly-owned subsidiary of the Tender Offeror, owns 375,100 shares of the Target Company Shares (Ownership Ratio of 0.24%) as of today.	

Personnel relationship	Not applicable
Business relationship	There is no material business relationship to be noted between the Tender Offeror and the Target Company. However, Dai-ichi Life Insurance, a subsidiary of the Tender Offeror, provides the Target Company Group's services (group insurance ancillary services).
Status as a Related Party	Not applicable

(Note) "Major shareholders and shareholding ratio (as of September 30, 2023)" is based on "Status of Major Shareholders" in the Quarterly Report for the Second Quarter of the 29th Fiscal Year filed on November 14, 2023 by the Target Company (the "Target Company's Quarterly Report").

(2) Schedule, etc.

(i) Schedule

Resolution of the Board of Directors	February 8, 2024 (Thursday)
Date of Public Notice of Commencement of the Tender Offer	February 9, 2024 (Friday) The Tender Offeror will give electronic public notice and then post in the Nihon Keizai Shimbun that such public notice has been made. (Electronic public notice address: https://disclosure2.edinet-fsa.go.jp/)
Date of Submission of the Tender Offer Registration Statement	February 9, 2024 (Friday)

(ii) Period for Purchase in the Registration Statement

From Friday, February 9, 2024 to Monday, March 11, 2024 (20 business days)

(iii) Possibility of Extension Based on Requests by the Target Company

Pursuant to the provisions of Article 27-10, paragraph 3 of the Act, if the Target Company submits a opinion report requesting extension of the Tender Offer Period, the Tender Offer Period will be extended to 30 business days, i.e., until Tuesday, March 26, 2024.

(iv) Contact Information for Confirmation of Period Extension

Contact Information: Dai-ichi Life Holdings, Inc.
13-1, Yurakucho 1-chome, Chiyoda-ku, Tokyo
03-3216-1222 (main telephone number)
Management planning unit, Business creation group, Takato Ide

Confirmation reception hours: Weekdays from 9:00 to 17:00

(3) Tender Offer Price

Common shares: 2,173 yen per share

(4) Basis for Calculation of the Tender Offer Price

(i) Basis for Calculation

In determining the Per Share Value, the Tender Offeror requested J.P. Morgan the financial advisor of the Tender Offeror and third-party valuation body independent of the Tender Offeror, the Target Company, M3, and Pasona Group, to analyze the share value of the Target Company Shares. J.P. Morgan considered that it is appropriate to determine the value of the Target Company Shares from multiple perspectives, including the financial condition of the Target Company, fluctuations in the market price of the Target Company Shares, etc., and after considering valuation methods to be adopted in valuing the Target Company Shares from among various valuation methods, it evaluated the value of the Target Company Shares using the following methods: the average market share price method (because the market share price of the Target Company Shares exists), the comparable company analysis method (because it is possible to infer the share value of the Target Company Shares through comparisons with several listed companies comparable to the Target Company), and the discounted cash flow method (the "DCF Method") (in order to reflect the status of future business activities in the calculation). The Tender Offeror has obtained the Share Valuation Report (J.P.

Morgan) from J.P. Morgan (the “Share Valuation Report”) on December 4, 2023 (Note). J.P. Morgan is not a related party of the Tender Offeror, the Target Company, M3, and Pasona Group and does not have any material interest in the Transaction, including the Tender Offer. The Tender Offeror has not obtained from J.P. Morgan an opinion letter on the fairness of the Per Share Value and the Tender Offer Price (a fairness opinion) since the Tender Offeror judged and determined the Per Share Value and the Tender Offer Price after comprehensively considering the various factors described in “(i) Basis of Calculation.”

J.P. Morgan valued the ranges of the per share value of the Target Company Shares as follows, based on each of the above methods.

Average market share price method	: 1,063 yen to 1,303 yen
Comparable company analysis method	: 803 yen to 1,475 yen
DCF Method	: 1,393 yen to 2,195 yen

Under the average market share price method, the Reference Date was set at November 13, 2023, which is the business day immediately preceding the day of M3 Tender Offer Commencement Press Release, and the per-share value of the Target Company Shares was calculated to range from 1,063 yen to 1,303 yen, based on the following prices of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange: the closing price on the Reference Date 1,163 yen; the simple average of closing prices for the one month immediately preceding the Reference Date (inclusive) (1,063 yen); the simple average of closing prices for the three 3 months immediately preceding the Reference Date (inclusive) (1,113yen); and the simple average of closing prices for the six 6 months immediately preceding the Reference Date (inclusive) (1,303 yen).

Under the comparable company analysis method, the value of the Target Company Shares was calculated through comparison with the market share prices and financial indicators including profitability of listed companies that engage in businesses comparatively similar to those of the Target Company. Using this methodology, the per-share value of the Target Company Shares was calculated to range from 803 yen to 1,475 yen.

Under the DCF Method, based on the Tender Offeror’s knowledge of the Target Company’s business, the corporate value and share value of the Target Company were analyzed and evaluated by discounting the free cash flow that is expected to be generated in the future by the Target Company at a certain discount rate range to the present value based on the Target Company’s proposed business plan from the fiscal year ending March 2024 to the fiscal year ending March 2034 estimated by the Tender Offeror, taking into account the relevant factors, including the Target Company’s historical performance trend to the most recent and other publicly available information. Using this methodology, the per-share value of the Target Company Shares was calculated to range from 1,393 yen to 2,195 yen. In addition, the Target Company’s proposed business plan does not assume the execution of the Transactions, and the synergies expected to be achieved through the Transactions have not been taken into account in the business plan because it is difficult to estimate them specifically at this time. The Tender Offeror ultimately determined on December 5, 2023 that the Per Share Value shall be 1,800 yen, comprehensively taking into account: (i) the valuation results of the Target Company Shares in the Share Valuation Report (J.P. Morgan) obtained from J.P. Morgan, (ii) the tender offer price in the M3 Tender Offer, (iii) trends of the market price of the Target Company Shares, (iv) the result of the due diligence on the Target Company that was carried out by the Tender Offeror based on the publicly available information on the Target Company, and (v) anticipated levels of tendering in the Tender Offer, among others.

Thereafter, the Tender Offeror has obtained from the Target Company and Pasona Group information necessary to calculate the amount of deemed dividends, as set forth in the Corporate Tax Act, that would result if Pasona Group accepts the Share Repurchase, and the Tender Offeror has proceeded with its consideration of the Tender Offer Price and the Share Repurchase Price. On December 21, 2023, with a view to maximizing the tender offer price while ensuring fairness among shareholders, the Tender Offeror adopted a certain approach with respect to calculating the Tender Offer Price and the Share Repurchase Price so that it can share certain tax benefits that are expected to accrue to Pasona Group due to application of the rules on exclusion of deemed dividends from gross revenue to Pasona Group with the Target Company’s other minority shareholders. Based on such approach, the Tender Offeror calculated the Tender Offer Price and the Share Repurchase Price so that (i) the amount calculated as after-tax income that Pasona Group will obtain upon acceptance of the Share Repurchase will be equal to (ii) the amount calculated as after-tax income that Pasona Group obtains upon tendering in the Tender Offer, and as a result, the Tender Offeror determined and announced the Tender Offer Price to be 2,123 yen per share and the Share Repurchase Price to be 1,491 yen per share. Thereafter, as stated in “(iii) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer” in “I. Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer” in “(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender

Offer” in “1. Purpose of the Purchase” above, based on the results of discussions and negotiations with the Target Company and Pasona Group, the Tender Offeror determined today that the Tender Offer Price would be 2,173 yen per share and the Share Repurchase Price would be 1,526 yen per share, based on the assumption that the Per Share Value is 1,842 yen.

The Tender Offer Price 2,173 yen per share represents a premium of 86.84% on the closing price of the Target Company Share of 1,163 yen on the Prime Market of the Tokyo Stock Exchange on November 13, 2023, which is the business day immediately preceding the day of announcement of the M3 Tender Offer Commencement Press Release, a premium of 104.42% on the simple average of closing prices of 1,063 yen for the one-month period ending on November 13, 2023 (from October 14, 2023 to November 13, 2023), a premium of 95.24% on the simple average of closing prices of 1,113 yen for the three-month period ending on November 13, 2023 (from August 14, 2023 to November 13, 2023), and a premium of 66.77% on the simple average of closing prices of 1,303 yen for the six-month period ending on November 13, 2023 (from May 14, 2023 to November 13, 2023). It also represents a premium of 42.49% on the closing price of the Target Company Share of 1,525 yen on the Prime Market of the Tokyo Stock Exchange on December 6, 2023, which is the business day immediately preceding the day on which the scheduled commencement of the Tender Offer is publicly announced by the Tender Offeror, a premium of 55.55% on the simple average of closing prices of 1,397 yen for the one-month period ending on December 6, 2023 (from November 7, 2023 to December 6, 2023), a premium of 84.47% on the simple average of closing prices of 1,178 yen for the three-month period ending on December 6, 2023 (from September 7, 2023 to December 6, 2023), and a premium of 69.11% on the simple average of closing prices of 1,285 yen for the six-month period ending on December 6, 2023 (from June 6, 2023 to December 6, 2023).

In addition, the Tender Offer Price will be 573 yen per share higher than the tender offer price of the M3 Tender Offer, which is 1,600 yen per share.

(Note) According to J.P. Morgan, when conducting the valuation of the share value of the Target Company Shares that was the basis for the Share Valuation Report (J.P. Morgan), J.P. Morgan relied upon and assumed the accuracy and completeness of all information that was publicly available or was furnished to or discussed with J.P. Morgan by the Tender Offeror, or otherwise reviewed by or for J.P. Morgan, and J.P. Morgan has not independently verified (nor has it assumed responsibility or liability for independently verifying) any such information or the accuracy or completeness thereof. J.P. Morgan has not conducted or been provided with any valuation or appraisal of any assets or liabilities of the Tender Offeror or the Target Company, nor has it evaluated the solvency of the Tender Offeror or the Target Company under any applicable laws relating to bankruptcy, insolvency, or similar matters. In relying on financial analyses and forecasts provided to J.P. Morgan by, or derived from, the Tender Offeror, J.P. Morgan has assumed that those items have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgements by the managements of the Tender Offeror and the Target Company as of the date of the Share Valuation Report (J.P. Morgan), as to the expected future results of operations and financial condition of the Tender Offeror to which such analyses or forecasts relate. J.P. Morgan expresses no view as to such analyses or forecasts, or the assumptions on which they were based. J.P. Morgan has also assumed that the other transactions contemplated by the Tender Offeror, including the Tender Offer, will be consummated as contemplated and will have all of the effects described in the materials furnished to J.P. Morgan by the Tender Offeror. J.P. Morgan is not a legal, regulatory, tax, accounting, or other expert, and has relied on the assessments made by advisors to the Tender Offeror with respect to such matters. J.P. Morgan further assumes that all material governmental, regulatory, or other consents and approvals necessary for the consummation of the Tender Offer will be obtained without any adverse effect(s) on the Tender Offeror or the Target Company or on the contemplated benefits of the Tender Offer. The Share Valuation Report (J.P. Morgan) and the result of the valuation of the share price of the Target Company Shares, which was the basis for that report, are necessarily based on the information available to J.P. Morgan as of the date of the relevant report and the economic, market and other conditions as in effect on that date. It should be understood that subsequent developments may affect the Share Valuation Report (J.P. Morgan) and the results of the valuation of the share price of the Target Company Shares, which was the basis for that report, and that J.P. Morgan does not have any obligation to update, revise or reaffirm its analyses and valuation therein. Furthermore, the Share Valuation Report (J.P. Morgan) and the result of the valuation of the share price of the Target Company Shares, which was the basis for that report, are not intended to recommend a specific acquisition price to the Tender Offeror or its board of directors, nor are they intended to recommend a certain acquisition price as the only appropriate price. J.P. Morgan has acted as the financial advisor to the Tender Offeror with respect to the Tender Offer and will receive a fee from the Tender Offeror for its services as a financial advisor, the entire amount of which will become payable only if the Tender Offer is consummated. In addition, the Tender Offeror has agreed

to indemnify J.P. Morgan for certain liabilities that may arise out of those services. During the two years preceding the date of the Share Valuation Report (J.P. Morgan), neither J.P. Morgan nor its affiliates has provided any other material financial advisory services, commercial banking services or investment banking services to the Tender Offeror, the Target Company, M3, or Pasona Group. In addition, J.P. Morgan and its affiliates hold, on a proprietary basis, less than one (1) percent of the outstanding shares or interests of each of the Tender Offeror, the Target Company, M3 and Pasona Group. In the ordinary course of business, J.P. Morgan and its affiliates may actively trade the debt and equity securities of the Tender Offeror, the Target Company, M3, or Pasona Group for its or their own account(s) or for the accounts of their customers; accordingly, J.P. Morgan and its affiliates may at any time hold long or short positions in such securities. The financial forecast of the Target Company, which J.P. Morgan used as the basis for the analysis of the share price of the Target Company Shares in its analysis (the “Financial Forecasts”) was approved by the Tender Offeror to be used by J.P. Morgan for the purpose of its analysis. The Tender Offeror has not publicly disclosed the Financial Forecasts, which were not prepared with a view to public disclosure. The Financial Forecasts are inherently uncertain, and are dependent on a number of variables and conditions (including without limitation factors related to the general economy, competitive conditions, and prevailing interest rates) that may be beyond the control or the management of the Tender Offeror or the Target Company. Therefore, the actual performance may differ substantially from that set forth in the Financial Forecasts. The foregoing summary of the results of the valuation of the share price of the Target Company Shares, which was the basis for the Share Valuation Report (J.P. Morgan), and the valuation method thereof, do not purport to be a complete description of the analyses conducted by or the data referred to by J.P. Morgan. The preparation of the Share Valuation Report (J.P. Morgan) is a complex process and, therefore, a partial description or a summary of the analyses does not necessarily reflect the complete and accurate contents thereof. J.P. Morgan believes that the results of its analyses must be considered as a whole and that reviewing only summaries or portions of such analyses, without considering all of such analyses as a whole, could lead to an incomplete view of the processes underlying the analyses and its valuation. In providing its valuation, J.P. Morgan did not attribute any particular weight to any analyses or factors considered by it and did not form a view as to whether or how any individual analysis or factor, considered in isolation, supported or failed to support its analysis or to what extent. Rather, J.P. Morgan considered the totality of the factors and analyses performed in providing its analysis. None of the selected companies reviewed as described in the above analysis as a comparable company is identical (in some cases) to the Target Company’s operating units or subsidiaries. However, the companies selected were chosen because they are listed companies with business that, for purposes of J.P. Morgan’s analyses, may be considered similar to that of the Target Company. Thus, the analyses by J.P. Morgan necessarily involve complex considerations and judgements concerning differences in financial and business characteristics of the companies considered for comparison with the Target Company, and other factors that could affect those companies.

(ii) Background of Calculation

(Background Leading to Determination of the Tender Offer Price)

Under the circumstances stated in “(i) Outline of the Tender Offeror” and “(ii) Outline of the Target Company” in “I. Background, Purpose, and Decision-making Process Which Led to the Decision to Implement the Tender Offer” in “(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer” in “1. Purpose of the Purchase” above, during the term of the current Medium-term Management Plan for FY2021-2023, the Tender Offeror has attempted to expand into non-insurance and non-asset management businesses. In considering the direction of the next Medium-term Management Plan starting in fiscal year 2024, throughout fiscal year 2023, the Tender Offeror came to consider it important for the Tender Offeror to evolve from “A company that provides insurance” to “A company that also provides insurance”; in other words, from a insurance business company to insurance service business company, and to build a ecosystem which seamlessly provides four experiential values, “Protection”, “Asset Formation/Succession”, “Health Promotion”, and “Enhancing Connections” in order to aim to become one of the top tier of global insurance groups in 2030. Accordingly, considering bold expansions into non-insurance and non-asset management businesses and acquisition of a platform, the Tender Offeror is attracted to the businesses of the Target Company Group, a leading operator in the employee benefits business industry that provides various services for companies and employees, and believes that the Tender Offeror Group, which has an extensive corporate customer base, is highly compatible with the Target Company Group, the Tender Offeror considered entering into a capital and business tie-up with the Target Company as one of its options. On the other hand, since whether or not the Target Company intended to enter into a capital and business tie-up with other companies and whether or not Pasona Group intended to sell the Target Company Shares were unclear, the Tender Offeror had no other specific considerations. Under these circumstances, on November 14, 2023, the

Tender Offeror deduced the Target Company's intention to enter into a capital and business tie-up with other companies and Pasona Group's intention to sell the Target Company Shares from the announcement of the M3 Tender Offer Commencement Press Release and the like. With the announcement of the M3 Tender Offer Commencement Press Release as a turning point, reconsidering the ecosystem which the Tender Offeror Group should construct, the Tender Offeror came to be extremely attracted to the Target company's business, which seamlessly provides services across a diverse range of areas centered on "Health Promotion" and "Enhancing Connections", strongly believes that the direction of domestic business tactics in Tender Offeror's next Medium-term Management Plan is compatible with the Target Company Group's business and decided to assess whether it would consider entering into a capital and business tie-up with the Target Company and commence specific consideration of acquisition of the Target Company Shares. Accordingly, in late November 2023, the Tender Offeror appointed J.P. Morgan as a financial advisor independent from the Tender Offeror, the Target Company, M3, and Pasona Group, and Nishimura & Asahi (Gaikokuho Kyodo Jigyō) as a legal advisor, and established the system for consideration of acquisition of the Target Company Shares through the Tender Offer and commenced specific considerations.

Subsequently, the Tender Offeror conducted due diligence on the Target Company based on the publicly available information from later-November 2023 to early December 2023 to develop a deeper understanding of the Target Company's businesses, management environment, growth strategies, and management issues, as well as to confirm accounting, tax, legal, and environmental matters involving the Target Company. As a result, in light of the recognition of the circumstances and various efforts related to the Target Company stated in "(ii) Outline of the Target Company" in "I. Background, Purpose, and Decision-making Process Which Led to the Decision to Implement the Tender Offer" in "(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" in "1. Purpose of the Purchase" above, since the products and services offered by the Target Company are similar to those which the Tender Offeror Group has developed to date, from the point of view that the Target Company, which aims to become a B-to-E platformer, will be able to use the Tender Offeror Group's experience and strength, and that it will contribute to the Tender Offeror Group's expansion of its products and services for companies and their employees by expanding into the domains of "Health Promotion" and "Enhancing Connections" the Tender Offeror came to firmly believe that accepting the Target Company into the Tender Offeror Group may maximize the corporate value of both companies by significantly contributing to the expansion and development of both companies and creating an economic zone centered on the Target Company putting the system of the Target Company in the center of the ecosystem which the Tender Offeror is conceiving; in other words, the social infrastructure/the comprehensive platform which provides well-being services.

In other words, the Tender Offeror believes that by becoming the sole shareholder of the Target Company through the Tender Offer and through strong collaboration between both companies, it will be able to achieve, as mentioned below, improvement of the corporate value of the Target Company, in other words, synergies with the Tender Offeror Group thorough integrating the Tender Offeror Group's services on the Target Company offerings and providing it to customers, as well as the development of comprehensive employee benefits business solutions, it will be able to support human capital management by companies and provide products and services that correspond to the various lifestyles of each employee. In addition, the Tender Offeror considered entering into a business tie-up of the Tender Offeror Group and the Target Company with no capital participation as one of its options; however, there is a possibility that only the business tie-up with no capital relationship or the partial capital participation with the Target Company will not necessarily enable the Target Company to allocate its management resources to the medium-to long term business strategy or to make prompt or flexible decisions easily while promoting minority shareholders' interests, as a result of taking into account interests of the Target Company's minority shareholders and the short-term impact on share prices and the like; therefore, in order for both the Tender Offeror Group and the Target Company Group to achieve the improvement of the corporate value of the Target Company as well as, and the synergies as the Tender Offeror Group and the synergies below effectively, the Tender Offeror believes that it is necessary for the Tender Offeror to acquire all the Target Company Shares (excluding the treasury shares held by the Target Company) and to become the sole shareholder of the Target Company. If the Transactions are implemented, as stated in "(5) Possibility of Delisting and Reasons Therefor" in "1. Purpose of the Purchase" above, the Target Company Shares will be delisted, but the Tender Offeror believes that there are no specific disadvantages associated with such delisting.

On the other hand, the Tender Offeror learned from publicly available information on the M3 Tender Offer, such as the M3 Tender Offer Commencement Press Release, that if the Tender Offeror submits a sincere Counteroffer exceeding the purchase price in the M3 Tender Offer, the Target Company and Pasona Group may accept the Counteroffer: therefore, based on the above consideration from late November 2023 to early December 2023, the Tender Offeror decided to make a specific proposal to the Target Company and Pasona Group regarding the Transactions and on December 5, 2023, the Tender Offeror submitted to the Target

Company's board of directors, the Target Company Special Committee, and Pasona Group the Letter of Intent describing the Tender Offeror's detailed proposal regarding the Transactions, including the assumption that the Per Share Value is 1,800 yen (a 18.81% premium to the closing price of 1,515 yen of the Target Shares on the Prime Market of the Tokyo Stock Exchange on December 4, 2023, the business day immediately preceding the day on which the Letter of Intent was submitted) and the Tender Offer Price and the Share Repurchase Price shall be set so that the amount calculated as after-tax income if Pasona Group tenders in the Tender Offer will be equal to the amount calculated as after-tax income that Pasona Group will obtain upon acceptance of the Share Repurchase. Given that the rules on exclusion from gross revenue of deemed dividend, as set forth in the Corporate Tax Act are expected to apply to Pasona Group and accordingly certain tax benefits are expected to accrue to Pasona Group, by setting the Tender Offer Price and the Share Repurchase Price so that those tax benefits can be shared with other minority shareholders, the Tender Offeror can maximize the Tender Offer Price while ensuring fairness among shareholders.

In addition, the Tender Offeror provided explanations on details of the proposal regarding the Transaction by the Tender Offeror to the Target Company on December 7, 2023 and to Pasona Group on December 8, 2023, respectively.

Under these circumstances, according to the M3 Tender Offer Commencement Press Release, the period for purchases of the M3 Tender Offer was initially planned to be from November 15, 2023 to December 13, 2023. Therefore, the Tender Offeror decided to announce the scheduled commencement of the Tender Offer on December 7, 2023 in order to avoid a situation where the M3 Tender Offer is successfully completed before the commencement of the Tender Offer as in the press release dated on the same date. The Tender Offeror announced the "scheduled commencement" of the Tender Offer and not the "commencement" thereof in the press release dated December 7, 2023 because, from December 7, 2023 onward, in order to satisfy the Conditions Precedent (i) and (ii), it needed to have discussions and negotiations with the Target Company's board of directors and the Target Company Special Committee so that they will express the Affirmative Opinion and it also needed to have discussions and negotiations with Pasona Group so that to the Agreement for Pasona Group will be entered into, in order to satisfy the Conditions Precedent (iii).

Subsequently, the Tender Offeror held a meeting with the Target Company on December 7, 2023 and provided an initial explanation of the consideration process that led to the proposal for the Transactions, the outline and purpose of the Transactions, etc. Thereafter, on December 19, the Tender Offeror held a meeting with the Target Company, where the Tender Offeror explained the details of the measures expected after the Transactions, the expected synergies, and other impacts of the Transactions, and held a question-and-answer session. The Tender Offeror then held a meeting with the Target Company on January 5, 2024 and explained the background that led to the proposal of the Transactions, the significance and purpose of the Transactions, the management structure and management policy after the Transactions, the conditions for implementing the Transactions, etc., and held a question-and-answer session.

During the above discussion, the Tender Offeror explained to the Target Company the expected synergies from the Transactions and exchanged opinions with the Target Company. By deepening the understanding of both the Tender Offeror and the Target Company regarding the strategies and measures that the Tender Offeror envisions to support the medium- to long-term growth of the Target Company Group, the Tender Offeror believes that the feasibility of measures to realize synergies (for details, please refer to "(iii) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer" under "I. Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer" in "(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer" under "1. Purpose of the Purchase" above) has increased. As a result, the Tender Offeror believes that, through the Transactions, efforts to achieve the Target Company Group's growth strategies and management visions can be promoted and that a win-win relationship beneficial to the Tender Offeror Group and the Target Company Group can also be established.

Concurrently with the above discussion, the Tender Offeror has obtained from the Target Company and Pasona Group information necessary to calculate the amount of deemed dividends, as set forth in the Corporate Tax Act, that would result if Pasona Group accepts the Share Repurchase, and the Tender Offeror has proceeded with its consideration of the Tender Offer Price and the Share Repurchase Price. On December 21, 2023, with a view to maximizing the tender offer price while ensuring fairness among shareholders, the Tender Offeror adopted a certain approach with respect to calculating the Tender Offer Price and the Share Repurchase Price so that it can share certain tax benefits that are expected to accrue to Pasona Group due to application of the rules on exclusion of deemed dividends from gross revenue to Pasona Group with the Target Company's other minority shareholders. Based on such an approach, the Tender Offeror has calculated the Tender Offer Price and the Share Repurchase Price so that (i) the amount calculated as after-tax income that Pasona Group will obtain upon acceptance of the Share Repurchase will be equal to (ii) the amount calculated as after-tax income that Pasona Group will obtain upon tendering in the Tender Offer, and as a result, the Tender Offeror determined

and announced the Tender Offer Price to be 2,123 yen per share and the Share Repurchase Price to be 1,491 yen per share.

Subsequently, according to the Target Company, regarding the Tender Offeror's proposal, on January 16, 2024, the Target Company determined, with the consent of the Target Company Special Committee, that it was appropriate to request an increase in the Tender Offer Price, aiming for the most favorable transaction conditions possible, rather than accepting the proposed price, from the perspective of giving greater consideration to the interests of minority shareholders of the Target Company, based on the background of the Transactions that a proposal regarding the Tender Offer Price was implemented and announced by the Tender Offeror without any negotiation with the Target Company regarding the valuation of the Target Company Shares by MUMSS, the Target Company's third-party valuation body, and other economic conditions. On the same day, the Tender Offeror was requested by the Target Company to reconsider the Tender Offer Price. Subsequently, on January 19, the Tender Offeror responded to the Target Company stating that it would be difficult to further increase the Tender Offer Price.

According to the Target Company, on the same day, after receiving the response from the Tender Offeror, the Target Company once again discussed and considered the Tender Offer Price and determined, with the consent of the Target Company Special Committee, that it was appropriate to once again request an increase in the Tender Offer Price for the same reasons as above. The Tender Offeror was again requested by the Target Company to increase the Tender Offer Price. Furthermore, on January 23, the Tender Offeror held a meeting with the Target Company's management and was asked by the Target Company's management to give consideration to the interests of the Target Company's minority shareholders and to increase the Tender Offer Price. Subsequently, on January 24, the Tender Offeror responded to the Target Company stating that it would be difficult to further increase the Tender Offer Price.

According to the Target Company, on January 26, after receiving the response from the Tender Offeror, the Target Company once again discussed and considered the Tender Offer Price and determined, considering the circumstances in which the Tender Offeror has not raised the Tender Offer Price while the Target Company repeatedly requested that the Tender Offeror increase the Tender Offer Price, with the consent of the Target Company Special Committee, that it would be appropriate to request an increase in the Tender Offer Price again for the same reasons as above and to continue to adhere to its policy of continuing careful negotiations that take into account the interests of minority shareholders. The Tender Offeror was again requested by the Target Company to increase the Tender Offer Price. Furthermore, on January 30, the Tender Offeror held an interview again with the Target Company's management and was requested to seriously consider raising the Tender Offer Price in light of the circumstances surrounding the negotiations described above. Subsequently, on February 5, 2024, the Tender Offeror held a meeting with the Target Company and was once again requested to increase the Tender Offer Price, and the Tender Offeror and the Target Company discussed the possibility of increasing the Tender Offer Price in order to agree the Tender Offer Price.

On February 6, based on the above-mentioned meeting, the Tender Offeror made a final proposal to the Target Company that, based on the assumption that the Per Share Value is 1,842 yen, the Tender Offer Price be 2,173 yen per share, subject to approval at the Tender Offeror's board of directors meeting to be held on February 8, 2024. According to the Target Company, regarding such proposal, on February 6, the Target Company determined, with the consent of the Target Company Special Committee and as a result of careful discussions and consideration regarding the Tender Offer Price based on the valuation of the Target Company Shares by MUMSS, that the proposed price was a price that gave a certain amount of consideration to the interests of minority shareholders. The Tender Offeror received a response from the Target Company stating that it had unofficially agreed to set the Tender Offer Price at 2,173 yen per share, based on the assumption that the final decision would be made by a resolution at the Target Company's board of directors meeting held on February 8, 2024.

Furthermore, in parallel with discussions and negotiations with the Target Company, the Tender Offeror held meetings regarding the Transactions with Pasona Group from December 8, 2023 to February 6, 2024, and during the meetings, the Tender Offeror received requests from Pasona Group to raise the Tender Offer Price to a level that would allow the Target Company's board of directors to approve the Tender Offer. On February 6, 2024, the Tender Offeror informed Pasona Group that it had agreed with the Target Company to set the Tender Offer Price at 2,173 yen per share, based on the assumption that the Per Share Value is 1,842 yen, subject to approval by the boards of directors of both the Tender Offeror and the Target Company and to set the Share Repurchase Price at 1,526 yen, and on the same day, the Tender Offeror received a response from Pasona Group stating that it had unofficially agreed to set the Tender Offer Price at 2,173 yen per share and to set the Share Repurchase Price at 1,526 yen, subject to approval by resolution of Pasona Group's board of directors.

As described above, as a result of the Tender Offeror repeatedly having continuous discussions and negotiations for the implementation of the Transactions between the Target Company and Pasona Group, today,

the Tender Offeror agreed with the Target Company and Pasona Group that the Tender Offer Price will be 2,173 yen per share and the Share Repurchase Price will be 1,526 yen per share, based on the assumption that the Per Share Value is 1,842 yen; therefore, the Tender Offeror determined on the same date that it would execute the Agreement for Pasona Group with Pasona Group and execute the Agreement for the Target Company with the Target Company, and that it would implement the Tender Offer on February 9, 2024 (for the details of the Agreement for Pasona Group and the Agreement for the Target Company, please refer to “(i) The Agreement for Pasona Group” and “(ii) The Agreement for the Target Company” in “(6) Matters Concerning Material Agreements Related to the Tender Offer” in “1. Purpose of the Purchase” above.).

(A) Names of the Third Parties from Which Opinions Were Obtained upon Calculation of the Tender Offer Price

In determining the Per Share Value, the Tender Offeror took into account the Share Valuation Report (J.P. Morgan) submitted by J.P. Morgan, the financial advisor and third-party valuation body independent of the Tender Offeror, the Target Company, M3 and Pasona Group. In addition, the Tender Offeror has not obtained from J.P. Morgan an opinion letter on the fairness of the Per Share Value and the Tender Offer Price (a fairness opinion) since it comprehensively judged and determined the Per Share Value and the Tender Offer Price, considering the various factors described in “(i) Basis for Calculation” above.

(B) Outline of the Opinions

According to the Share Valuation Report (J.P. Morgan), the methods used, and the corresponding ranges of per-share value of the Target Company Shares calculated by these methods, are as follows:

Average market share price method	: 1,063 yen to 1,303 yen
Comparable company analysis method	: 803 yen to 1,475 yen
DCF Method	: 1,393 yen to 2,195 yen

(C) Background Leading to the Determination of the Tender Offer Price Based on those Opinions

The Tender Offeror comprehensively took into account the valuation result of the share value of the Target Company set out in the Share Valuation Report (J.P. Morgan) obtained from J.P. Morgan, the offer price in the M3 Tender Offer, fluctuations of the market price of the Target Company Shares, the result of the due diligence on the Target Company that was conducted based on the information publicly announced by the Target Company, etc. and anticipated levels of tendering in the Tender Offer among others, and ultimately determined on December 5, 2023, that the Per Share Value shall be 1,800 yen per share.

Thereafter, the Tender Offeror has obtained from the Target Company and Pasona Group information necessary to calculate the amount of deemed dividends, as set forth in the Corporate Tax Act, that would result if Pasona Group accepts the Share Repurchase. With a view to maximizing the tender offer price while ensuring fairness among shareholders, the Tender Offeror adopted a certain approach with respect to calculating the Tender Offer Price and the Share Repurchase Price so that it can share certain tax benefits that are expected to accrue to Pasona Group due to application of the rules on exclusion of deemed dividends from gross revenue to Pasona Group with the Target Company’s other minority shareholders. Based on such approach, on December 21, 2023, the Tender Offeror calculated the Tender Offer Price and the Share Repurchase Price so that (i) the amount calculated as after-tax income that Pasona Group obtains upon acceptance of the Share Repurchase will be equal to (ii) the amount calculated as after-tax income that Pasona Group obtains upon tendering in the Tender Offer, and as a result, the Tender Offeror determined the Tender Offer Price to be 2,123 yen per share and the Share Repurchase Price to be 1,491 yen per share. Thereafter, as stated in “(iii) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer” in “I. Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer” in “(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer” in “1. Purpose of the Purchase” above, based on the results of discussions and negotiations with the Target Company and Pasona Group, the Tender Offeror determined today that the Tender Offer Price would be 2,173 yen per share and the Share Repurchase Price would be 1,526 yen per share, based on the assumption that the Per Share Value is 1,842 yen.

(iii) Relationships with the Valuation Body

J.P. Morgan, the financial advisor of the Tender Offeror, is not a related party of the Tender Offeror, the Target Company, M3 or Pasona Group, and has no material interests in the Transactions including the Tender Offer.

(5) Number of Shares to Be Purchased

Number of Shares to Be Purchased	Minimum Number of Shares to Be Purchased	Maximum Number of Shares to Be Purchased
77,372,192 (shares)	24,511,300 (shares)	—shares

(Note 1) If the total number of the Tendered Shares is less than the minimum number of shares to be purchased (24,511,300 shares), the Tender Offeror will not purchase any of the Tendered Shares. If the total number of the Tendered Shares is no less than the minimum number of shares to be purchased (24,511,300 shares), the Tender Offeror will purchase all of the Tendered Shares.

(Note 2) As the maximum number of shares to be purchased has not been set in the Tender Offer, the number of shares to be purchased is stated as 77,372,192 shares, which is the maximum number of the Target Company Shares that the Tender Offeror may acquire through the Tender Offer. The maximum number is the number of shares (77,372,192 shares) obtained by deducting the number of treasury shares (450,388 shares) held by the Target Company as of December 31, 2023, as reported by the Target Company, and the BBT-Owned Shares (157,920 shares) as of the same date, as reported by the Target Company, and Shares to be Sold (81,210,400 shares), from the total outstanding shares of the Target Company (159,190,900 shares) as of the same date, as stated in the Target Company's Quarterly Summary Financial Results.

(Note 3) Odd-lot shares are also subject to the Tender Offer. In addition, if a shareholder exercises its right to request the purchase of odd-lot shares in accordance with the Companies Act, the Target Company might repurchase the Target Company Shares during the Tender Offer Period in accordance with procedures required by laws and regulations.

(Note 4) The Tender Offeror has no plan to acquire the treasury shares held by the Target Company and the BBT-Owned Shares through the Tender Offer.

(6) Changes in Ownership Ratio of Shares due to Purchase, etc.

Number of Voting Rights Represented by Shares Held by the Tender Offeror Before the Tender Offer	0 Voting Rights	(Ownership Ratio of Shares Before the Tender Offer: 0.00%)
Number of Voting Rights Represented by Shares Held by Specially Related Parties Before the Tender Offer	832,502 Voting Rights	(Ownership Ratio of Shares Before the Tender Offer: 52.50%)
Number of Voting Rights Represented by Shares Held by the Tender Offeror After the Tender Offer	773,721 Voting Rights	(Ownership Ratio of Shares After the Tender Offer: 48.79%)
Number of Voting Rights Represented by Shares Held by Specially Related Parties After the Tender Offer	812,104 Voting Rights	(Ownership Ratio of Shares After the Tender Offer: 51.21%)
Number of Voting Rights of All Shareholders of the Target Company (as of September 30, 2023)	1,587,042 Voting Rights	

(Note 1) "Number of Voting Rights Represented by Shares Held by the Tender Offeror After the Tender Offer" is the number obtained by adding "Number of Voting Rights Represented by Shares Held by the Tender Offeror Before the Tender Offer," which is 0 voting rights, to the number of voting rights (773,721 voting rights) represented by shares to be purchased in the Tender Offer (77,372,192 shares), as stated in "(5) Number of Shares to Be Purchased" above.

- (Note 2) “Number of Voting Rights Represented by Shares Held by Specially Related Parties Before the Tender Offer” and “Number of Voting Rights Represented by Shares Held by Specially Related Parties After the Tender Offer” indicate the total number of voting rights represented by shares held by specially related parties (however, except for those who are excluded from specially related parties under Article 3, paragraph 2, item 1 of the Cabinet Office Ordinance on Disclosure Required by Tender Offer for Share Certificates, etc. by Person Other Than Issuer (item 38 of the ordinance issued by the predecessor of the Ministry of Finance in 1990, including subsequent amendments; the “Cabinet Office Ordinance”) in the calculation of the Ownership Ratio of shares in each item of Article 27-2, paragraph 1). Furthermore, in the Tender Offer, share certificates owned by special related parties, excluding Shares to be Sold held by Pasona Group and treasury shares held by the Target Company, will also be subject to the Tender Offer. Therefore, “Number of Voting Rights Represented by Shares Held by Specially Related Parties After the Tender Offer” indicates only the number of the voting rights (812,104 voting rights) for the Shares to be Sold held by Pasona Group.
- (Note 3) “Number of Voting Rights of All Shareholders of the Target Company (as of September 30, 2023)” is the number of voting rights of all shareholders as of September 30, 2023, as stated in the Target Company’s Quarterly Report. Given that odd-lot shares (excluding the treasury shares less than one unit owned by the Target Company) are also subject to the Tender Offer, however, in calculating “Ownership Ratio of Shares Before the Tender Offer” and “Ownership Ratio of Shares After the Tender Offer,” the number of voting rights (1,585,825 voting rights) for the number of shares (158,582,592 shares) obtained by deducting the number of treasury shares (450,388 shares) held by the Target Company as of December 31, 2023, as reported by the Target Company, and the BBT-Owned Shares (157,920 shares) as of the same date, as reported by the Target Company, from the total outstanding shares of the Target Company (159,190,900 shares) as of the same date, as stated in the Target Company’s Quarterly Summary Financial Results, is used as the denominator in the calculation.
- (Note 4) The figures in “Ownership Ratio of Shares Before the Tender Offer” and “Ownership Ratio of Shares After the Tender Offer” are rounded to two decimal places.
- (Note 5) Asset Management One Co., Ltd., which is a special related party under the formal criteria of the Tender Offeror (hereafter in this (Note 5) referred to as the “Special Related Party”), is engaged in the investment management business (as listed in Article 28, paragraph 4 of the Act; this being applicable hereinafter too) and has today submitted the “Notification of Special Exceptions for Prohibition of Separate Purchase” declaring the following matters to the Director-General of the Kanto Local Finance Bureau (hereafter in this (Note 5) referred to as the “Notification”) in accordance with Article 27-5, item 2 of the Act because a trust bank, etc. may own the Target Company Shares or acquire or assign the same in the future in accordance with management instructions of the Special Related Party.
- (i) As of the date when it submitted the Notification, the Special Related Party does not agree with the Tender Offeror to jointly acquire or assign the Target Company Shares or to exercise the voting right or any other rights as a shareholder of the Target Company or to assign or be assigned the Target Company Shares to or from it after the Tender Offer and is not a party listed in Article 27-2, paragraph 7, item 2 of the Act.
 - (ii) During the Tender Offer Period, the Special Related Party will not purchase shares issued by the Target Company in a course of business other than the investment management business.
 - (iii) During the Tender Offer Period, the Special Related Party will not assign shares issued by the Target Company and owned by the Special Related Party to the Tender Offeror or its special relate parties and will not exercise the voting right or any other rights jointly with them as a shareholder or investor in the Target Company.
 - (iv) The Special Related Party is engaged in the investment management business and, in accordance with its instructions, a trust bank, etc. may acquire or assign the shares issued by

Target Company but, during the Tender Offer Period, the Special Related Party will not give any instruction to assign shares issued by the Target Company to the Tender Offeror or its special related parties.

- (v) The Special Related Party is engaged in the investment management business and, in accordance with its instructions, a trust bank, etc. may exercise the voting right pertaining to the shares issued by Target Company but, during the Tender Offer Period, the Special Related Party will not give any instruction to exercise the voting right or any other rights jointly with the Tender Offeror or its special related parties as a shareholder or investor in the Target Company.

(7) Purchase Price

168,129,773,216 yen

(Note) The above “purchase price” is the amount obtained by multiplying the number of shares to be purchased (77,372,192 shares) for the Tender Offer by the Tender Offer Price (2,173 yen).

(8) Method of Settlement

(i) Name and Location of the Head Office of the Securities Company, Bank, etc. that Settles the Purchase
Mizuho Securities Co., Ltd. 1-5-1, Ote-machi, Chiyoda-ku, Tokyo

(ii) Commencement Date of Settlement

March 18, 2024 (Monday)

(Note) If the Target Company submits a opinion report requesting an extension of the Tender Offer Period, pursuant to the provisions of Article 27-10, paragraph 3 of the Act, the commencement date of settlement will be Tuesday, April 2, 2024.

(iii) Method of Settlement

After the expiration of the Tender Offer Period, a notice of purchase through the Tender Offer is mailed to the address of the tendering shareholders (or the standing proxy in the case of foreign shareholders) without delay. The purchase is made for cash. On or after the commencement date of settlement, the Tender Offer Agent shall transfer the sales proceeds for purchased shares to the place designated by the tendering shareholders (or the standing proxy in the case of foreign shareholders) or shall pay to the account of the tendering shareholders who accepted a tender of the Tender Offer Agent without delay in accordance with instructions of the tendering shareholders (or the standing proxy in the case of foreign shareholders).

(iv) Method of Returning Shares, etc.

If it is decided that none of the Tendered Shares are purchased according to the conditions stated in “(i) Conditions Listed in the Items of Article 27-13, paragraph 4 of the Act and the Details of those Conditions” or “(ii) Conditions of Withdrawal, etc. of Tender Offer, Details Thereof and Method of Disclosure of Withdrawal, etc.” in “(9) Other Conditions and Procedures of the Tender Offer” below, the shares required to be returned are restored to the state they were in as of the time of the tender application promptly after two business days following the last day of the Tender Offer Period (where the Tender Offer has been withdrawn, the day when the withdrawal was made) by the Tender Offer Agent.

(9) Other Conditions and Procedures of the Tender Offer

(i) Conditions Listed in the Items of Article 27-13, paragraph 4 of the Act and the Details of those Conditions

If the total number of the Tendered Shares is less than the minimum number of shares to be purchased (24,511,300 shares), the Tender Offeror will not purchase any of the Tendered Shares. If the total number of the Tendered Shares is no less than the minimum number of shares to be purchased (24,511,300 shares), the Tender Offeror will purchase all of the Tendered Shares.

(ii) Conditions of Withdrawal, etc. of Tender Offer, Details Thereof and Method of Disclosure of Withdrawal, etc.

If any event listed in Article 14, paragraph 1, items 1(a) through 1(j) and items 1(m) through 1(t), items 3(a) through 3(h) and item 3(j), and Article 14, paragraph 2, items 3 through 6 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; the “Order”) occurs, the Tender Offer may be withdrawn. (i) If the organ responsible for making decisions on the execution of operations of the Target Company makes a decision to make a payment of dividends of surplus (excluding cases where the amount of money or other property delivered to shareholders is expected to be less than the amount equivalent to 10% of the book value of the net assets on the non-consolidated balance sheet as of the last day of the latest business year of the Target Company (2,568 million yen (Note))) with the record date being the date before the commencement date of settlement related to the Tender Offer (including cases where the date before the commencement date of settlement related to the Tender Offer has been determined to be the record date for the payment of dividends of surplus without indicating the specific amount of dividends of surplus), and (ii) if the organ responsible for making decisions on the execution of operations of the Target Company makes a decision to repurchase the Target Company Shares (excluding cases where the amount of money or other property delivered in exchange for share acquisition is expected to be less than the amount equivalent to 10% of the book value of the net assets on the non-consolidated balance sheet as of the last day of the latest business year of the Target Company (2,568 million yen)), the Tender Offeror may withdraw the Tender Offer as a case constituting “facts equivalent to those set forth in (a) to (s)” under Article 14, paragraph 1, item 1(t) of the Order. Furthermore, the “facts equivalent to those set forth in (a) through (i)” set forth in Article 14, paragraph 1, item 3(j) of the Order mean (i) cases where statutory disclosure documents submitted by the Target Company in the past turn out to contain false statements regarding material matters or to omit statements regarding material matters to be stated, and (ii) cases where facts set forth in (a) through (g) of the same item occur in any of the Target Company’s material subsidiaries.

In order to withdraw the Tender Offer, the Tender Offeror will issue an electronic public notice and post the notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to issue a public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method stipulated in Article 20 of the Cabinet Office Ordinance and subsequently issue a public notice as soon as possible.

(Note) Assuming there is no change in the total number of issued shares and the number of treasury shares, the dividend amount per share is equivalent to 17 yen (specifically, the calculation is made by dividing the amount equivalent to 10% of the net assets (25,684 million yen) on the Target Company’s non-consolidated balance sheet as of March 31, 2023, as stated in the 28th Annual Securities Report submitted by the Target Company on June 30, 2023 (2,568 million yen) (rounded down to the nearest million yen) by the number of shares (158,740,512 shares) calculated by deducting the number of treasury shares (450,388 shares) held by the Target Company as of December 31, 2023, as reported by the Target Company, from the total number of issued shares as of December 31, 2023 stated in the Target Company’s Quarterly Summary Financial Results (159,190,900 shares), and rounding up the fraction less than 1 yen).

(iii) Conditions to Reduce Purchase Price, Details Thereof and Method of Disclosure of Reduction

In accordance with Article 27-6, paragraph 1, item 1 of the Act, if the Target Company conducts any act listed in Article 13, paragraph 1 of the Order during the Tender Offer Period, the purchase price may be reduced pursuant to the standards set forth in Article 19, paragraph 1 of the Cabinet Office Ordinance.

In order to reduce the purchase price, the Tender Offeror will issue an electronic public notice and post the notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to issue a public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method stipulated in Article 20 of the Cabinet Office Ordinance and subsequently issue a public notice as soon as possible. If the purchase price is reduced, Tendered Shares that were tendered on or before the date of the public notice are also purchased at the reduced purchase price.

(iv) Matters Concerning Tendering Shareholders’ Rights to Cancel Their Agreements

The tendering shareholders may cancel their agreements on the Tender Offer at any time during the Tender Offer Period. If a tendering shareholder wishes to cancel the agreement, the tendering shareholder must deliver or mail a written notice stating its intention to cancel the agreement on the Tender Offer (the “Cancellation Notice”) to the head office or nationwide branch offices of the Tender Offer Agent that accepted the tender application by 3 p.m. on the last day of the Tender Offer Period. Cancellation of agreement comes into effect when the Cancellation Notice is delivered to or reaches the Tender Offer Agent. Therefore, the cancellation is

conditional on the Cancellation Notice reaching the Tender Offer Agent by 3 p.m. on the last day of the Tender Offer Period.

Person authorized to receive the Cancellation Notice

Mizuho Securities Co., Ltd. 1-5-1, Ote-machi, Chiyoda-ku, Tokyo
(and other Mizuho Securities Co., Ltd. branches nationwide)

The Tender Offeror will not make any claim for damages or a penalty payment to the tendering shareholders due to the cancellation of the agreement by the tendering shareholders. In addition, the Tender Offeror will bear the cost of returning the Tendered Shares to the tendering shareholders. If a cancellation is proposed, the Tendered Shares will be returned in a manner stated in “(iv) Method of Returning Shares, etc.” in “(8) Method of Settlement” above promptly after completion of procedures for the cancellation proposed.

(v) Method of Disclosure in Case of Changing Purchase Terms

Excluding cases prohibited by Article 27-6, paragraph 1 of the Act and Article 13 of the Order, the Tender Offeror may change the purchase terms during the Tender Offer Period. If the Tender Offeror wishes to change the purchase terms, it will issue an electronic public notice regarding the details of the change and post the notice to that effect in the Nihon Keizai Shimbun. However, if it is difficult to issue a public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method stipulated in Article 20 of the Cabinet Office Ordinance and subsequently issue a public notice immediately. If the purchase terms have been changed, Tendered Shares that were tendered on or before the date of the public notice are also purchased based on the changed purchase terms.

(vi) Method of Disclosure in Case of Filing of Amendment Statement

If the Tender Offeror files an amendment statement with the Director-General of the Kanto Local Finance Bureau (excluding the cases set forth in the proviso to Article 27-8, paragraph 11 of the Act), the Tender Offeror will immediately make a public announcement on the details relating to those described in the public notice of the commencement of the Tender Offer among other things in the amendment statement, by the method stipulated in Article 20 of the Cabinet Office Ordinance. The Tender Offeror will also immediately amend the explanatory statement of the Tender Offer and deliver the amended explanatory statement of the Tender Offer to the tendering shareholders to whom the explanatory statement of the Tender Offer has already been delivered. However, if the scope of the amendment is limited to a small range, the amendment may be made by preparing a document stating the reason for amendment and the subject matters before and after the amendment, and delivering the document to the tendering shareholders.

(vii) Method of Disclosure of Results of Tender Offer

The results of the Tender Offer will be publicly announced on the day following the last day of the Tender Offer Period using the method stipulated in Article 9-4 of the Order and Article 30-2 of the Cabinet Office Ordinance.

(viii) Other Matters

The Tender Offer will not be made, directly or indirectly, in or to the U.S., or by using the U.S. postal service or any other means or instrument of interstate or international commerce (including, but not limited to, telephone, telex, facsimile, e-mail, and internet communication), or through any securities exchange facility in the U.S. No one can tender shares in the Tender Offer by any means or instrument above, or through any facility above, or from the U.S.

In addition, this Document and related documents will not and may not be sent or delivered by the postal service or any other means in, to, or from the U.S. Any tender of shares in the Tender Offer that directly or indirectly breaches the above restrictions will not be accepted.

Upon tendering shares through the Tender Offer, each of the tendering shareholders (or the standing proxy in the case of foreign shareholders) may be required to represent and warrant the following to the tender offer agent or subagent:

- The tendering shareholder is not located in the U.S. at the time of tendering shares or sending the tender offer acceptance form;
- the tendering shareholder has not received or sent any information regarding the Tender Offer (including copies thereof), directly or indirectly, in, to or from the U.S.;
- the tendering shareholder does not use, directly or indirectly, the U.S. postal service or any other means or instrument of interstate or international commerce (including, but not limited to, telephone, telex, facsimile, e-mail, and internet communication) or any securities exchange facility in the U.S. with respect to the purchase or for signing or delivering the tender offer acceptance form;

- and the tendering shareholder is not acting as an agent, a trustee or a mandatary without discretion for another person (except for the case where the latter provides all instructions for the purchase from outside the U.S.).

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

February 9, 2024 (Friday)

(11) Tender Offer Agent

Mizuho Securities Co., Ltd. 1-5-1, Ote-machi, Chiyoda-ku, Tokyo

3. Policies After Tender Offer and Future Prospects

Please see “(2) Background, Purpose and Decision-making Process Which Led to the Decision to Implement the Tender Offer and Management Policy After the Tender Offer,” “(4) Policies for Reorganization After the Tender Offer (Matters Concerning So-Called Two-Step Acquisition),” and “(5) Possibility of Delisting and Reasons Therefor” of “1. Purpose of the Purchase” above.

4. Other Matters

(1) Agreements Between the Tender Offeror and the Target Company or its Officers, and the Details Thereof

(i) Declaration of Affirmative Opinion on the Tender Offer

According to the Target Company Press Release, the Target Company, at the Target Company’s board of directors meeting held today, has resolved to (i) express its opinion in favor of the Tender Offer and recommend that the Target Company’s shareholders tender their shares in the Tender Offer and (ii) change its opinion announced on November 14, 2023 in relation to the M3 Tender Offer (under which it expressed its opinion in favor of the M3 Tender Offer and left it to the Target Company’s shareholders to decide whether to tender in the M3 Tender Offer) and reserve its opinion as to whether it approves the M3 Tender Offer and whether it recommends tendering in the M3 Tender Offer.

For details, please refer to the Target Company Press Release and “(v) Approval of All Non-interested Directors of the Target Company (Including Directors Who are Audit and Supervisory Committee Members)” under “(3) Measures to Ensure Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” in “1. Purpose of Purchase” above.

(ii) The Agreement for the Target Company

In implementing the Tender Offer, the Tender Offeror entered into the Agreement for the Target Company with the Target Company as of February 8, 2024.

For details of the Agreement for the Target Company, please refer to “(ii) The Agreement for the Target Company” in “(6) Matters Concerning Material Agreements Regarding the Tender Offer” in “1. Purpose of Purchase” above.

(2) Other Information Deemed Necessary for Investors to Decide Whether or Not to Tender

(i) Announcement of “Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Q3 FY03/24) [Based on Japanese GAAP]”

The Target Company published the “Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Q3 FY03/24) [Based on Japanese GAAP]” on January 31, 2024. A summary of the announcement can be found below. According to the Target Company, the details of the announcement have not undergone a quarterly review by an audit corporation pursuant to the provisions of Article 193-2, paragraph 1 of the Act. Furthermore, the summary is an excerpt of the details announced by the Target Company, and the Tender Offeror has not independently verified its accuracy and credibility. For details, please refer to the relevant announcement.

(I) Status of loss and profit (consolidated)

Fiscal year and month	Third quarter of the fiscal year ending March 2024
Sales	28,376 million yen
Operating income	5,820 million yen
Ordinary income	5,842 million yen
Net income attributable to owners of parent company	3,923 million yen

(II) Status per share (consolidated)

Fiscal year and month	Third quarter of the fiscal year ending March 2024
Net income per share	24.77 yen
Dividend amount per share	—

(ii) Announcement of “Notice Concerning the Revision of Full-year Consolidated Performance Forecasts for FY03/24 and Revision of Year-End Dividend Forecast (No Dividend) and Abolition of Shareholder Special Benefit Plan

At the Target Company’s board of directors meeting held today, the Target Company resolved to revise the consolidated financial results forecast for the fiscal year ending March 2024, announced on November 14, 2023, as well as to revise the dividend forecast for the fiscal year ending March 2024, not to make the year-end dividend for the fiscal year ending March 2024, and to abolish the shareholder special benefit plan at the end of the fiscal year ending March 2024 on the condition that the Tender Offer is successfully completed. For details, please refer to the “Notice Concerning the Revision of Full-year Consolidated Performance Forecasts for FY03/24 and Revision of Year-End Dividend Forecast (No Dividend) and Abolition of Shareholder Special Benefit Plan” announced by the Target Company today.

End