February20, 2024

To Whom It May Concern:

Company Name:	Snow Peak, Inc.	
Representative:	Chairperson and President, Executive Officer	Tohru Yamai
	(Code No.: 7816; listed on the Prime Market of the TSE)	
Contact:	Executive Officer, Director of Business Management	Satoshi Kaneko
		TEL.: 03-6805-7738

Notice concerning Implementation of MBO and Recommendation to Tender

Snow Peak, Inc. (the "Target Company") hereby announces that it has resolved, at its Board of Directors meeting held today, that it will express an opinion in support of a tender offer for its common shares (the "Target Company Shares") to be conducted by BCJ-80 Corporation (the "Tender Offeror") as part of a "Management Buyout (MBO)" (Note 1) (the "Tender Offer"), and recommend that the Target Company's shareholders apply for the Tender Offer, as detailed below.

The resolution of the Board of Directors was made on the assumption that the Target Company Shares are scheduled to be delisted following the Tender Offer and a series of subsequent procedures.

Note 1: "Management Buyout (MBO" means a transaction in which a tender offer is conducted by the Tender Offeror based on an agreement with the officers of the acquired company and share common interests with the officers of the acquired company.

1. Outline of the Tender Offeror

(1)	Name	K.K. BCJ-80	
(2)	Location	5F Palace Building, 1-1-1 Marunouchi, Chiyoda-ku, Tokyo	
(3)	Title and Name of Representative	Yuji Sugimoto, Representative Director	
(4)	Business Description	To acquire and hold the Share Certificates, etc. of the Target Company and control and manage the business activities of the Target Company	
(5)	Capital	JPY5,000	
(6)	Incorporation Date	January 31, 2024	
(7)	Major Shareholder(s) and Shareholding Ratio	K.K. BCJ-79 (the "Tender Offeror's Parent Company")	100.00%
(8)	Relationship between the Target Company and the Tender Offeror		
	Capital Relationship	N/A	
	Personal Relationship	N/A	
	Transactional Relationship	N/A	
	Applicability as a Related Party	N/A	

2. Tender Offer Price

JPY1,250 per share of common stock (the "Tender Offer Price")

3. Details of, and Grounds and Reasons for, the Opinion Regarding the Tender Offer

(1) Details of the Opinion

The Target Company has resolved, at its Board of Directors meeting held today, that it will express an opinion in support of the Tender Offer and recommend that its shareholders apply for the Tender Offer, based on the ground and reasons as described in "B. Grounds and Reasons for the Opinion" below.

The above resolution was made in the manner set out in "(iv) Unanimous approval of the disinterested directors (including audit and supervisory committee members, etc.) of the Target Company" of "6. Measures to Ensure Fairness of the Tender Offer, Such as Measures to Ensure Fairness of the Tender Offer Price as Well as Measures to Avoid Conflicts of Interest."

(2) Grounds and Reasons for the Opinion

The descriptions concerning the Tender Offeror described in this "2. Grounds and Reasons for the Opinion" are based on the explanations given by the Tender Offeror.

(i) Overview of the Tender Offer

The Tender Offeror is a wholly-owned subsidiary company of the Tender Offeror's Parent Company, whose entire shares are indirectly owned by an investment fund that receives investment advice from Bain Capital Private Equity, LP and its group (individually or collectively, "Bain Capital"), and a stock company which was established on January 31, 2024 chiefly for the purpose of owning the Target Company Shares and controlling and managing the business activities of the Target Company. As of the filing date of this Statement, Bain Capital, the Tender Offeror ,and the Tender Offeror's Parent Company do not own any Target Company Shares.

Bain Capital is an international investment company with assets under management worth approximately USD 175 billion worldwide, whose more than 50 employees have been proceeding with the effort to improve the corporate value of investees in Japan since it opened its Tokyo base in 2006. Bain Capital principally consists of professionals with experience mainly in business companies and consulting companies. Bain Capital steadily implemented a growth strategy by supporting business operation at a field level in addition to providing capital and financial support that general investment companies provide, and has a record of leading numerous value improvement measures toward success. Bain Capital has a record of investing in 31 companies in Japan including SYSTEM INFORMATION CO.,LTD., IDAJ Co., LTD., EVIDENT CORPORATION (succeeded the former science business of Olympus), Impact HD Inc., MASH Holdings Co.,Ltd., Hitachi Metals, Ltd. (current, Proterial, Ltd.), Net Marketing Co. Ltd., Tri-Stage Inc., Linc'well Inc., Nihon Safety Co., Ltd., IGNIS LTD., Kirindo Holdings Co., Ltd., Hey, Kabushiki Kaisha (current, STORES, Inc.), NICHIIGAKKAN CO., LTD., SHOWA AIRCRAFT INDUSTRY CO.,LTD., Cheetah Digital Kabushiki Kaisha (current, Ember Point Co., Ltd.), Works Human Intelligence Co., Ltd., Toshiba Memory Corporation (current, Kioxia Corporation) and other companies. Since its establishment in 1984, Bain Capital has a record of global investment in approximately 300 companies, and approximately 1,150 or more companies including additional investment.

The Tender Offeror will implement the Tender Offer as part of a series of transactions (the "Transactions") for the so-called management buyout (MBO) by acquiring all of the Target Company Shares (this excludes treasury shares owned by the Target Company and Shares Agreed Not to be Tendered (as defined below)) listed on the Prime Market (the "TSE Prime Market") of the Tokyo Stock Exchange, Inc. (the "TSE").

In implementing the Tender Offer, the Tender Offeror executed an agreement to tender (the "Agreement to Tender") with Ms. Mieko Watanabe and Ms. Yoshiko Yamai (collectively, the "Shareholders Agreed to Tender"), who are relatives of Tohru Yamai, the Target Company's Chairman, President and Representative Director and largest shareholder ("Mr. Yamai"), as of February 20, 2024, respectively, and has agreed to tender all of the Target Company Shares owned by Ms. Mieko Watanabe (180,000 shares, ownership ratio (Note 1): 0.47%) and all of the Target Company Shares owned by Ms. Yoshiko Yamai (162,000 shares, ownership ratio: 0.42%) (total number of shares: 342,000 shares (the "Shares Agreed to be Tendered"), total ownership ratio: 0.90%) in the Tender Offer.

In addition, the Tender Offeror executed an agreement not to tender (the "Agreement Not to Tender") with Mr. Yamai, Seppousha, Inc. ("Seppousha"), a company all of whose voting rights are held by Mr. Yamai and which is the fifth largest shareholder of the Target Company, Setsuryusha, Inc. ("Setsuryusha"), a company all of whose voting rights are held by Mr. Yamai, Rihou, Inc. ("Rihousha"), a company all of whose voting rights are held by Mr. Yamai and Jippou, Inc. ("Jippousha"), a company all of whose voting rights are held by Mr. Yamai, and Mr. Ryusuke Yamai (Mr. Yamai's second-born son and the 8th largest shareholder of the Target Company), Ms. Risa Yamai (Mr. Yamai's first-born daughter and the 10th largest shareholder of the Target Company), Ms. Natsumi Itakura (Mr. Yamai's second-born daughter), Mr. Yuma Yamai (Mr. Yamai's first-born son), and Ms. Takako Yamai (Mr. Yamai's spouse, collectively, the "Shareholders Agreed Not to Tender"), who are relatives of Mr. Yamai, as of February 20, 2024, and has agreed not to tender all of the Target Company Shares owned by Mr. Yamai (5,419,755 shares, ownership ratio: 14.21%), all of the Target Company Shares owned by Seppousha (1,118,800 shares, ownership ratio: 2.93%), all of the Target Company Shares owned by Setsuryusha (400,000 shares, ownership ratio: 1.05%), all of the Target Company Shares owned by Rihousha (400,000 shares, ownership ratio: 1.05%) and all of the Target Company Shares owned by Jippousha (400,000 shares, ownership ratio: 1.05%), and all of the Target Company Shares owned by Mr. Ryusuke Yamai (939,840 shares, ownership ratio: 2.46%), all of the Target Company Shares owned by Ms. Risa Yamai (736,574 shares, ownership ratio: 1.93%), all of the Target Company Shares owned by. Ms. Natsumi Itakura (734,080 shares, ownership ratio: 1.93%), all of the Target Company Shares owned by Mr. Yuma Yamai (384,160 shares, ownership ratio: 1.01%) and all of the Target Company Shares owned by Ms. Takako Yamai (349,308 shares, ownership ratio: 0.92) (total number of shares: 10,882,517 shares (the "Shares Agreed Not to be Tendered"), total ownership ratio: 28.54%) in the Tender Offer. For details on the Agreement to Tender and the Agreement Not to Tender, please see "(6) Material agreements Concerning Tender Offer" below.

(Note 1) "Ownership ratio" means the ratio (rounded to two decimal places) to the number of shares obtained (38,133,380 shares) by deducting (A) the number of treasury shares that the Target Company owns as of the same date (6,620 shares) (the Target Company Shares held by the Target Company as trust assets regarding the performance-linked stock compensation system for officers (BBT) and the employee stock ownership plan for employees (ESOP) are not included; the same applies hereafter), from (B) the total number of issued shares as of December 31, 2023 (38,140,000 shares), as stated in the "Consolidated Financial Results for the Fiscal Year Ended December 31, 2023 (under Japanese GAAP)" (the "Target Company's Financial Results") announced by the Target Company on February 13, 2024. The same applies hereinafter.

In the Tender Offer, the Tender Offeror sets the minimum planned purchase quantity at 14,539,700 shares (ownership ratio: 38.13%), and if the total number of the Share Certificates, etc. tendered in the Tender Offer (the "Tendered Share Certificates") falls short of the minimum planned purchase quantity (14,539,700 shares), the Tender Offeror will purchase none of the Tendered Share Certificates. On the other hand, given that the purpose of the Tender Offer is to obtain all of the Target Company Shares (excluding the treasury shares owned by the Target Company and the Shares Agreed Not to be Tendered), the Tender Offeror has not set any maximum planned purchase quantity. The Tender Offeror will purchase all of the Tendered Share Certificates if the total number of the Tendered Share Certificates is no less than the minimum planned purchase quantity. Given that the special resolution at a shareholders meeting as provided in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended; the "Companies Act") is required to implement the procedures for consolidation of shares in order to carry out a series of procedures to make the Tender Offeror and the Shareholders Agreed Not to Tender the only shareholders of the Target Company (the "Squeeze Out Procedures") as set out in (5) Post-Tender Offer Reorganization Policy (Matters regarding the so-called Two-Step Acquisition) below, in order to ensure the implementation of the Transactions, the Tender Offeror has set the minimum planned purchase quantity (14,539,700 shares) to the number of shares obtained by the following formula: (A) multiplying by the number of share units (100 shares) of the Target Company (B) the number of voting rights (254,222 units) obtained by multiplying 2/3 by the number of voting rights (381,333 units) pertaining to the number of shares obtained by deducting the number of the treasury shares that the Target Company owns (6,620 shares) from the total number of issued shares as of December 31, 2023, as stated in the Target Company's Financial Results (38,140,000 shares) and deducting the number of voting rights (108,825 units) pertaining to the number of the Shares Agreed Not to be Tendered (10,882,517 shares).

If the Tender Offer is successfully completed, the Tender Offeror plans to receive a capital contribution of up to JPY 12.5 billion from the Tender Offeror's Parent Company by 2 business days before the commencement date of the settlement of the Tender Offer (the "Settlement Commencement Date") and a loan of up to JPY 22 billion from MUFG Bank Ltd., Sumitomo Mitsui Banking Corporation, The Bank of Yokohama, Ltd., and Daishi Hokuetsu Bank, Ltd. by 1 business day before the Settlement Commencement Date (the "Acquisition Loan"). The Tender Offeror plans to use these funds to settle the Tender Offer.

If the Tender Offeror fails to acquire all of the Target Company Shares (excluding the treasury shares owned by the Target Company and the Shares Agreed Not to be Tendered) through the Tender Offer even though the Tender Offer has been successfully completed, after the successful completion of the Tender Offer, the Tender Offeror plans to implement the Squeeze Out Procedures to make the Tender Offeror and the Shareholders Agreed Not to Tender the only shareholders of the Target Company, as set out in "(5) Post-Tender Offer Reorganization Policy (Matters regarding the so-called Two-Step Acquisition)" below.

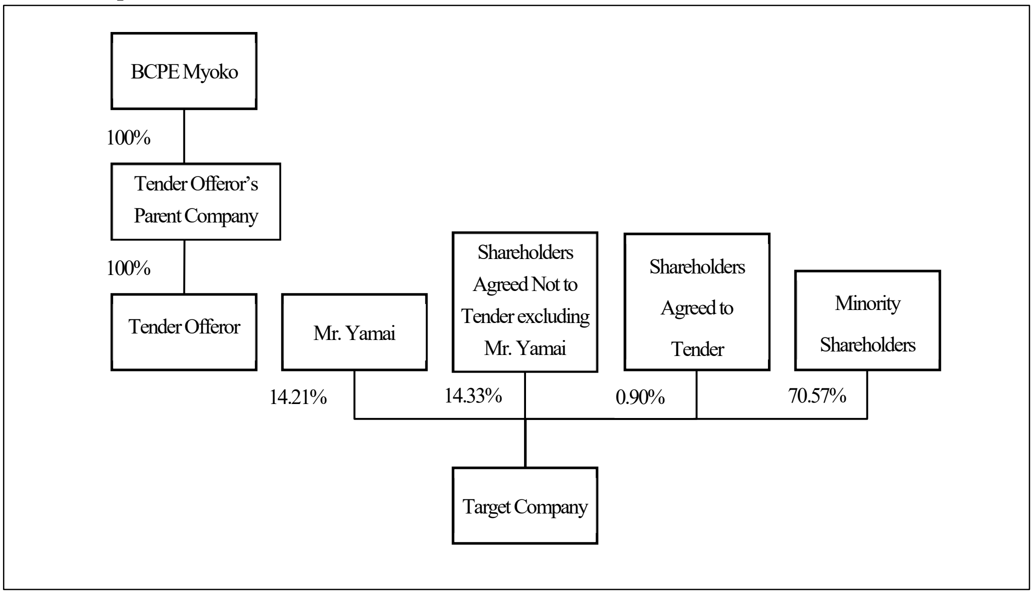
Mr. Yamai plans to continue to manage the Target Company after the successful completion of the Tender Offer and is considering indirectly owning the shares of the Tender Offeror after the completion of the Tender Offer in order to have a common goal to improve the corporate value. In addition, the Shareholders Agreed Not to Tender except for Mr. Yamai are relatives of Mr. Yamai or their asset management companies, and they are also considering indirectly owning shares of the Tender Offeror. Therefore, after the completion of the Squeeze Out Procedures, the Shareholders Agreed Not to Tender and the Tender Offeror plan to implement a share exchange (the "Triangular Share Exchange") in which the Tender Offeror is the wholly owning parent company and the Target Company is the wholly owned subsidiary company and for which the common shares of the Tender Offeror's Parent Company is the consideration, subject to the completion of the Squeeze Out Procedures, and implement the procedures necessary for the Shareholders Agreed Not to Tender to acquire the shares of the Tender Offeror's Parent Company, which is the consideration of the Triangular Share Exchange. In determining the exchange ratio of the Triangular Share Exchange, the value of the Target Company Shares will be evaluated at the same amount as the purchase price, etc. per share of the Target Company Shares in the Tender Offer (the "Tender Offer Price") so as not to contradict the purpose of the uniformity of the tender offer price (Article 27-2, Paragraph 3 of the Act), and the share exchange ratio will be set at a value which will not be a more favorable condition than the Tender Offer Price. Ultimately, the ownership ratio regarding the common shares of the Shareholders Agreed Not to Tender and BCPE Myoko Cayman L.P. ("BCPE Myoko"), which is the wholly owning parent company of the Tender Offeror's Parent Company as of the filing date of this Statement, will be 45:55 in principle (Note 2).

(Note 2) If this ownership ratio is not achieved through the Triangular Share Exchange alone, before or after the Triangular Share Exchange, the Tender Offeror plans to make adjustments to achieve such ratio by transferring the Target Company Shares or the common shares of the Tender Offeror's Parent Company on a relative basis, as necessary, between the Shareholders Agreed Not to Tender and the Tender Offeror (if adjustments are made prior to the Triangular Share Exchange) or between the Shareholders Agreed Not to Tender and BCPE Myoko (if adjustments are made after the Triangular Share Exchange). Furthermore, the consideration upon the transfer on a relative basis is planned to be evaluated at the same amount as the Tender Offer Price and set at a price that will not be a more advantageous condition than the Tender Offer Price so as not to contradict the purpose of the uniformity of the tender offer price (Article 27-2, Paragraph 3 of the Act).

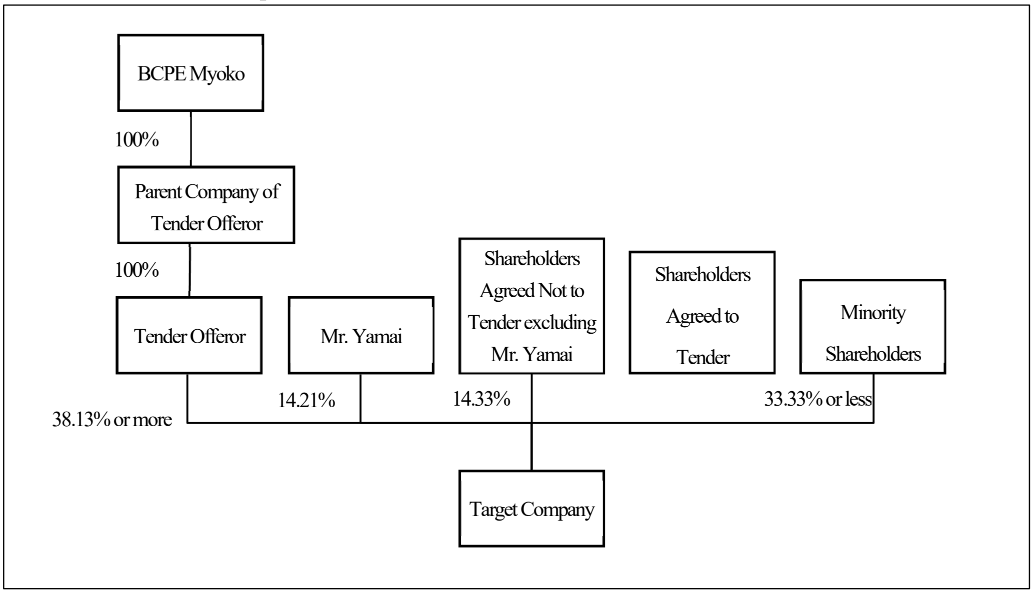
<Summary diagrams of the structures of the Tender Offer and each procedure contemplated thereafter>

The following is a diagrammatic summary of the Tender Offer currently planned and each of the procedures contemplated thereafter.

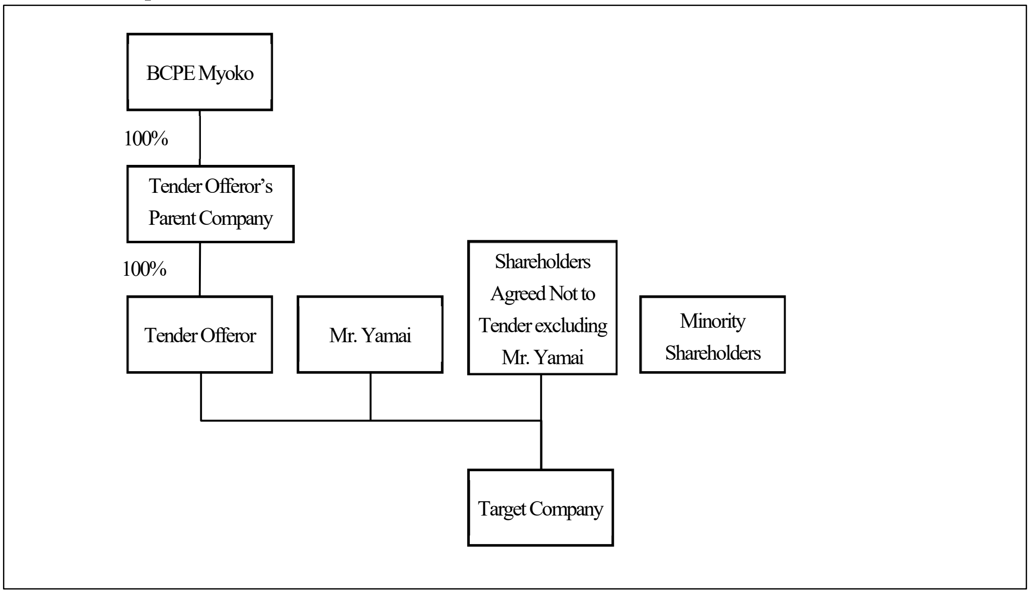
I. Before implementation of the Tender Offer



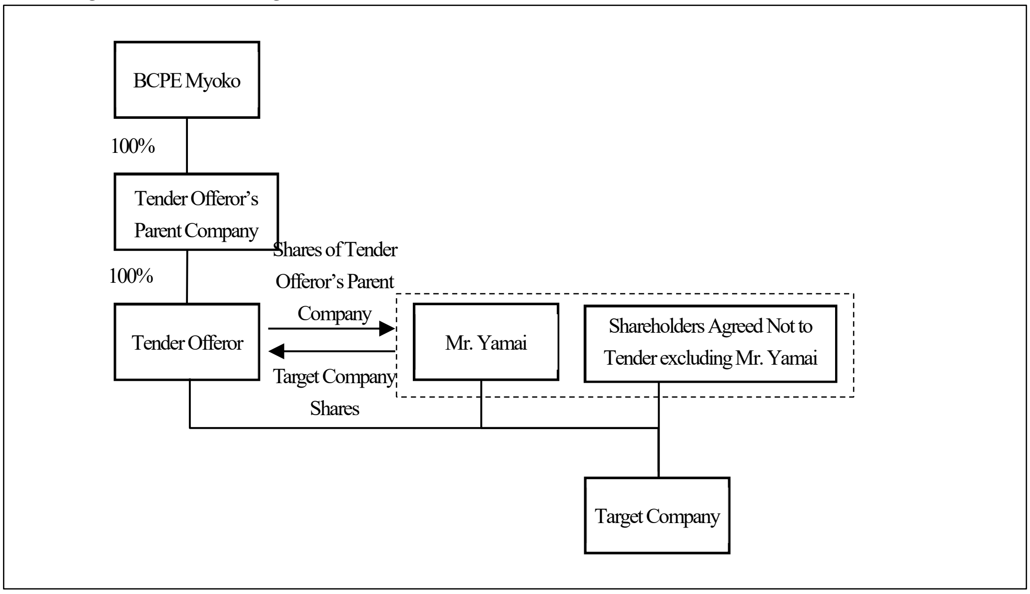
II. After the successful completion of the Tender Offer



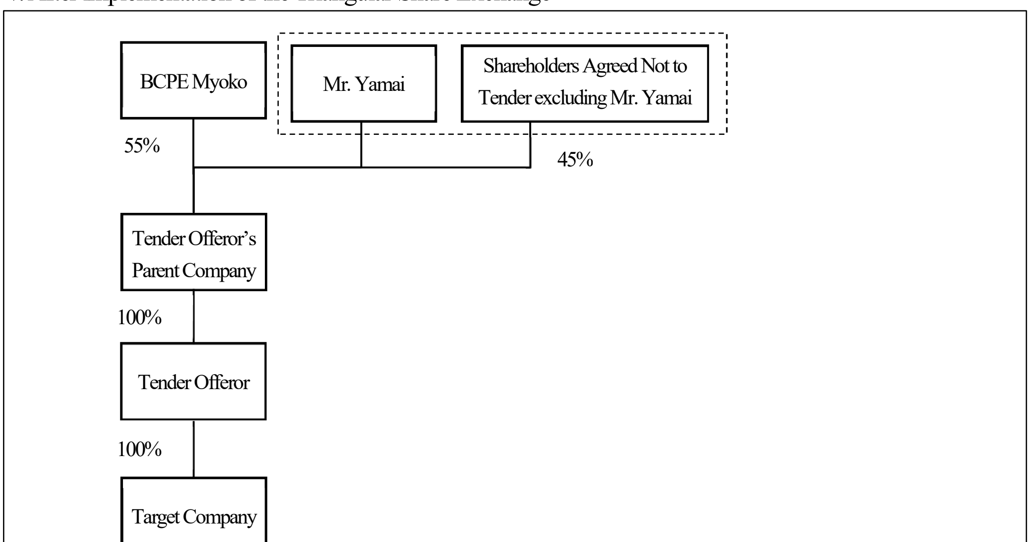
III. After the Squeeze Out Procedures



IV. Triangular Share Exchange



V. After implementation of the Triangular Share Exchange



(ii) Background, purpose and decision-making process leading to decision to implement the Tender Offer and management policy after the Tender Offer

a. Background, purpose and decision-making process leading to decision to implement the Tender Offer

As of today's date, the Target Company's group consists of the Target Company, 15 consolidated subsidiaries, and 3 equity method affiliates (collectively, the "Target Company Group"), and is engaged in the development, manufacture and sale of outdoor products, mainly camping equipment, apparel products, and other products.

The Target Company was established in July 1958 as Yukio Yamai Shoten and later changed its name to Snow Peak Inc. in 1996. Thereafter, it was listed on the Mothers market of the TSE in December 2014, received the designation of First Section of the TSE in December 2015, and was listed on the TSE Prime Market due to a change in the market classification of the TSE on April 4, 2022.

The Target Company Group's social mission is the "recovery of humanity and nature-oriented life values (Note 1)," and the Target Company Group has developed its business to date in order to provide life values through "excursions" across all life scenes: food, wear, life, work and camp. The products developed, manufactured, and sold by the Target Company Group range from tents, tarps (sunshades), sleeping gear (sleeping bags), and fire pits to furniture (tables, chairs, etc.), kitchen systems, cookware (pots, kitchen tools, etc.), tableware (tableware, etc.), heating gear (stoves, etc.), and lighting gear (lanterns, etc.), apparel (clothing), and shoes (shoes). The Target Company Group considers camping not as a transient leisure activity during the spring and summer seasons, but as excursions that can offer a year-round lifestyle that spans all four seasons or a lifelong lifestyle, as well as an outdoor activity that can provide high life values. Thus, given that the time spent camping is viewed as something that increases the value of one's life, the Target Company Group believes that camping equipment requires comfort, functionality, and durability beyond those of daily necessities. The Target Company Group believes that safety is the most important among those factors, in addition to functionality that can cope with rapidly changing natural environments, and has set high quality standards for the development of its products.

(Note 1) "Life values" is a term coined by the Target Company and refers to the value added to a person's life.

In addition to products developed based on this concept, the Target Company Group has established close ties with its users through customer service sales at its stores, camping events, and communications via social networking services. In particular, "Snow Peak Way," an outdoor event started in 1998 in which Snow Peak users participate, has been held annually for more than 20 years under the slogan, "Let's camp with Snow Peak." "Snow Peak Way" is a valuable opportunity for the Target Company Group to directly listen to the opinions of its users and feel with all five senses the challenges that the Target Company Group needs to overcome, while at the same time providing an opportunity for users to participate in Snow Peak's business by directly letting them express their opinions to officers and employees of the Target Company Group. In recent years, the Target Company Group has also been developing a wide range of businesses targeting the "non-camper" segment, such as with "Snow Peak Eat," which offers outdoor-style meals at stores located in shopping centers, etc., "Urban Outdoor Business" and "Outdoor Office Business," which incorporate outdoor elements into residences and workplaces, and "Regional Revitalization Consulting Business," which aims to revitalize local communities by using its expertise in outdoor activities to refine and disseminate natural resources that lie dormant in the region.

In addition, amid the restriction of activities due to the spread of COVID-19 from 2020 to 2022, the Target Company Group has expanded its customer base and business base as outdoor camping has gained wider recognition as a leisure activity that avoids crowded places, which has led to the acquisition of new campers. However, given that the demand for leisure activities other than outdoor camping such as travel turned into a recovery trend as economic activities gradually normalized due to the increase in vaccination rates and the lifting of the emergency declaration and priority measures to prevent the spread of the disease, etc., in order to demonstrate its growth strategies in light of the above changes in the external environment, on February 15, 2023, the Target Company Group announced its "Mid-term Management Plan (2023-2025)." In these circumstances, the Target Company Group has been aiming for further growth of the Target Company Group by pursuing growth strategies centered on the creation of new campers and achievement of customer loyalization (Note 2) in Japan and overseas and intensifying the management base centered on the realization of a well-developed management structure in parallel. The specific strategies and measures for such growth strategies and strengthening of the management base are as follows.

(Note 2) "Loyal customers" refers to a segment of customers who are attached to a company or its products and continuously purchase them, and "achievement of customer loyalization" refers to having existing customers become loyal customers.

(a) Domestic growth strategy centered on creation of new campers and achievement of customer loyalization

In Japan, the Target Company aims to create new campers and achieve customer loyalization by implementing measures centered on three piers, namely, "base," "experience," and "community." Specifically, with regard to "base," the Target Company is promoting the development of "base of experiences" focusing on Campfield(s) (Note 3) and plans to add approximately 1,000 directly operated Camp fields by 2025. With regard to "experience," the Target Company plans to expand the services and products it offers as well as increase the number of events, thereby approaching a wide range of customers with the aim to enhance guidance to outdoor experiences. The Target Company believes that while it accomplishes the creation of new campers through increasing the number of bases and enhancing the guidance to outdoor experiences through the aforementioned measures, it will promote the loyalization of customers by strengthening the development of a "community" through the utilization of real events and digital tools, enabling it to create a virtuous cycle in customer generation.

(Note 3) Camp field(s) means campsite(s).

(b) Overseas growth strategy

For overseas growth strategy, the Target Company places particular emphasis on growth in the U.S., where the outdoors have taken root in the lifestyle and culture and where there are large campgrounds, and China, where the camping market has not be established but the possibility of the scale of the camping market expanding is high. The Target Company aims to raise visibility of the Target Company Group as a camping brand in the U.S. and China in order to achieve the Target Company's camping style of "enjoying a rich time outdoors" taking root in the U.S. and China. For this purpose, the Target Company believes it is necessary to enhance the opportunity to offer the experience of the Target Company's camping style and to expand and strengthen its sales network. In the U.S., the Target Company has opened a directly operated Campfield, which serves as the core to push forward the enhancement of guidance to experience the Target Company's camping style, thereby advancing the enhancement of opportunities to offer experiences of the Target Company's camping style. With regard to the expansion and strengthening of the sales network, the Target Company is expanding and strengthening the sales network by carrying forward the expansion of shop-in-shops (Note 4) that can represent the Target Company Group's brand.

In China, since the camping culture is at a developing stage and outdoor activities including camping are not widespread as in the U.S., the Target Company aims to raise visibility of the Target Company Group as a camping brand in China in order to achieve the Target Company's camping style taking root in China. With regard to the enhancement of the opportunity to offer the experience of the Target Company's camping style, the Target Company is steadily carrying out the Campfield development project within China and the development of Campfields focusing on the suburbs of first- and new first-tier cities (Note 5) where the Target Company's targets—middle income earners--are concentrated, in order to enhance guidance to experience the Target Company's camping style. In addition, with regard to the expansion and strengthening of the sales network, the Target Company is strengthening its wholesale business by expanding the number of new accounts mainly in coastal areas while promoting the launch of external e-commerce, thereby expanding and strengthening the sales network.

(Note 4) A "shop-in-shop" of the Target Company refers to a point-of-sale at a retail facility such as a shopping center or a store specializing in outdoor activities where the Target Company's products are independently displayed, and where at which sales personnel who have received training and instructions on how to use the Target Company's products serve customers.

(Note 5) First-tier and new first-tier cities refer to large cities that have an important position in nationwide political, economic, and other social activities and are commercially developing in the Chinese city-tier system, which is classified according to the indicators determined by the media group "China Business News," which specializes in Chinese economic information.

(c) Realization of well-developed management structure by intensifying the management base

The Target Company implements "supply chain optimization," "strengthening of business management system," "strengthening of human resources strategy," and "review of sales network" in order to realize the strengthening of its management base

With regard to "supply chain optimization," as described in (b) above, the Target Company is focusing on a growth strategy in the U.S. and China, and believes that it is necessary to establish supply chains as a logistics foundation that meet the demands of the global market, particularly those of the U.S. and China and, thus, it is strengthening its administrative management system that takes a global perspective into account. Specifically, the Target Company is achieving to improve the efficiency and accuracy of overall procurement operations by strengthening the administrative management system pertaining to the production status and delivery information through the use of digital technology, and also to improve the distribution efficiency and sales efficiency by strengthening the distribution network and information management system from the producing country to the country of sale, thereby strengthening the administrative management system.

With respect to the "strengthening of business management system," the Target Company is strengthening its business management system by realizing an appropriate personnel structure through periodical reviews of the consistency between its strategies and the organization as well as improving its financial system centering on administrative accounting, such as by strengthening of the budget control system, reviewing internal cost allocation rules, and tightening the investing standards.

As to "strengthening of human resources strategy," the Target Company is strengthening its human resources strategy by strengthening its human resources development system through enhanced recruitment activities, systematization of training programs, and promotion of career design, as well as by aiming to improve the compensation package for employees including across-the-board pay increase for regular and semi-regular employees in Japan (raise of base salary by a flat 3%) and by newly establishing various benefits for store personnel.

As for the "review of sales network," the Target Company is addressing it from the perspectives of earnings improvement and re-examination of the sales channel strategy, thereby establishing a sustainable sales network. In terms of earnings improvement, the Target Company aims to improve earnings by focusing mainly on low-profit stores and considers earnings improvement measures including store closures upon taking into account not only the profitability but also the effect on its branding, and also by pushing forward the revision in its food service business to replace the existing restaurants to cafes with lower burden of fixed costs. As for the sales channel strategy, the Target Company is reconsidering its direct sales business and wholesale business. Specifically, in the direct sales business, the Target Company is reviewing the ratio of store openings to wholesale and implements the tightening of standards for new store openings, and in the wholesale business, the Target Company is promoting the expansion of stores that can represent the Target Company's brand, primarily in the form of shop-in-shops, thereby re-examining its sales channel strategy.

On one hand, Mr. Yamai recognizes that in the outdoor industry, in which the Target Company mainly engages in business, the interest in outdoor camping that had been increasing under the restrictions on activities due to the spread of the COVID-19 has shifted to various leisure activities such as traveling due to the convergence of the COVID-19, and that the increase in outdoor demand has come to a halt and returning to growth prior to the spread of COVID-19, and, furthermore, amid the market environment in which emerging companies can easily enter, there is a possibility of intensified competition due to the entry of overseas local brands and companies from other industries such as sporting goods, do-it-yourself stores, and apparel.

Furthermore, in early March 2023, Mr. Yamai believed that being in such business environment is the most appropriate timing for the Target Company to significantly shift the direction of the Target Company's business and in order for the Target Company to take a leap and increase its corporate value, it is necessary to further expand the overseas business and develop its business beyond the framework of camping equipment-related business. To this end, Mr. Yamai considers that it is essential to capture the demand overseas including the U.S., Europe, and Oceania regions, where outdoor culture has taken root, and the Asia Pacific region, particularly in China, where outdoor culture including camping has not yet broadly taken root and promising growth in the outdoor field is expected in the future. In addition, while Mr. Yamai intends to promote the expansion of the Target Company’s business mainly in the U.S., South Korea, China, Taiwan, and Europe, where the Target Company is already operating and where growth potential is expected to be particularly high, he also suggests the possibility of utilizing means such as M&A from the viewpoint of rapid and strategic market entry and efficiency. Further, with respect to the existing experiential business and the “Snow Peak” brand strategy, Mr. Yamai believes that it is essential to incorporate and develop whole new business areas where synergies can be expected, utilizing M&A and other means. The specific targets for M&A are assumed to be companies that share “The Snow Peak Way,” and the philosophy, values and vision of the Target Company’s corporate philosophy, namely, respect for the individual’s independence, nature-oriented, global, innovative, user’s perspective, contribution to the earth, etc., and that provide services such as rental and leasing of outdoor-related equipment and activity experience, and Mr. Yamai believes that bringing such companies into the Target Company Group will further accelerate the Target Company's growth. Mr. Yamai also considers that such strategy is in line with the Target Company's basic concept of expanding the life value of users through activities, and that he intends to also consider new businesses that can contribute to further enhancement of the community with users which the Target Company has built up thus far and improvement of new users’ loyalty.

Mr. Yamai has come to believe that in order to steadily promote fundamental changes and non-continuous growth as described above, it is necessary to implement necessary investments and business management measures more flexibly and proactively than ever before, as well as recruit and secure excellent human resources. Mr. Yamai has also come to believe that on the other hand, if these measures are implemented, although it is expected to increase the corporate value of the Target Company in the medium- to long-term, it may cause a decline in profit level or deterioration in cash flow in the short-term, but since the Target Company is a listed company and is required to conduct business with consideration for the interests of the shareholders, it may be difficult to implement measures that might have a negative impact on the shareholders of the Target Company in the short-term, such as a decline in the market price of the Target Company Shares due to deterioration in the financial condition. Accordingly, Mr. Yamai came to realize in late March 2023 that, on the premise that he will continue to be involved in the management of the Target Company, the best means is to first privatize the Target Company Shares and then build a strong and stable new management structure that integrates the shareholders and the management team that enables a flexible and expeditious decision-making, and to engage in the implementation of the Target Company's growth strategy and business structure reforms, as well as the proactive development of its business. In addition, Mr. Yamai recognizes that relying solely on the Target Company's resources has certain limits in terms of both human resources and know-how, and he came to believe in late March 2023 that in order to realize the business structure reform that contributes to the further growth of the Target Company and to increase its corporate value, it would be beneficial to utilize external management resources in addition to the Target Company’s own management efforts. Since Mr. Yamai’s management philosophy as founder has been shared with the

Shareholders Agreed Not to Tender, it would be desirable for a system where they can continue to support and sustain management as shareholders of the Target Company.

While Mr. Yamai was considering various strategic options including possible ways to utilize external management resources, Bain Capital, which had been investigating and considering investees in Japan for some time, had an opportunity to meet with Mr. Yamai through SMBC Nikko Securities Inc. (“SMBC Nikko Securities”) in mid-May 2023 and extensively exchange views on the management policies of the Target Company. During the meeting, Bain Capital provided an overview of Bain Capital's general management support for investee companies as well as Bain Capital's investment record in the global and Japanese retail and distribution industries, and exchanged views on the initial direction of the Target Company's management strategy. Mr. Yamai subsequently recognized that Bain Capital has deep insights into the Target Company's business and determined that it would be beneficial to continue exchanging opinions with Bain Capital, and, therefore, decided to continue discussions with Bain Capital on the direction of the Target Company's management measures and various capital policies, including privatizing the Target Company. From mid-May to late July 2023, Mr. Yamai and Bain Capital have exchanged opinions multiple times regarding the business environment of the outdoor equipment industry to which the Target Company belongs, the direction of management measures in light of such environment, the contents of management support expected to be provided by Bain Capital to the Target Company, and the optimal capital structure for the Target Company.

Mr. Yamai comprehended during the course of these discussions that: (I) not only is Bain Capital globally renowned and has extensive investment experience and solid capabilities in Japan, but it also has been making numerous investments in the retail and distribution industries globally and in Japan with deep insights and presence in the business fields of the Target Company, and has numerous achievements in the sale of its portfolio companies through IPOs after increasing their values; (II) Bain Capital has a large number of professionals with practical experience at management consulting companies or business companies and has strengths in designing and executing growth strategies utilizing a consulting approach, such as actively participating in the management support of portfolio companies, and when necessary, having members with extensive experience provide thorough support for high-priority management issues on-site, and has a proven track record of business expansion; and (III) Bain Capital has a deep knowledge of the business and growth strategies of the Target Company and shares the same views with the Target Company on the future direction that the next major measures shall be the expansion of the overseas business, further deepening the involvement with users and improvement of added value to users through the enhancement of digital marketing, non-continuous growth through M&As, and optimization of the management system, and at the same time, members of Bain Capital showed a high level of commitment to the project, and, thus, Mr. Yamai came to the conclusion in late August 2023 that Bain Capital is the most appropriate partner that the Target Company can trust. Concurrently with the discussions with Bain Capital, Mr. Yamai held interviews with one other equity fund on several occasions in early April 2023 through SMBC Nikko Securities and received proposals therefrom regarding the direction of the Target Company’s management policies and capital policies including privatization from a number of other private equity funds, but in view of the contents of such proposals and considering that a new third party has limited time to deepen the understanding of the Target Company’s business and build a trusting relationship with the Target Company given the necessity to quickly respond to the Target Company’s management issues in a rapidly changing business environment, and also in light of the difficultness to select a partner through an auction process from the perspective of information management as a listed company, Mr. Yamai determined in late August 2023 that Bain Capital is more appropriate as a partner for the Target Company to receive support for the growth of its future business.

Meanwhile, Bain Capital also highly evaluated the Target Company for its high brand equity (Note 6), extensive loyal customer base, and strong management capabilities, and believed that a new growth of the Target Company that would not be accomplished by the Target Company by itself could be realized by the Target Company privatizing and partnering with Bain Capital and promoting a management reform by utilizing Bain Capital’s knowledge and experience, and, thus, on September 19, 2023, submitted a proposal (the “Letter of Intent”) to the Target Company expressing its initial intention to privatize the Target Company Shares through a tender offer by making a company established for the purpose of acquisition, which is invested in by the founder of the Target Company and is a fund to which Bain Capital provides investment advice, the Tender Offeror, and on the same day, received a response from the Target Company that it would consider the proposal upon establishing the framework necessary for the consideration. Thereafter, through the Target Company held several discussions toward the materialization of the Tender Offer, Mr. Yamai and Bain Capital considered that for the Target Company to realize further mid-term growth hereafter and improvement of corporate value, various measures including non-consolidated growth through the expansion of overseas business and M&A would be necessary, and that in order to quickly execute a series of measures, it would be beneficial to utilize human resources and management know-how from outside the company and not to limit it to internal management resources. Bain Capital conducted due diligence on the Target Company from mid-December 2023 to mid-February 2024, comprehensively analyzing the business and financial conditions of the Target Company and proceeded with the review.

(Note 6) Brand equity refers to the asset value held by a brand.

Based on the progress of the due diligence, Bain Capital proposed to the Target Company on January 18, 2024, that the Tender Offer Price be set to JPY 1,050 per share (amount obtained by adding an 18.11% premium to the closing price of JPY 889 on January 17, 2024), but on January 19, 2024, due to the reason from the Target Company and the Special Committee (as defined in "(iii) Decision-making process leading to Target Company's decision to support Tender Offer and reason therefor" below; the same applies hereafter) that such proposed price was not a reasonable level from the perspective of protecting minority shareholders, a response was received from the Target Company requesting a re-proposal of the Tender Offer Price. On January 24, 2024, Bain Capital proposed to the Target Company that the Tender Offer Price be set at JPY1,075 per share (amount obtained by adding a 19.31% premium to the closing price of JPY 901 on January 23, 2024), but on January 25, 2024, a response was received from the Target Company and the Special Committee requesting a reconsideration as such proposed price was still not a reasonable level from the perspective of protecting minority shareholders. On January 29, 2024, Bain Capital proposed to the Target Company that the Tender Offer Price be set at JPY1,115 per share (amount obtained by adding a 27.28% premium to the closing price of JPY 876 on January 26, 2024), but on January 30, 2024, a response was received from the Target Company and the Special Committee requesting a reconsideration as such proposed price was still not a reasonable level from the perspective of protecting minority shareholders. On January 31, 2024, Bain Capital proposed to the Target Company that the Tender Offer Price be set at JPY1,160 per share (amount obtained by adding a 30.34% premium to the closing price of JPY 890 on January 30, 2024), but on February 1, 2024, a response was received from the Target Company and the Special Committee that such proposed price was still not a reasonable level from the perspective of protecting minority shareholders and to propose JPY1,500 per share. On February 6, 2024, Bain Capital postponed the announcement of the Tender Offer of February 13, 2024, since more time was required for coordination regarding the procurement of funds for the purpose of raising the Tender Offer Price with the funds provider of the Acquisition Loan, and informed the Target Company that it wanted the announcement date of the Tender Offer to be February 20. On February 7, 2024, Bain Capital proposed to the Target Company that the Tender Offer Price be set at JPY1,180 per share (amount obtained by adding a 35.01% premium to the closing price of JPY 874 on February 6, 2024), but on February 7, 2024, a response was received from the Target Company and the Special Committee that such proposed price was still not a reasonable level from the perspective of protecting minority shareholders and requesting that the Tender Offer Price be JPY1,288 and that the final deadline for price negotiations will be February 13, 2024. On February 9, 2024, Bain Capital proposed to the Target Company that the Tender Offer Price be set at JPY1,250 per share (amount obtained by adding a 49.16% premium to the closing price of JPY838 on February 8, 2024), and, on February 10, 2024, a response was received from the Target Company and the Special Committee that such proposal will be accepted. Furthermore, the Tender Offer Price proposed by Bain Capital is a price presented on the premise that year-end dividends for the fiscal year ending December 2023 would not be made.

After the above negotiations, the Tender Offeror decided on February 20, 2024, to implement the Tender Offer with the Tender Offer Price set at JPY 1,250. Furthermore, the Shareholders Agreed to Tender have approved the JPY1,250 presented by Bain Capital, and there have been no consultations or negotiations regarding the Tender Offer Price with the Shareholders Agreed to Tender.

(ii) Management policy after the Tender Offer

Bain Capital intends to thoroughly support the Target Company through growth strategies, designing and executing a business structure reform, and physical support by utilizing a consulting approach after the privatization of the Target Company through the Transactions, and believes that the following support to the Target Company will be possible based on its past investment performance and experiences.

(a) Improvement of customer LTV by strengthening marketing

In Japan, while there are already highly loyal bedrock customers, for the purpose of creating further connections and increasing loyalty, Bain Capital is considering advancing personalized marketing and the digitalization of omnichannel strategies and promotions utilizing digital ads and SNS/online communities according to customer attributes, purchase information, product data, etc. to cultivate and increase periodic purchasing intentions. In addition, through promotions for and strengthening relations with retailers and not just end users, Bain Capital intends to strengthen the flow from acquiring to maintaining new customers to increasing loyalty by organizing an environment where the brand's worldview can be further conveyed.

While it is highly rated as a premium brand as to quality, functionality, design, etc. by existing customers overseas, Bain Capital understands that the low level of recognition by potential customers is an issue. Therefore, Bain Capital believes that further expansion of sales can be aimed for by opening flagship stores and marketing to convey the brand's worldview and developing distribution channels and strengthening measures to increase the brand's appeal.

(b) Strengthening human resources and the organizational foundation towards a mid- to long-term growth

Bain Capital intends to make an investment on the basis of the continuation of the existing management of the Target Company. It believes that the reinforcement of human resources for immediately executing the strategies will become important, as necessary, as the basis for the Target Company to maximize its corporate value in the future. Meanwhile, in the areas in which the need for complementing was agreed on with existing management, Bain Capital believes that it will be possible to introduce an abundance of human resource talents.

Bain Capital believes that it has an abundant management human resource pool in and outside of Japan, and it has hired many executive human resources in its investees thus far. The Target Company has raised the “strengthening of human resources strategies” as one of the basic policies of the Mid-term Management Plan, and in addition to the aforementioned reinforcement of human resources, by further strengthening the existing HR system through consultations with management, it will be supporting the creation of an organizational foundation to support mid- to long-term growth from hereon.

(c) Support of M&A and PMI (Note 1)

Bain Capital has a record of 31 investments in and outside of Japan thus far, and is thinking of taking full advantage of its practical know-how regarding various industries and acquisitions cultivated therein, its knowledge of businesses and organizational integration after investment, and access to new investment opportunities through Bain Capital’s network.

Specifically, when supporting an M&A matter, it intends to support the series of processes, including selecting and approaching the investee, executing the due diligence, and materializing the future growth plan, as well as the PMI for integrating with the Target Company’s operations and constructing an effective management system, all at once. In addition, by utilizing Bain Capital’s global knowledge and system, it believes it will be possible to provide the above support event with respect to M&A overseas.

(Note 1) PMI (Post Merger Integration) means the management integration process after an M&A.

The Transactions corresponds to a so-called management buyout (MBO) and Mr. Yamai will continue to be responsible for management as the President and Representative Director of the Target Company even after the successful completion of the Tender Offer. On February 20, 2024, BCPE Myoko entered into a shareholders agreement (the "Shareholders Agreement") with the Shareholders Agreed Not to Tender concerning the management of the Tender Offeror's Parent Company, the Tender Offeror, and the Target Company after the Triangular Share Exchange, as well as the handling of the shares of the Tender Offeror Parent's Company, and agreed on the right to nominate such directors under the Shareholders Agreement. It is agreed in the Shareholders Agreement that one of the Representative Directors of the Target Company shall be Mr. Yamai. In addition, BCPE Myoko and the Tender Offeror's Parent Company entered into a management entrustment agreement (the "Management Entrustment Agreement") with Mr. Yamai on February 20, 2024, and entrusted Mr. Yamai with duties as the Representative Director, Chairman and President of the Target Company. Please see "4. Matters Relating to Important Agreements Concerning the Tender Offer between the Tender Offeror and Shareholders of the Target Company" below for details of the Shareholders Agreement and the Management Entrustment Agreement.

Bain Capital is considering dispatching several directors to the Target Company as a management policy of the Target Company after the successful completion of the Transactions. It is also planning to maintain, in principle, the current management system, and intends to have the current management continue to fulfill their roles to lead the operations of the Target Company. There are no other specific items assumed regarding other management structures, management policies, etc. as of this time, and such matters are intended to be determined upon consultation with the Target Company after the Transactions, taking into consideration the directionality of the consultations on management and business strategies, so as to achieve an optimal management and execution system.

In addition, Bain Capital, at this time, plans to maintain the employments as-is as to the employment of employees and does not intend on reducing or restructuring the salaries and bonuses of the Target Company's officers and employees, or to conduct large-scale personnel changes, etc.

(iii) Decision-making process leading to Target Company's decision to support Tender Offer and reason therefor

As described in "a. Background, purpose and decision-making process leading to decision to implement the Tender Offer" of "(ii) Background, purpose and decision-making process leading to decision to implement the Tender Offer and management policy after the Tender Offer" above, the Target Company received the Letter of Intent from Bain Capital on September 19, 2023, and on the same day, the Target Company communicated to Bain Capital that it would consider the contents of the proposal upon constructing a system required for such consideration. Accordingly, in late September 2023, the Target Company appointed TMI Associates as a legal advisor independent from the Target Company, the Tender Offeror, the Tender Offeror's Parent Company, Bain Capital, the Shareholders Agreed to Tender, and the Shareholders Agreed Not to Tender (collectively the "Parties Related to the Tender Offer") and Deloitte Tohmatsu Financial Advisory LLC ("Deloitte Tohmatsu Financial Advisory") as a financial advisor and third-party calculation agent in order to ensure the fairness of the Tender Offer Price and the fairness of the Transactions including the Tender Offer, as described in "(6) Measures to Ensure Fairness of the Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of the Tender Offer" below. In addition, on October 6, 2023, the Target Company established a special committee (please see "(iii) Establishment of an independent Special Committee at the Target Company and acquisition of reports" of "(6) Measures to Ensure Fairness of the Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of the Tender Offer" below for the composition of the members of such special committee and details of its activities) (the "Special Committee") to examine the proposals contained in the Letter of Intent.

On August 10, 2023, the Target Company announced the "Notice on Revisions to Full-Year Consolidated Earnings Forecasts for the Fiscal Year Ending December 2023," and revised its consolidated earnings forecasts. However, such revisions were made on the grounds that the Target Company had misjudged the actual demand situation in the outdoor industry, and the consideration on such revisions were made on or before September 19, 2023, when the Target Company received the above Letter of Intent from Bain Capital, and were made independently of the Transactions.

Thereupon, the Target Company held multiple rounds of discussions and negotiations with Bain Capital regarding whether to implement the Transactions and the terms and conditions of the Transactions based on the negotiation principles, and opinions, instructions, requests and the like at important phases of the negotiations confirmed in advance by the Special Committee, while receiving advice from TMI Associates and Deloitte Tohmatsu Financial Advisory.

With respect to the Tender Offer Price, after the Target Company received a proposal from Bain Capital on January 18, 2024, that the Tender Offer Price be set at JPY 1,050 per share, based on the content of the report of the trial calculation result regarding the share value of the Target Company Shares received from Deloitte Tohmatsu Financial Advisory and the Special Committee's opinion, and with the advice of Deloitte Tohmatsu Financial Advisory, on January 19, 2024, the Target Company requested Bain Capital to reconsider the contents of the proposal as such proposed price was not a reasonable level from the perspective of protecting minority shareholders. Thereafter, the Target Company held a series of discussions and negotiations with Bain Capital on the terms and conditions of the Transactions, and on January 24, 2024, received a proposal to set the Tender Offer Price at JPY 1,075 per share. By considering the opinion of the Special Committee, a request was made to Bain Capital on January 25, 2024, to reconsider the contents of the proposal was made, as such proposed price was still not a reasonable level from the perspective of protecting minority shareholders. Thereafter, after multiple rounds of consultations and negotiations regarding the various conditions of the Transactions with Bain Capital and receiving a proposal to set the Tender Offer Price at JPY 1,115 per share on January 29, 2024, by considering the opinion of the Special Committee, a request was made to Bain Capital on January 30, 2024, to reconsider the contents of the proposal was made, as such proposed price was still not a reasonable level from the perspective of protecting minority shareholders. Thereafter, after multiple rounds of consultations and negotiations regarding the various conditions of the Transactions with Bain Capital and receiving a proposal to set the Tender Offer Price at JPY 1,160 per share on January 31, 2024, by considering the opinion of the Special Committee, a request was made to Bain Capital on February 1, 2024, to set the Tender Offer Price to JPY1,500, as such proposed price was still not a reasonable level from the perspective of protecting minority shareholders. Thereafter, communication was received from Bain Capital on February 6, 2024, that it will be postponing the February 13, 2024 announcement of the Tender Offer as more time was required for coordination regarding the funds procurement for the purpose of raising the Tender Offer Price with the funds provider of the Acquisition Loan, and that it would like to make the announcement date of the Tender Offer to be February 20, 2024. Thereafter, after multiple rounds of consultations and negotiations regarding the various conditions of the Transactions with Bain Capital and receiving a proposal to set the Tender Offer Price at JPY 1,180 per share on February 7, 2024, by considering the opinion of the Special Committee, a request was made to Bain Capital on the same day to set the Tender Offer Price at JPY1,288, as such proposed price was still not a reasonable level from the perspective of protecting minority shareholders. Furthermore, in addition to the above requires, if the announcement date of the Tender Offer were to be February 20, 2024, the situation was such that, in the Target Company's Financial Results as of February 13, 2024, the results of the Target Company for the fiscal year ending December 2023 would be lower than the results of the previous fiscal year, and since there was the possibility that the market share price of the Target Company Shares would fall during the period until the announcement date of the Tender Offer after the announcement of the Target Company's Financial Results, there were concerns that continuing consultations and negotiations while such change in the market share price was expected would be disadvantageous for the Target Company in its negotiations, the Target Company requested that the final deadline for price negotiations be February 13, 2024. Thereafter, after multiple rounds of consultations and negotiations regarding the various conditions of the Transactions with Bain Capital, a proposal to set the Tender Offer Price at JPY 1,250 per share as the maximum amount that can be proposed was received on February 9, 2024.

Based on the results of such negotiations, on February 10, 2024, the Target Company responded to Bain Capital that it would accept the proposal to set the Tender Offer Price at JPY1,250, under the premise that the final decision-making will be made after the resolution of the Target Company's Board of Directors upon considering the report of the Special Committee. The Target Company confirmed with the Special Committee the appropriateness of such proposal received on February 9, 2024, to set the Tender Offer Price at JPY1,250 and heard further opinions from Deloitte Tohmatsu Financial Advisory while carefully considering the share valuation report (the "Share Valuation Report") obtained from Deloitte Tohmatsu Financial Advisory, as of February19, 2024, and, as a result, determined that such price can be evaluated as being placed a considerable premium from the market price perspective according to the reasons stated below, and it is a reasonable price since it is within the range of the calculation result obtained by discounted cash flow method (the "DCF Method"), which Deloitte Tohmatsu Financial Advisory adopted, as described below, and, thus, it is reasonable. Furthermore, the Tender Offer Price proposed by Bain Capital is a price presented on the premise that year-end dividends for the fiscal year ending December 2023 would not be made. The Target Company has conducted continuous negotiations on the Tender Offer Price with the Tender Offeror as described above.

Furthermore, while the Target Company received necessary legal advice from TMI Associates regarding the method and process of decision-making by the Target Company's Board of Directors including various procedures for the Transactions, and other points to be noted, it received a written report (the "Report") from the Special Committee on February19, 2024 (please see "(iii) Establishment of an independent Special Committee at the Target Company and acquisition of reports" of "(6) Measures to Ensure Fairness of the Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of the Tender Offer" below for the summary of the Report and details of the Special Committee's activities). Thereupon, based on the legal advice received from TMI Associates and the contents of the Share Valuation Report obtained from Deloitte Tohmatsu Financial Advisory, while fully respecting the contents of the Report submitted by the Special Committee, the Target Company carefully carried out the discussions from the viewpoints including whether the Target Company can improve its corporate value through the Transactions and whether the Transactions ensure the interests to be enjoyed by the minority shareholders by being conducted through fair procedures.

As a result, the Target Company recognizes that in the outdoor industry, which the Target Company mainly engages in business, the interest in outdoor camping which had been increasing under the restrictions on activities due to the spread of the COVID-19, has shifted to various leisure activities such as traveling due to the convergence of the COVID-19, and amid the environment where the increase in outdoor demand has come to a halt, slowing down the Target Company's growth, as described in "a. Background, purpose and decision-making process leading to decision to implement the Tender Offer" of "(ii) Background, purpose and decision-making process leading to decision to implement the Tender Offer and management policy after the Tender Offer" above, in order for the Target Company to realize further growth, it is necessary to concurrently advance a growth strategy centering on the creation of new campers and the achievement of customer loyalization in Japan and overseas, and reinforcement of the management base centering on the realization of a well-developed management structure, and in order to implement such growth strategy and measures to strengthen the management base, it is essential to flexibly and proactively make investments and to recruit and secure excellent human resources. On the other hand, the Target Company considers that implementing such growth strategy and measures to strengthen the management base relying solely on the Target Company's resources has certain limits in terms of both human resources and know-how. However, the Target Company came to believe that by utilizing Bain Capital's extensive experience in increasing the value of its portfolio companies, sophisticated management know-how and M&A know-how as well as its management resources, mainly in terms of human resources and financial resources, the Target Company will become able to consider and implement various measures, including a growth strategy centered on the creation of new campers and achievement of customer loyalization in Japan and overseas as well as the strengthening of the management base centered on the realization of a well-developed management structure, and, thus, it can expect to secure the Target Company's competitiveness and enhance its corporate value over the medium- to long-term. Bain Capital believes that in order for the Target Company to realize further growth, in addition to the growth of the Target Company's existing brand power, "non-continuous growth" through global expansion and utilization of M&As is necessary. As specific measures, the Target Company assumes: (i) improvement of customer LTV (Note 1) by strengthening marketing, (ii) strengthening human resources and the organizational foundation towards a mid- to long-term growth, and (iii) support of M&A and PMI, etc. (please refer to "(ii) Management policy after the Tender Offer" of "(ii) Background, purpose and decision-making process leading to decision to implement the Tender Offer and management policy after the Tender Offer" above for details). The Target Company has determined that the above policies and measures assumed by Bain Capital are close to the direction that the Target Company aims as described in (a) to (c) of "a. Background, purpose and decision-making process leading to decision to implement the Tender Offer" of "(ii) Background, purpose and decision-making process leading to decision to implement the Tender Offer and management policy after the Tender Offer" above, and utilizing Bain Capital's sophisticated management know-how and M&A know-how as well as its management resources, mainly in terms of human resources and financial resources as well as cooperating with Bain Capital will contribute to securing the Target Company's competitiveness and enhancing its corporate value over the medium- to long-term.

(Note 1) Life Time Value (LTV) means the lifetime profit earned from customers.

Furthermore, the Target Company also believes that, in order to realize the measures described in (i) through (iii) above, it will be necessary to conduct proactive M&As, alliances, establishment of overseas bases, up-front investments in systems and the like, but since these measures involve uncertainties in future earnings, there is a risk that the Target Company's financial condition may be impaired in the short-term due to a decline in profit levels, deterioration in cash flow, and increase in interest-bearing debt, and if the Target Company implements these measures while maintaining its listing, it may not receive a sufficient evaluation from the capital market, resulting in the Target Company's stock price to decline, and the Target Company's shareholders may suffer adverse effects in the short-term.

Therefore, the Target Company has determined that in order for the Target Company to accomplish an enhancement of its corporate value, the best choice is to provide the Target Company's shareholders with an opportunity to sell their shares without suffering any short-term adverse impact, while privatizing the Target Company Shares, thereby establishing a new, strong, and stable management structure that unites the shareholders and the management team that enables a flexible and expeditious decision-making without being bound by the short-term evaluation of the stock market, as well as making the most of the management support provided by Bain Capital.

Furthermore, considering that Mr. Yamai has full knowledge of the Target Company Group's business and has a track record of leading the Target Company Group, and that he will incorporate the policies and measures considered by Bain Capital to accomplish the enhancement of the corporate value of the Target Company, the Target Company has determined that it is sufficiently reasonable for Mr. Yamai to continue to serve as a member of the management team of the Target Company through a management buyout (MBO), that is, for Mr. Yamai to assume both ownership and management.

Meanwhile, the privatization of the Target Company Shares may prevent the Target Company from obtaining finance through equity financing from the capital market, and may also have an impact on the Target Company's ability to secure excellent human resources and expansion of its business partners through the enhancement of the social creditworthiness and name recognition that the Target Company has enjoyed as a listed company. However, considering the current financial condition of the Target Company Group and the recent low interest rate environment in indirect finance, the need for large-scale funding through the use of equity finance is not expected in the next few years. In addition, the Target Company believes that the disadvantage of going private is limited because the Target Company Group's ability to secure excellent human resources and expand its business partners by enhancing its social creditworthiness and name recognition is partly achieved through its business activities, and although the privatization of the Target Company may have an impact on securing human resources, such impact is expected to be insignificant owing to the Target Company's brand power and name recognition that it has cultivated to date, and, furthermore, the Target Company will be able to allocate management resources for shareholder-related services, such as expenses to maintain the listing, resources and expenses related to disclosure and audit under the Act and IR-related expenses, which arise as long as the Target Company is a listed company, to solving other management issues.

Therefore, in light of the considerations described above, the Target Company's Board of Directors has determined that the advantages of privatizing the Target Company Shares outweigh the disadvantages. Based on the above, the Target Company's Board of Directors has judged that in order for the Target Company to accomplish the enhancement of its corporate value, the best choice is to privatize the Target Company Shares through the Transactions, including the Tender Offer, thereby establishing a new, strong and stable management structure that unites the shareholders and the management team that enables a flexible and expeditious decision-making, as well as making the most of the management support provided by Bain Capital.

Furthermore, in light of the fact that the Tender Offer Price (JPY 1,250) (i) is greater than the maximum value of the calculation results according to the market price method, from among the calculation results of the share price of the Target

Company Shares by Deloitte Tohmatsu Financial Advisory stated in "(3) Matters regarding Calculation" below, and is within the range of the calculation results according to the DCF Method, (ii) while a 26.52% (rounded to two decimal places; the same applies to the calculation of the premium rate for share prices) premium will be added to the closing price of JPY988 of the Target Company Shares on the TSE Prime Market of February 19, 2024, 43.02% to the simple average closing price for the past one-month period until February 19, 2024 of JPY874 (rounded down to the nearest whole number; the same applies to the calculation of the simple average closing price), 36.17% to the simple average closing price for the past three-month period until February 19, 2024 of JPY918, and 15.85% to the simple average closing price for the past six-month period until February 19, 2024 of JPY1,079 (with respect to the level of the premium if the record date is February 16, 2024, which is the most recent transaction date on which the market share price of the Target Company Shares prior to the speculative reporting (after the end of market hours on February 16, 2024) by some media outlets that the Target Company is considering privatization can be confirmed, premium of 49.16% to the closing price of JPY838 of the Target Company Shares in the TSE Prime Market on February 16, 2024, a premium of 43.68% to the simple average closing price for the past 1-month period from the same date of JPY870, a premium of 36.02% to the simple average closing price for the past 3-month period from the same date of JPY919, and a premium of 15.10% to the simple average closing price for the past 6-month period from the same date of JPY1,086), since the market price of the Target Company Shares was expected to decline since the Target Company announced the Target Company's Financial Results and the "Notice Concerning Recording of Extraordinary Loss (Loss on Valuation of Investment Securities) and Difference between Full-Year Earnings Forecast and Actual Full-Year Business Results" on February 13, 2024, where the reasonableness of the Tender Offer Price was determined upon considering the standard of the premium if the record date is set at February 13, 2024, which is the most recent transaction date for which the market share price of the Target Company Shares can be confirmed prior to such announcement of financial results (after the close of market hours on February 13, 2024), under the thinking that it will not be appropriate to determine the reasonableness of the Tender Offer Price with the premium containing the reduced portion, in such instance, the Tender Offer Price (JPY1,250) includes a 44.18% premium to the closing price of JPY867 of the Target Company Shares on the TSE Prime Market of February 13, 2024, 41.40% to the simple average closing price for the past one-month period until February 13, 2024 of JPY884, 34.70% to the simple average closing price for the past three-month period until February 13, 2024 of JPY928, and 13.12% to the simple average closing price for the past six-month period until February 13, 2024 of JPY1,105, and if such premium is compared to the 56 cases of premiums in MBO matters for the purpose of privatization that were announced after June 28, 2019 and for which tender offers were successfully completed by February 13, 2024 (with the previous business day of the announcement date as the record date, the premium for the closing price for the business day preceding the announcement date and the respective median values of the premium rates for the simple average closing prices for the past one-month, three-month, and six-month periods until such date are 41.31%, 40.72%, 45.60% and 48.56%), although the levels are slightly inferior, considering that the PBR of the Target Company as of February 13, 2024 is 2 or more times, compared to the median value of the premium rates of the 21 cases where the PBR of the target company is one or more times (the median of the premium rates similar to the above are 35.34%, 30.07%, 32.93% and 38.89%) and the 9 cases where the PBR of the target company is two or more times (the median of the premium rates similar to the above are 23.02%, 22.53%, 24.83% and 27.39%) from among the total 56 cases, can be evaluated to be a price to which a significant premium has been attached. (Furthermore, while the premium for the simple average closing price of the past 6-month period is a relatively low level, since the closing price of the Target Company Shares on February 13, 2024, the simple average closing price of the past one-month period from such date, and the simple average closing price of the past three-month period from such date are market share prices that better reflect the actual situation of the current Target Company than the simple average closing price for the past six-month period, when considering the premium for the market price of the Target Company Shares, with the appropriate premium being ensured for the closing price of February 13, 2024, the simple average closing price of the past one-month period, and the simple average closing price of the past three-month period, which is the most recent transaction date for which the market share price of the Target Company Shares can be confirmed prior to the announcement of the "Consolidated Financial Results for the Fiscal Year Ended December 31, 2023 (under Japanese GAAP)" and the "Notice Concerning Recording of Extraordinary Loss (Loss on Valuation of Investment Securities) and Difference between Full-Year Earnings Forecast and Actual Full-Year Business Results" is made (after the close of market hours on February 13, 2024), it has been determined that the Tender Offer Price is reasonable.), (iii) is recognized to have considered the interests of minority shareholders, such as measures being taken to resolve the conflicts of interests described in "(6) Measures to Ensure Fairness of the Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of the Tender Offer," (iv) upon taking measures to resolve the above conflicts of interest, is a price that was decided upon sincere and continuous consultations and negotiations between the Target Company and Bain Capital, by considering the contents of the calculation results regarding the share price of the Target Company Shares by Deloitte Tohmatsu Financial Advisory, the consultations with the Special Committee, and the legal advice, etc. received from TMI Associates, and (v) is a significant increase of the price proposal for the Tender Offer that has been realized pursuant to the Special Committee's request, the Target Company's Board of Directors has determined that, with respect to the Transactions, the corporate value of the Target Company is expected to increase through the Transactions, including the Tender Offer, that the Tender Offer Price and other terms and conditions of the Tender Offer are reasonable for the shareholders of the Target Company, and that the Tender Offer provides the shareholders of the Target Company with a reasonable opportunity to sell their shares.

Based on the above, the Target Company's Board of Directors resolved at the meeting held on February 13, 2024, by the unanimous vote of the directors of the Target Company who participated in the deliberation and resolution (10directors out of a total of 11 directors, excluding Mr. Yamai) to express an opinion in support of the Tender Offer and to recommend to the Target Company's shareholders that they tender in the Tender Offer.

Since Mr. Yamai is expected to remain in the management of the Target Company after the successful completion of the Tender Offer and is considering making a direct or indirect investment in the Tender Offeror and there exists a conflict of interest with the Target Company in connection with the Transactions, Mr. Yamai, being a director having special interest, has not participated in the deliberations or resolutions at the aforementioned Board of Directors meetings in any way, and has not participated in the discussions or negotiations with the Tender Offeror in any way in his capacity as the Target Company.

(3) Matters regarding Calculation

(i) Name of third-party valuation organization and relationship with the listed company and the Tender Offeror

The Target Company requested Deloitte Tohmatsu Financial Advisory, as a financial advisor and third-party appraiser independent from the Parties Related to the Tender Offer, to calculate the share value of the Target Company Shares and consequently obtained the share valuation on February 19, 2024. Further, as described in "(6) Measures to Ensure Fairness of the Tender Offer Price, Measures to Avoid Conflicts of Interest and Other Measures to Ensure Fairness of the Tender Offer," as a result of the Target Company believing that the Transactions including the Tender Offer Price is secured, based on the Target Company and the Tender Offeror taking measures to secure the fairness of the Tender Price and fairness of the Transactions including the Tender Offer and measures to avoid conflicts of interests, Target Company has not obtained any opinion (fairness opinion) from Deloitte Tohmatsu Financial Advisory regarding the fairness of the Tender Offer Price. Also, Deloitte Tohmatsu Financial Advisory does not fall under the Parties Relating to the Tender Offer, and does not have any important interest to be disclosed in relation to the Transactions, including the Tender Offer. The remuneration for Deloitte Tohmatsu Financial Advisory pertaining to the Transactions includes, in addition to the fixed fee paid regardless of the completion of the Transactions, etc., the contingency fee paid upon the satisfaction of certain conditions, such as the completion of the Transactions. The Target Company has appointed Deloitte Tohmatsu Financial Advisory as its financial advisor and third-party appraiser based on the remuneration system described above by determining that their independence cannot be denied simply because they will be paid a contingency fee that is conditioned on the completion of the Transactions, etc., taking into account the general practice in the same type of transactions and the appropriateness of a remuneration system where the Target Company will incur a financial burden even if the Transactions are not completed.

(ii) Summary of calculations

Deloitte Tohmatsu Financial Advisory examined the calculation methods to be adopted for the calculation of the value of the Target Company Shares from among several share valuation methods, and considered it appropriate to assess the value of the Target Company Shares from multiple perspectives on the assumption that the Target Company is a going concern, and based on this consideration, it calculated the per-share value of the Target Company Shares using the market price method because the Target Company Shares are listed on the TSE Prime Market and have a market price, and using the DCF method to reflect the status of the Target Company's future business activities in the calculation.

The range of per-share value of the Target Company Shares calculated by each of the above methods is as follows:

Market Price Method: JPY838 ~ JPY1,086
DCF Method: JPY1,155 ~ JPY1,477

With the market price method, Deloitte Tohmatsu Financial Advisory calculated the per-share value of the Target Company Shares to be in the range between JPY838 and JPY1,086 based on the closing price of the Target Company Shares on the TSE Prime Market on the reference date being February 16, 2024, which is the most recent transaction date for which the market share price of the Target Company Shares can be confirmed prior to the speculative reporting by some media outlets that the Target Company is considering privatizing was made in order to exclude the effect on the share price of such speculative reporting (after the closing of the market on February 16, 2024), to be JPY1,086, the simple average closing price of the Target Company Shares on the TSE Prime Market for the most recent one-month period being JPY870, the simple average closing price of the Target Company Shares on the TSE Prime Market for the most recent three-month period being JPY919, and the simple average closing price of the Target Company Shares on the TSE Prime Market for the most recent six-month period being JPY1,086.

With the DCF method, Deloitte Tohmatsu Financial Advisory calculated the corporate value and the share value of the Target Company by discounting the free cash flows that are expected to be generated by the Target Company in and after the fiscal year ending December 2024 to their present value at a certain discount rate based on various factors including the Target Company's financial projections and investment plans in the business plan prepared by the Target Company for the period from the fiscal year ending December 2024 to the fiscal year ending December 2028 as well as publicly available information. In doing so, Deloitte Tohmatsu Financial Advisory adopted a discount rate of 9.1% to 10.1%. Deloitte Tohmatsu Financial Advisory adopted the perpetual growth method for the calculation of the going-concern value with the perpetual growth rate being 0.0% to 1.0%. As a result, the per-share value of the Target Company Shares has been calculated to be in the range between JPY1,155 and JPY1,477.

The following are the specific figures in the Target Company's financial projections that Deloitte Tohmatsu Financial Advisory Co used as a basis of the calculation under the DCF method. The financial projections contain fiscal years where significant increases or decreases in the revenue on a year-on-year basis were expected. Specifically, the financial projections expect a growth in net sales driven by (i) an increase in sales volume to existing wholesale clients due to an improvement in the situation of inventory overhang at existing wholesale clients, (ii) strengthening of opening stores in important locations, including large cities outside Japan, mainly in the United States and China, (iii) expansion of domestic and overseas clients in the wholesale business, and (iv) acquisition of new customers through continuous strengthening of the development of outdoor products. The financial projections also expect a further growth in net sales by strengthening apparel-related products and promoting the opening of stores specialized in apparel in addition to the continuous contribution from the aforementioned actions implemented in the fiscal year ending December 2024. Furthermore, a reduction in costs is expected resulting from reviewing the store operation system and the organization structure. For these reasons, the financial projections expect a significant increase in the revenue in each of the fiscal years from the year ending December 2024 through the year ending December 2028. In addition, the free cash flow for the fiscal years ending December 2024 until December 2025 and December 2027 until December 2028 are forecast to significantly increase due to the significant increase in profits related to the growth of net sales due to the above measures. However, the free cash flow for the fiscal years ending December 2025 until December 2026 is expected to decrease due to an increase in working capital as a result of sales growth. The free cash flow for the fiscal years ending December 2026 until December 2027 is expected to decrease due to capital investment in distribution warehouses and other facilities in line with business expansion. For the avoidance of doubt, the synergy effect that can be realized by the execution of the Transactions is not taken into account in the financial projections because it is difficult to make a specific estimate of the synergy at this point.

Furthermore, such financial forecast is premised on having been reasonably prepared, based on the best forecast and judgment that can be obtained at this time by management excluding Mr. Yamai.

(Unit: JPY 1 million)

	Fiscal Year Ending December 2024	Fiscal Year Ending December 2025	Fiscal Year Ending December 2026	Fiscal Year Ending December 2027	Fiscal Year Ending December 2028
Net Sales	30,647	34,995	40,442	50,090	62,386
Operating income	2,178	3,138	4,385	6,527	9,492
EBITDA	3,612	4,731	6,084	8,499	11,514
Free cash flow	1,402	3,760	2,376	△270	4,129

Although there is a discrepancy between the figures in the financial projections above and the performance targets for the fiscal year ending December 2025 in the "Mid-term Management Plan (2023 -2025)" announced by the Target Company on the Target Company's homepage on February 15, 2023 (consolidated net sales: JPY 50 billion; operating income: JPY 9.7 billion), the Target Company, as described in the "Notice Concerning Revision to Consolidated Earnings Forecast for the Fiscal Year Ending December 2023" announced on August 10, 2023, misjudged the situation of the actual demand in the outdoor industry and the market environment has changed significantly from the time of the formulation of the relevant Mid-term Management Plan to the present. The Target Company, hence, determined that it is appropriate to calculate its corporate value based on such financial projections that are objective and reasonable and more in line with the current situation and to examine the appropriateness of the Tender Offer Price, taking into account the current earnings situation, the Target Company's performance, etc. In addition, Deloitte Tohmatsu Financial Advisory has analyzed and examined the contents of such financial projections by, for example, holding question-and-answer meetings with the Target Company multiple times. In preparing such business plan for the Transactions on the part of the Target Company, the Special Committee has received explanations about the contents of the proposed business plan, important preconditions, etc., from the Target Company, and confirmed the reasonableness of the final business plan in terms of its contents, important preconditions, the background of its preparation, etc., and the Special Committee is confirming the reasonableness regarding there being a deviation between the performance targets for the fiscal year ending December 2025 in the "Mid-term Management Plan (2023 -2025)" and the value of such financial projections, based on the current earnings environment and the Target Company's results, etc., since the market environment has greatly changed from the establishment of such Mid-term Management Plan until now.

(Note) In calculating the value of the Target Company Shares, Deloitte Tohmatsu Financial Advisory has, in principle, adopted the information provided by the Target Company, publicly available information, and other information and materials as-is, and assumed that all such materials and information are accurate and complete and that there are no facts that may have a material impact on the calculation of the value of the Target Company Shares that have not been disclosed to it, and Deloitte Tohmatsu Financial Advisory has not independently verified their accuracy and completeness. In addition, Deloitte Tohmatsu Financial Advisory assumes that the information concerning the Target Company's financial projections were reasonably prepared based on the best currently available forecasts and judgments by the Target Company's management. Deloitte Tohmatsu Financial Advisory also has not independently valuated or assessed the assets and liabilities (including financial derivatives, off-balance sheet assets and liabilities, and other contingent liabilities) of the Target Company and its affiliated companies nor has it requested a third-party entity to appraise or assess them. Deloitte Tohmatsu Financial Advisory's calculation reflects the above information up until February 19, 2024.

(4) Prospects for Delisting and Reasons Therefor

The Target Company Shares are, as of today, listed on the TSE Prime Market. However, since the Tender Offeror has not set the maximum number of shares to be purchased in the Tender Offer, depending on the result of the Tender Offer, the Target Company Shares may be delisted through prescribed procedures in accordance with the delisting standards of the TSE. In addition, even if the Target Company Shares do not fall under the delisting standards at the time of successful completion of the Tender Offer, the Tender Offeror plans to carry out the Squeeze Out Procedures as described in "(5) Post-Tender Offer Reorganization Policy (Matters regarding the so-called Two-Step Acquisition)" above after the successful completion of the Tender Offer, so in the event such procedures are carried out, the Target Company Shares will be delisted through prescribed procedures in accordance with the delisting standards of the TSE. It will not be possible to trade the Target Company Shares on the TSE Prime Market after the Target Company Shares have been delisted.

(5) Post-Tender Offer Reorganization Policy (Matters regarding the so-called Two-Step Acquisition)

As described in "1. Overview of the Tender Offer" of "(2) Grounds and Reasons for the Opinion" above, if the Tender Offeror is unable to acquire all of the Target Company Shares (excluding the treasury shares held by the Target Company and the Shares Agreed Not to be Tendered) through the Tender Offer, the Tender Offeror plans to acquire all of the Target Company Shares (excluding the treasury shares held by the Target Company and the Shares Agreed Not to be Tendered) through the following series of procedures after the successful completion of the Tender Offer.

If the Tender Offer is successfully completed, in accordance with Article 180 of the Companies Act, the Tender Offeror will, promptly after the completion of the settlement of the Tender Offer, request the Target Company to hold an extraordinary shareholders meeting (the "Extraordinary Shareholders Meeting") on around June2024 that includes in its agenda a proposal for the consolidation of the Target Company Shares (the "Consolidation of Shares") and, on the condition of the effectuation of the Consolidation of Shares, a proposal to partially amend the articles of incorporation to abolish the provisions regarding share units. In the event the Target Company receives such a request from the Tender Offeror, the Target Company intends to comply with such request. The Tender Offeror and the Shareholders Agreed Not to Tender will vote in favor of the above proposals at the Extraordinary Shareholders Meeting.

If the proposal for Consolidation of Shares is approved at the Extraordinary Shareholders Meeting, on the effective date of the Consolidation of Shares, the Target Company's shareholders will hold the number of Target Company Shares corresponding to the ratio of the Consolidation of Shares approved at the Extraordinary Shareholders Meeting. If the Consolidation of Shares results in a fraction of less than one share, the Target Company's shareholders shall receive an amount of money that would be obtained by selling to the Target Company or the Tender Offeror the Target Company Shares equivalent to the total number of such fractional shares (if the total number includes a fraction of less than one share, such fraction shall be rounded down) in accordance with the procedures prescribed in Article 235 of the Companies Act and other relevant laws and regulations. With respect to the sale price of the Target Company Shares equivalent to the total number of such fractional shares, a petition for permission of voluntary sale will be filed with the court after calculating that the amount of money to be paid to the Target Company's shareholders who did not tender in the Tender Offer (excluding the Target Company and the Shareholders Agreed Not to Tender) as a result of such sale will be equal to the Tender Offer Price multiplied by the number of Target Company Shares held by such Target Company's shareholders. The ratio of the Consolidation of Shares has not yet been determined as of today, but it will be determined so that the number of the Target Company Shares held by the Target Company's shareholders who did not tender in the Tender Offer (excluding the Target Company and the Shareholders Agreed Not to Tender) will be a fraction of less than one share in order for the Tender Offeror to be able to hold all of the Target Company Shares (excluding the treasury shares held by the Target Company and the Shares Agreed not to be Tendered). However, if, before the Consolidation of Shares becomes effective, there are Target Company's shareholders (the "Major Shareholders") other than the Tender Offeror and the Shareholders Agreed Not to Tender whose number of the Target Company Shares it holds is the same as or more than the smallest number of the Target Company Shares held respectively by the Shareholders Agreed Not to Tender, the ratio of consolidation of the Target Company Shares may be set so that as a result of the Consolidation of Shares, only the Tender Offeror and the Shareholders Agreed Not to Tender whose number of the Target Company Shares it holds exceeds the

Target Company Shares held by the Major Shareholders holding all of the Target Company Shares (excluding the treasury shares held by the Target Company) (if there are no such Shareholders Agreed Not to Tender, then only the Tender Offeror). In the best effort to avoid Major Shareholders from existing on the effective date and as a measure so that the number of the Target Company Shares held by the Tender Offeror and the Shareholders Agreed Not to Tender is greater than the number of the Target Company Shares held by the Major Shareholders if Major Shareholders exist or are expected to exist after the settlement of the Tender Offer, the Shareholders Agreed Not to Tender other than Mr. Yamai may lend the Target Company Shares they hold to Mr. Yamai without a consideration (please see "4. Matters Relating to Important Agreements Concerning the Tender Offer between the Tender Offeror and Shareholders of the Target Company" below for details regarding the lending of such shares). The specific procedures for the Consolidation of Shares will be announced by the Target Company as soon as they are determined upon consultation between the Tender Offeror and the Target Company.

The provisions of the Companies Act that aim to protect the rights of minority shareholders in connection with the Consolidation of Shares provide that if the Consolidation of Shares results in a fraction of less than one share, the shareholders of the Target Company (excluding the Tender Offeror, the Target Company, and Shareholders Agreed Not to Tender) may, pursuant to Article 182-4 and Article 182-5 of the Companies Act and other applicable laws and regulations, demand that the Target Company purchase all of the fractional shares they own at a fair price and may file a petition with the court to determine the price of the Target Company Shares. As described above, in the event of a Consolidation of Shares, the number of the Target Company Shares held by the Target Company's shareholders who did not tender in the Tender Offer (excluding the Target Company and Shareholders Agreed Not to Tender) will be a fraction of less than one share, so the Target Company's shareholders who oppose the Consolidation of Shares will be able to file the above petition. If the above petition is filed, the purchase price will be ultimately determined by a court.

Depending on the status of amendments to and enforcement of relevant laws and regulations and interpretations by authorities, the above procedures may take time to be implemented or the implementation method may be changed. However, even in such cases, the method of delivering the amount of money to the shareholders of the Target Company who did not tender in the Tender Offer (excluding the Target Company and the Shareholders Agreed Not to Tender) will ultimately be adopted, and, in such event, the amount of money to be delivered to each such shareholder will be calculated to be the same as the price obtained by multiplying the Tender Offer Price by the number of Target Company Shares held by each such shareholder. The specific procedures in the above cases, the timing of their implementation, and other relevant matters will be promptly announced by the Target Company as soon as they are determined upon consultation with the Target Company.

The Tender Offer is in no way intended to solicit the approval of the Target Company's shareholders at the Extraordinary Shareholders Meeting. Additionally, the Target Company's shareholders should consult their certified public tax accountants or other experts at their own responsibility with respect to the tax treatment when they tender in the Tender Offer or take the abovementioned procedures.

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

The Tender Offeror and the Target Company took the following measures to ensure the fairness of the Transactions including the Tender Offer, from the perspective of ensuring the fairness of the Tender Offer Price, eliminating arbitrariness in the decision-making process leading to the decision to execute the Tender Offer, and avoiding conflicts of interest, by taking into account, in particular, that since the Tender Offer is executed as part of a so-called management buyout (MBO), structural conflicts of interest may arise.

The following descriptions of the measures taken by the Tender Offeror are based on the explanation received from the Tender Offeror.

(i) Share Valuation Report obtained by the Target Company from an independent third-party calculation agent

In order to ensure fairness in the decision-making process regarding the Tender Offer Price presented by the Tender Offeror, the Target Company requested Deloitte Tohmatsu Financial Advisory, as a financial advisor and third-party appraiser independent from the Parties Related to the Tender Offer, to calculate the share value of the Target Company Shares and consequently obtained the Share Valuation Report on February 19, 2024. Deloitte Tohmatsu Financial Advisory also does not fall under a related party of the Parties Related to the Tender Offer, and does not have any important interest to be disclosed in relation to the Transactions, including the Tender Offer. The remuneration for Deloitte Tohmatsu Financial Advisory pertaining to the Transactions includes, in addition to the contingency fee paid subject to the completion of the Transactions, a fixed fee paid regardless of the successful completion of the Transactions. The Target Company has appointed Deloitte Tohmatsu Financial Advisory as its financial advisor and third-party appraiser based on the remuneration system described above by determining that their independence cannot be denied simply because they will be paid a contingency fee that is conditioned on the completion of the Transactions, etc., taking into account the general practice in the same type of transactions and the appropriateness of a remuneration system where the Target Company will incur a financial burden even if the Transactions is not completed. In addition, the Special Committee confirmed that there was no problem with the independence of Deloitte Tohmatsu Financial Advisory.

For an overview of the Share Valuation Report, please see “C. Matters Regarding Calculation” above.

(ii) Advice obtained by the Target Company from an independent law firm

The Target Company appointed TMI Associates as its legal advisor independent from the Parties Related to the Tender Offer on September 30, 2023, to ensure the fairness and appropriateness in the decision-making process of the Target Company's Board of Directors in relation to the Tender Offer, and has received necessary legal advice from the law firm regarding the method and process of decision-making of the Target Company's Board of Directors, including various procedures relating to the Transactions as well as other points to be noted. TMI Associates does not fall into a category of a related party of the Parties Related to the Tender Offer and does not have any material interests that should be disclosed in connection with the Transactions including the Tender Offer. Fees for TMI Associates are paid only on an hourly basis, and no incentive fee is adopted that is conditional upon the successful completion of the Transactions or other achievements. In addition, the Special Committee has confirmed that there is no problem with the independence of TMI Associates.

(iii) Establishment of an independent Special Committee at the Target Company and acquisition of reports

Considering various factors such as that the Tender Offer will be executed as part of a so-called management buyout (MBO) and that structural conflicts of interest may arise in the consideration of the Transactions at the Target Company, the Target Company resolved at its Board of Directors meeting held on October 6, 2023, to establish the Special Committee composed of three persons—Mr. Masahiro Ito, who is an outside director and independent officer of the Target Company; Mr. Shinji Tanabe (certified public accountant and the manager of Shinji Tanabe Certified Public Accountant Office) who is an outside director and independent officer of the Target Company (audit and supervisory committee member); and Mr. Yoshihiro Wakatsuki (lawyer and the representative member of Aoyama Law Office) who is an outside director and independent officer of the Target Company (audit and supervisory committee member)—all of whom do not have an interest in any of the Parties Related to the Tender Offer, for the purpose of ensuring careful decision-making on the Transactions at the Target Company, eliminating arbitrariness and potential conflicts of interest in the decision-making process of the Target Company's Board of Directors, and ensuring the fairness in such decision-making process, and it also resolved to make decisions that fully respect the recommendations from the Special Committee. The members of the Special Committee have not changed since its establishment. The remuneration for the members of the Special Committee consists only of a fixed remuneration that will be paid regardless of the success or failure of the Transactions and does not include an incentive fee payable conditional upon the successful completion of the Transactions or other achievements.

The Target Company consulted the Special Committee on (a) the reasonableness of the purpose of the Transactions (including whether the Transactions will contribute to the enhancement of the Target Company's corporate value), (b) the appropriateness of the terms and conditions of the Transactions (including appropriateness of the execution method of and consideration for the Transactions), (c) the fairness of the procedures for the Transactions (including consideration of what measures to be taken and to what extent such measures should be taken), and (d) in light of (a) through (c) and other matters, whether a decision made by the Target Company's Board of Directors to execute the Transactions (including expressing an opinion on the Tender Offer) will be disadvantageous to the minority shareholders (collectively, the "Consultation Matters"), and requested the Special Committee to submit the Report on the Consultation Matters to the Target Company's Board of Directors.

In addition, the Target Company has resolved at its Board of Directors meeting to grant the Special Committee the authority (a) to carry out investigations in relation to the Transactions; (b) to request the Target Company (i) to inform the Tender Offeror of its proposals and other opinions or questions as the Special Committee, and (ii) to provide the Special Committee with an opportunity for it to discuss and negotiate with the Tender Offeror, and even if the Special Committee does not request so, the Target Company shall promptly report the details of discussions or negotiations with the Tender Offeror to the Special Committee, and the Special Committee has the authority to express its opinions to the Target Company on the policy of discussion and negotiation with the Tender Offeror and to give necessary instructions and requests to the Target Company based on such details; and (c) to independently appoint an attorney, calculation agent, certified public accountant, and other advisors at the Target Company's expense, to provide necessary instructions to the Target Company's advisors, and to request a change of advisors if it is deemed necessary.

The Special Committee held a total of 18 meetings from October 6, 2023 to February 19, 2024, and discussed and examined the Consultation Matters. Specifically, at the first meeting of the Special Committee, it approved the legal advisor, financial advisor, and third-party calculation agent appointed by the Target Company as the Target Company's legal advisor, financial advisor, and third-party calculation agent, since the Special Committee found no problem regarding their independence and expertise, and then, acknowledged that the Special Committee could also receive professional advice, as necessary.

In addition, the Special Committee confirmed that there was no problem with respect to the internal consideration system for the Transactions established by the Target Company (including the scope and duties of the officers and employees of the Target Company who are involved in the consideration, negotiation, and judgment concerning the Transactions) from the viewpoint of its independence and fairness, and gave its approval thereof.

Thereafter, the Special Committee received explanations from the Target Company in the form of an interview and in writing on the Target Company's business environment and management challenges, and the opinion on the Letter of Intent, whether it is necessary to take the Target Company private through the Transactions, the significance and merits of the Transactions, the expected impact of the Transactions on the Target Company's business, and the process of preparing the Target Company's business plan, and had time for questions and answers. It also received explanations from Bain Capital and Mr. Yamai in the form of an interview and in writing on the purpose and background of the Transactions, whether it is necessary to take the Target Company private through the Transactions, the scheme and conditions of the Transactions, the significance and merits of the Transactions, details of the expected impact of the Transactions on the Target Company's business, the management policy after the Transactions, and measures to ensure the fairness of the Transactions, and had time for questions and answers. Furthermore, the Special Committee received explanations from Deloitte Tohmatsu Financial Advisory on the negotiation process for the terms and conditions of the Transactions and the valuation of the Target Company's Shares, and also received explanations from TMI Associates on the details of measures to ensure the procedural fairness of the Transactions, the method and process of decision making of the Target Company's Board of Directors in relation to the Transactions, and other measures to avoid conflicts of interest, and had time for questions and answers on these matters.

Furthermore, after receiving timely reports from the Target Company on the background and details of the discussions and negotiations between the Target Company and the Tender Offeror regarding the Transactions, the Special Committee held discussions at its meetings and negotiated on the Tender Offer Price as described in "(iii) Decision-making process leading to Target Company's decision to support Tender Offer and reason therefor" of "(2) Grounds and Reasons for the Opinion" above, and substantially participated in the negotiation process with the Tender Offeror by, for example, giving opinions to the Target Company several times until the proposal was made to set the Tender Offer Price at JPY1,250 per share.

Based on the background described above, the Special Committee carefully deliberated and examined the Consultation Matters and as a result submitted the Report on the Consultation Matters as summarized below to the Target Company's Board of Directors on February 19, 2024.

1. Reasonableness of the Purpose of the Transactions

(1) Summary of the Purpose, etc. of the Transactions

The Special Committee conducted interviews with the Target Company, Bain Capital, and Mr. Yamai with respect to the purpose of the Transactions as described in "(ii) Background, purpose and decision-making process leading to decision to implement the Tender Offer and management policy after the Tender Offer" and "(iii) Decision-making process leading to Target Company's decision to support Tender Offer and reason therefor" of "(2) Grounds and Reasons for the Opinion," and the specific details of the Target Company's corporate value that is forecast to improve through the Transactions.

(2) Consideration

The Special Committee implemented detailed considerations with respect to the above management environment surrounding the Target Company and the propriety and reasonableness of the specific details of other matters, the effect of the Transactions on the Target Company's employees and customers, etc., and the possibility, etc. of improving the Target Company's corporate value in light thereof. Specifically, a comprehensive verification was conducted including to what extent any and all the proposed measures conceived by Bain Capital and Mr. Yamai to improve corporate value amidst the management environment that the Target Company is currently placed in are specific and practical, whether there is a need to implement the Transactions to put such measures into action, and the types of business merits the implementation of the Transactions will bring to the Target Company, whether or not there are demerits and how the levels thereof, if any, are expected.

As a result, the Special Committee came to the conclusion that the Transactions will be conducted for the purpose of improving the Target Company's corporate value, since there are no significantly unreasonable points as to the significance and purpose of the Transactions including the Tender Offer described in (1) above and intended by the Target Company, Bain Capital and Mr. Yamai, and they are recognized as a result of reasonable considerations, and that no specially unreasonable points cannot be recognized in the Target Company's determination that there is a need to realize each measure intended by the Target Company.

On the other hand, since the Target Company Shares will become privatized due to the Transactions, the merit of being a listed company will be lost. However, since the Target Company's brand power and social credibility will be acquired/maintained through business activities, the Target Company's brand power and social credibility will not necessarily be lost by having privatized. Similar to as in human resources recruitment, negative effects will not necessarily arise due to privatization. Therefore, the Special Committee believes that no specially unreasonable points are recognized in the Target Company's determination that the need to maintain the listing and the demerits due to privatization are limited.

(3) Summary

In light of the above such points, as a result of careful consultations and considerations, the Special Committee came to the determination that the purpose of the Transactions is reasonable.

2. Appropriateness of the Terms and Conditions of the Transaction

(1) Share Valuation Report by Deloitte Tohmatsu Financial Advisory

According to the share valuation report that the Target Company obtained from Deloitte Tohmatsu Financial Advisory, which is a third-party calculation agency that is independent from the Parties Related to the Tender Offer, the share price of one share of the Target Company Shares is JPY838 ~ JPY1,086 according to the market share method, and JPY1,155 ~ JPY1,477 according to the DCF Method.

As a result of the Special Committee receiving detailed explanations from Deloitte Tohmatsu Financial Advisory on the calculation method, etc. used for the share price valuation, conducting question-and-answer sessions with Deloitte Tohmatsu Financial Advisory regarding the Target Company's business plan that will be the foundation for the selection of the valuation method and calculation by the DCF Method, the basis for calculating discount rates, and the basis for calculating perpetual growth rates, and other matters, and considering the aforementioned, the Special Committee did not recognize any unreasonable points in light of the general evaluation practices.

The Tender Offer Price is an amount that exceeds the maximum value of the calculated result according to the share market price of the share valuation report acquired from Deloitte Tohmatsu Financial Advisory, and is an amount that is within the range of the calculated result under the DCF Method.

(2) Premium on the Share Price

The Tender Offer Price (JPY1,250) is an amount of which a 26.52% (rounded to two decimal places; the same applies to premium values (%) for share prices) premium is added to the closing price of JPY988 of the Target Company Shares on the TSE Prime Market on the business day preceding the Tender Offer announcement date (February 19, 2024), 43.02% to the simple average closing price for the past one-month period until such date of JPY874, 36.17% to the simple average closing price for the past three-month period until such date of JPY918, and 15.85% to the simple average closing price for the past six-month period until such date of JPY1,079 (with respect to the level of the premium if the record date is February 16, 2024, which is the most recent transaction date on which the market share price of the Target Company Shares prior to the speculative reporting (after the end of market hours on February 16, 2024) by some media outlets that the Target Company is considering privatization can be confirmed, premium of 49.16% to the closing price of JPY838 of the Target Company Shares in the TSE Prime Market on February 16, 2024, a premium of 43.68% to the simple average closing price for the past 1-month period from the same date of JPY870, a premium of 36.02% to the simple average closing price for the past 3-month period from the same date of JPY919, and a premium of 15.10% to the simple average closing price for the past 6-month period from the same date of JPY1,086).

Whereas the market price of the Target Company Shares has been expected to decline since the Target Company announced the Target Company's Financial Results and the "Notice Concerning Recording of Extraordinary Loss (Loss on Valuation of Investment Securities) and Difference between Full-Year Earnings Forecast and Actual Full-Year Business Results" on February 13, 2024, while the announcement of such Financial Results was timely made under the provisions of the securities listing regulations and no arbitrary elements can be recognized in the timing and procedures, etc. of the announcement, since the Tender Offer will commence at a time near the announcement of the Financial Results, from the perspective of protecting minority shareholders, rather than determining the reasonableness of the Tender Offer Price with just the standard of the premium based on the fallen share price, it is necessary to determine the reasonableness of the Tender Offer Price upon considering the standard of the premium if the record date is set at February 13, 2024, which is the most recent transaction date on which the market share price of the Target Company Shares can be confirmed prior to announcement of the such Financial Results (after the close of market hours on February 13, 2024). In such instance, the Tender Offer Price (JPY1,250) includes a 44.18% premium to the closing price of JPY867 of the Target Company Shares on the TSE Prime Market of February 13, 2024, 41.40% to the simple average closing price for the past one-month period until February 13, 2024 of JPY884, 34.70% to the simple average closing price for the past three-month period until February 13, 2024 of JPY928, and 13.12% to the simple average closing price for the past six-month period until February 13, 2024 of JPY1,105, and if such premium is compared to the 56 cases of premiums in MBO matters for the purpose of privatization that were announced after June 28, 2019 and for which tender offers were successfully completed by February 13, 2024 (with the previous business day of the announcement date as the record date, the premium for the closing price of the business day preceding the announcement date and the respective median values of the premium rates for the simple average closing prices for the past one-month, three-month, and six-month periods until such date are 41.31%, 40.72%, 45.60% and 48.56%), although the levels are slightly inferior, considering that the PBR of the Target Company as of February

13, 2024 is 2 or more times, compared to the median value of the premium rates of the 21 cases where the PBR of the target company is one or more times (the median of the premium rates similar to the above are 35.34%, 30.07%, 32.93% and 38.89%) and the 9 cases where the PBR of the target company is two or more times (the median of the premium rates similar to the above are 23.02%, 22.53%, 24.83% and 27.39%) from among the total 56 cases, can be evaluated to be a price to which a significant premium has been attached. While the premium for the simple average closing price of the past 6-month period is a relatively low level, since the closing price of the Target Company Shares, the simple average closing price of the past one-month period, and the simple average closing price of the past three-month period are market share prices that better reflect the actual situation of the current Target Company than the simple average closing price for the past six-month period, with the appropriate premium being ensured for the closing price of February 13, 2024, the simple average closing price of the past one-month period, and the simple average closing price of the past three-month period, which is the immediately preceding transaction date in which the market share price of the Target Company Shares can be confirmed prior to the announcement of the Target Company's Financial Results and "Notice Concerning Recording of Extraordinary Loss (Loss on Valuation of Investment Securities) and Difference between Full-Year Earnings Forecast and Actual Full-Year Business Results" is made (after the close of market hours on February 13, 2024), the Tender Offer Price can been evaluated as having a sufficient premium attached thereto.

(3) Fairness of Procedures of Negotiation Process

As stated in 3. below, where the procedures for the negotiation process regarding the Transactions including the Tender Offer is recognized to be fair, the Tender Offer Price is recognized to have been decided in light of the results of such negotiations.

(4) Consideration to be Delivered in the Procedures After the Tender Offer

Whereas money will ultimately be delivered to the minority shareholders who did not tender in the Tender Offer in the procedures for the privatization planned to be implemented after the Tender Offer, the effect that the amount of money that will be delivered in such procedures is planned to be calculated so that it will be the same price as the Tender Offer Price multiplied by the number of the Target Company Shares held by the shareholder is planned to be explicitly stated in the press release, etc.

(5) Summary

In light of the above such points, as a result of careful consultations and considerations, the Special Committee arrived at the determination that the terms and conditions of the Transactions are appropriate.

3. Fairness of the Procedures of the Transactions

(1) Consideration Method by the Target Company

In considering the Transactions, the Target Company obtained advice, opinions, etc. from Deloitte Tohmatsu Financial Advisory, a financial advisor and third-party calculation agency independent from the Parties Relating to the Tender Offer, and carefully conducted considerations and consultations with respect to the points on the appropriateness of the terms and conditions of the Tender Offer including the Tender Offer Price and the fairness of the series of procedures of the Transactions from the perspective of the common interests of the shareholders and in extension the improvement of the Target Company's corporate value.

The Special Committee confirmed that there were no issues as to the independence or expertise of TM Associates and Deloitte Tohmatsu Financial Advisory and approved them as the Target Company's respective legal advisor, and financial advisor and third party calculation agency. In addition, the Special Committee confirmed that it can receive professional advice from TMI Associates and Deloitte Tohmatsu Financial Advisory as necessary, and has actually obtained advice, opinions, etc.

(2) Consultations and negotiations by the Target Company

The Target Company has held multiple rounds of substantive consultations and negotiations to ensure the fairness of the Tender Offer Price from the perspective of protecting the interests of the minority shareholders.

Specifically, through Deloitte Tohmatsu Financial Advisory, the Target Company repeatedly carried out price negotiations on several occasions for the proposals of the Tender Offer Price from the Tender Offeror. Furthermore, such consultations and negotiations were conducted in the form where the Special Committee was substantively involved in the negotiation process with the Tender Offeror, such as by the Special Committee timely receiving reports from the Target Company with respect to the background and contents, etc. of such consultations and negotiations, consulting on the policies, etc. through the Special Committee, and thereupon stating its opinions.

As a result of such negotiations, an increase of price of JPY200 has been drawn out from the Tender Offeror's initial proposal of JPY1,050 per share of the Target Company Shares, until coming to the decision on the Tender Offer Price of JPY1,250.

(3) Non-Participation of Special Interest Parties in the Negotiation Process of the Transactions

There are no persons having a special conflict of interest with the Transactions among the directors who will consider and negotiate the Transactions by representing the Target Company, and there are otherwise no facts that would infer that the Tender Offeror, the Tender Offeror's Parent Company, Bain Capital, the Shareholders Agreed to Tender, the Shareholders Agreed Not to Tender, and other persons having a special conflict of interest in the Transactions have had an unfair effect on the Target Company side in the process of the consultations, considerations and negotiations regarding the Transactions.

(4) Majority of Minority Conditions

The Tender Offeror has set the minimum number of shares to be purchased in the Tender Offer so that the voting rights in the Target Company held by the Tender Offeror and the Shareholders Agreed Not to Tender after the successful completion of the Tender Offer will be two-thirds or more of the total number of voting rights in the Target Company. For the successful completion of the Tender Offer, the Tender Offer needs at least a certain number of shares of the Target Company Shares to be tendered from shareholders in the Target Company who do not have an interest in the Tender Offeror in addition to the Shares Agreed to be Tendered. This will exceed the so-called "Majority of Minority" threshold (the number of the Target Company Shares owned by the shareholders in the Target Company who do not have an interest in the Tender Offeror is the majority of the number of shares obtained by deducting the number of treasury shares held by the Target Company as of the same date, the Shares Agreed to be Tendered, and the Shares Agreed Not to be Tendered from the total number of issued shares as of December 31, 2023, as stated in the Target Company's Financial Results) and meets the conditions of the "Majority of Minority."

(5) Establishment of the Special Committee and Assigning Maximum Value to the Opinion of the Special Committee

The Target Company was careful in the Target Company's decision-making, by considering that the Tender Offer would be conducted as part of a so-called management buyout (MBO) and that a structural conflicts of interest situation may arise in the consideration of the Transactions by the Target Company, excluded arbitrariness in the decision-making process of the Target Company's Board of Directors, established the Special Committee consisting of committee members independent form the Parties Relating to the Tender Offer (Masahiro Ito, the Target Company's outside director and independent officer, and Shinji Tanabe and Yoshihiro Wakatsuki, the Target Company's outside directors (Audit and Supervisory Committee members) and independent officers, were appointed as members of the Special Committee) by a resolution of the Board of Directors as of October 6, 2023, in order to secure fairness, transparency, and objectivity, gave utmost respect to the opinions of the Special Committee, and would not have made the decision to not conduct the Transactions if the Special Committee determined that the terms and conditions, etc. of the Transactions were not appropriate.

(6) Other Implementation of Fairness Ensuring Measures, etc.

In addition to (1) to (5) above, the following fairness ensuring measures upon the Transactions are actually implemented or are planned to be implemented:

(i) So that opportunities for tender offers, etc. by persons other than the Tender Offeror are not unfairly restricted, the Tender Offeror and the Target Company have not made an agreement to restrict the Target Company from making contact with competing takeover offerors other than the Tender Offer and have given considerations so as not to preclude opportunities for competitive tender offers;

(ii) Promptly after the completion of the settlement of the Tender Offer, the holding of an extraordinary shareholders meeting, including the agenda to partially amend the articles of incorporation to the effect of abolishing the provision of the number of shares per unit as a condition of the share consolidation and occurrence of the effects of the share consolidation, is planned to be requested to the Target Company, and measures have not been taken to ensure stock purchase rights or price determination right for the shareholders of the Target Company; and

(iii) The tender offer period is planned to e set at 36 business days, which is longer than the shortest period set forth in the laws and regulations (20 business days), and regarding the Tender Offer, a proper opportunity for determination has been ensured for the shareholders of the Target Company with respect to tendering in the Tender Offer.

(7) Summary

In light of the above such points, as a result of careful consultations and considerations, the Special Committee arrived at the determination that the procedures of the Transactions are fair.

4. Whether or Not the Decision to Execute the Transactions by the Target Company's Board of Directors is Disadvantageous to the Minority Shareholders

In the deliberations of the Special Committee, no other events have been confirmed that will have a particularly negative effect on the minority shareholders of the Target Company, and in light of the matters, etc. described in 1. to 3. above, as a result of having carefully considered the effects of the Transactions on the minority shareholders of the Target Company, the Special Committee came to the determination that the Target Company's Board of Directors' decision to implement the Transactions is not disadvantageous for the minority shareholders of the Target Company.

(iv) Approval of all directors (including Audit and Supervisory Committee Members) of the Target Company without conflicts of interest

The Target Company carefully deliberated the points such as whether the Transactions can enhance the corporate value of the Target Company and whether the Transactions is conducted through fair procedures, thereby securing the interests to be enjoyed by the minority shareholders, while taking into account the legal advice received from TMI Associates and the contents of the Share Valuation Report obtained from Deloitte Tohmatsu Financial Advisory and fully respecting the content of the Report submitted by the Special Committee.

As a result, as described under "(iii) Decision-making process leading to Target Company's decision to support Tender Offer and reason therefor" of "(2) Grounds and Reasons for the Opinion" above, the Target Company's Board of Directors has determined regarding the Transactions that since the measures expected by Bain Capital as described in (a) to (c) of "(ii) Management policy after the Tender Offer" of "(ii) Background, purpose and decision-making process leading to decision to implement the Tender Offer and management policy after the Tender Offer" of "(2) Grounds and Reasons for the Opinion" are close to the direction aimed for by the Target Company, and by working together with Bain Capital through the Transactions including the Tender Offer, it will become possible to utilize the high-level management know-how and M&A know-how of Bain Capital and the management resources, etc., centered on human resource and financial aspects held by Bain Capital, the enterprise value of the Target Company is expected to increase, and since the Tender Offer Price can be evaluated to have an appropriate premium attached thereto from the perspective of the market price, according to the reasons described in "(iii) Decision-making process leading to Target Company's decision to support Tender Offer and reason therefor" of "(2) Grounds and Reasons for the Opinion," and as described in "(3) Matters regarding Calculation" above, it is within the range of the calculation results by the DCF Method by Deloitte Tohmatsu Financial Advisory and can be thought to be a reasonable price, the Tender Offer Price and other terms and conditions relating to the Tender Offer are reasonable for the shareholders of the

Target Company, and the Tender Offer will provide the shareholders of the Target Company with a reasonable opportunity to sell their shares. Accordingly, at the meeting of the Target Company's Board of Directors held today, it was resolved by the unanimous vote of the directors attending the deliberations and resolutions (of the 11 directors in total, 10 directors, excluding Mr. Yamai, were in attendance) to express their opinion in support of the Tender offer and recommending to the shareholders of the Target Company to tender their shares in connection with the Tender Offer.

Since Mr. Yamai is expected to remain in the management of the Target Company after the successful completion of the Tender Offer and is considering making an investment directly or indirectly in the Tender Offeror, there exists a conflict of interest with the Target Company in connection with the Transactions. Accordingly, Mr. Yamai, being a director having special interest, has not participated in the deliberations or resolutions at the aforementioned Board of Directors meetings in any way, and has not participated in the discussions or negotiations with the Tender Offeror in any way in his capacity as the Target Company.

(v) Setting of minimum number of shares to be purchased that satisfies Majority of Minority

The minimum number of shares to be purchased in the Tender Offer has been set at 14,539,700 shares (ownership ratio: 38.13%) so that the voting rights in the Target Company held by the Tender Offeror and the Shareholders Agreed Not to Tender after the successful completion of the Tender Offer will be two-thirds or more of the total number of voting rights in the Target Company. For the successful completion of the Tender Offer, the Tender Offer needs at least 14,197,700 shares of the Target Company Shares to be tendered from shareholders in the Target Company who do not have an interest in the Tender Offeror in addition to the Shares Agreed to be Tendered (342,000 shares, ownership ratio: 0.90%). This will exceed the so-called "Majority of Minority" threshold (13,454,432 shares; the number of the Target Company Shares owned by the shareholders in the Target Company who do not have a an interest in the Tender Offeror is the majority of the number of shares obtained by deducting the number of treasury shares held by the Target Company as of the same date (6,620 shares), the Shares Agreed to be Tendered (342,000 shares), and the Shares Agreed Not to be Tendered (10,882,517 shares) from the total number of issued shares as of December 31, 2023, as stated in the Target Company's Financial Results (38,140,000 shares)) and meets the conditions of the "Majority of Minority."

(vi) Ensuring objective situation that ensures fairness of the Tender Offer

The Tender Offeror ensures to give the shareholders in the Target Company an appropriate opportunity to make a judgment regarding application for the Tender Offer as well as ensures opportunities for competing tender offerors to make a competing purchase for the Target Company Shares by setting the Tender Offer Period of 36 business days, which is longer than the statutory shortest period of 20 business days, thereby intending to ensure the appropriateness of the Tender Offer Price. Furthermore, although the Target Company may not make an agreement relating to competing transactions with the Tender Offeror and has agreed that it will not engage in proposals, solicitations, offers, or offer to consult on competing transactions nor any consultations or negotiations regarding such transactions, this will not apply in relation to a third party making a counterproposal, and consideration has been given so that no agreement has been made to restrict the Target Company from contacting a competitive takeover offeror other than the Tender Offeror, so as not to unfairly restrict opportunities for tender offers by persons other than the Tender Offeror, and opportunities for competitive tenders are not precluded.

4. Matters Relating to Important Agreements Concerning the Tender Offer between the Tender Offeror and Shareholders of the Target Company

(1) Agreement to Tender

The Tender Offeror has entered into the Agreement to Tender, on February 20, 2024, with each of the Shareholders Agreed to Tender and agreed upon their tendering all of the Target Company Shares owned by Ms. Mieko Watanabe (180,000 shares, ownership ratio: 0.47%) and all of the Target Company Shares owned by Ms. Yoshiko Yamai (162,000 shares, ownership ratio: 0.42%) (in total, 342,000 shares, ownership ratio: 0.90%) in the Tender Offer. In the Agreement to Tender, the Tender Offeror has agreed with the Shareholders Agreed to Tender as follows, and there are no conditions precedent to the tendering by the Shareholders Agreed to Tender. The Tender Offeror has not reached any agreement with the Shareholders Agreed to Tender with respect to the Tender Offer other than the Agreement to Tender, and there are no benefits to be provided by the Tender Offeror to the Shareholders Agreed to Tender other than the monies to be obtained by tendering in the Tender Offer:

(a) During the period between the execution date of the Agreement to Tender and the Settlement Commencement Date, the Shareholders Agreed to Tender shall not exercise their rights to request the convocation of any general meeting of shareholders of the Target Company or to make any shareholder proposal;

(b) If (i) any proposal for dividends or other disposition of surplus, (ii) any proposal related to shareholder proposals, or (iii) any proposal which, if approved, would have or is reasonably expected to have a material impact on the Target Company's financial position, results of operations, cash flow, business, assets, liabilities or future earnings plans or prospects, is submitted at a general meeting of shareholders of the Target Company to be held during the period between the execution date of the Agreement to Tender and the Settlement Commencement Date, the Shareholders Agreed to Tender shall vote against the proposals with respect to their voting rights at such general meeting of shareholders represented by the Target Company Shares held thereby; and

(c) If the Tender Offer is successfully completed and a general meeting of shareholders of the Target Company with the record date for exercise of rights being a date prior to the Settlement Commencement Date is held on or after the Settlement Commencement Date, the Shareholders Agreed to Tender shall exercise their voting rights and all other rights at such general meeting of shareholders represented by all of their Target Company Shares in accordance with the instructions of the Tender Offeror and shall take measures required to properly reflect the intention of the Tender Offeror.

(2) Agreement Not to Tender

The Tender Offeror has entered into the Agreement Not to Tender, on February 20, 2024, with each of the Shareholders Agreed Not to Tender and agreed upon their not tendering all of the Target Company Shares owned by Mr. Yamai (5,419,755 shares, ownership ratio: 14.21%), all of the Target Company Shares owned by Seppousha (1,118,800 shares, ownership ratio: 2.93%), all of the Target Company Shares owned by Setsuryusha (400,000 shares, ownership ratio: 1.05%),all of the Target Company Shares owned by Rihousha (400,000 shares, ownership ratio: 1.05%), all of the Target Company Shares owned by Jippousha (400,000 shares, ownership ratio: 1.05%), all of the Target Company Shares owned by Mr. Ryusuke Yamai (939,840 shares, ownership ratio: 2.46%), all of the Target Company Shares owned by Ms. Risa Yamai (736,574 shares, ownership ratio: 1.93%), all of the Target Company Shares owned by Ms. Natsumi Itakura (734,080 shares, ownership ratio: 1.93%), all of the Target Company Shares owned by Mr. Yuma Yamai (384,160 shares, ownership ratio: 1.01%), all of the Target Company Shares owned by Ms. Takako Yamai (349,308 shares, ownership ratio: 0.92%) (in total, 10,882,517 shares, ownership ratio: 28.54%) in the Tender Offer. The Tender Offeror has agreed with the Shareholders Agreed Not to Tender Agreed as follows in the Agreement Not to Tender:

(a) The Shareholders Agreed Not to Tender will not exercise the convocation demand right or the shareholder proposal right of the shareholders meeting of the Target Company during the period from the execution date of the Agreement Not to Tender until the completion of the Squeeze-Out Procedures;

(b) If (i) any proposal for dividends or other disposition of surplus, (ii) any proposal related to shareholder proposals, or (iii) any proposal which, if passed, would have or is reasonably expected to have a material impact on the Target Company's financial position, results of operations, cash flow, business, assets, liabilities or future earnings plans or prospects, is submitted at a general meeting of shareholders of the Target Company to be held during the period between the execution date of the Agreement Not to Tender and the completion of the Squeeze Out Procedures, the Shareholders Agreed Not to Tender shall vote against the proposals with respect to their voting rights at such general meeting of shareholders represented by the Target Company Shares held thereby;

(c) The Shareholders Agreed Not to Tender shall support the Consolidation of Shares and all the proposals relating thereto at the Extraordinary Shareholders Meeting; and

(d) If the Consolidation of Shares takes effect, the Shareholders Agreed Not to Tender shall, at the general meetings of shareholders of the Target Company held on or after the effective date of the Consolidation of Shares, exercise their voting rights and all other rights at such general meeting of shareholders represented by all of their Target Company Shares in accordance with the agreement between the Shareholders Agreed Not to Tender and the Tender Offeror.

In addition, Mr. Yamai has agreed in the Agreement Not to Tender that if there are, or are expected to be, Major Shareholders after the settlement of the Tender Offer, in order to avoid, to the extent possible, Major Shareholders existing on the effective date of the Consolidation of Shares described in "(5) Post-Tender Offer Reorganization Policy (Matters regarding the so-called Two-Step Acquisition)" of "3. Details of, and Grounds and Reasons for, the Opinion Regarding the Tender Offer" above, which is to be carried out as part of the Squeeze Out Procedures contemplated after the Tender Offer, as a measure so that the number of the Target Company Shares held by the Tender Offeror and the Shareholders Agreed Not to Tender is greater than the number of the Target Company Shares held by the Major Shareholders , if there are Major Shareholders or the occurrence thereof is expected after the settlement of the Tender Offer, he will, after the delisting regarding the Target Company Shares, follow the instructions of the Tender Offeror to enter into loan agreements with respect to the Target Company Shares with the Shareholders Agreed Not to Tender excluding Mr. Yamai, which will take effect prior to the effectuation of the Consolidation of Shares, to borrow all of the Target Company Shares held by the Shareholders Agreed Not to Tender excluding Mr. Yamai without consideration (the "Share Lending"). As the Share Lending is expected to be executed with a person who continues to have a relationship as a formal specially related party as defined in Article 27-2, Paragraph 7, Item (i) of the Act for at least one year before the date of execution of the agreement for the Share Lending, it will fall under the category of an "Exempted Purchase, etc." as defined in the proviso to Article 27-2, Paragraph 1 of the Act. However, if it is expected that there will be no Major Shareholders on the effective date of the Consolidation of Shares, or if it is expected that there will be a shareholder (other than the Tender Offeror) who holds the Target Company Shares equal to or more than the total number of the Target Company Shares held by the Shareholders Agreed Not to Tender on the effective date of the Consolidation of Shares, Mr. Yamai shall not enter into each share lending agreement and shall not execute the Share Lending. The Shareholders Agreed Not to Tender and the Tender Offeror have agreed that if it is expected that there will be a shareholder (other than the Tender Offeror) who holds the Target Company Shares in an amount equal to or more than the total number of the Target Company Shares held by the Shareholders Agreed Not to Tender on the effective date of the Consolidation of Shares, the Shareholders Agreed Not to Tender and the Tender Offeror will carry out the Squeeze Out Procedures with the Tender Offeror as the only shareholder in the Target Company and will consult in good faith as to the reinvestment in the Tender Offeror's Parent Company by the Shareholders Agreed Not to Tender.

Mr. Yamai and the Tender Offeror have also agreed in the Agreement Not to Tender that if the Share Lending is executed, they will, after the completion of the Squeeze Out Procedures, cause the Target Company to split the Target Company's Shares on the record date and at the rate separately designated by the Tender Offeror (the "Share Split") in accordance with the instructions of the Tender Offeror, and will cooperate as much as possible for procedures necessary for executing the Share Split.

Furthermore, Mr. Yamai has also agreed in the Agreement Not to Tender to terminate the Share Lending in accordance with the instruction of the Tender Offeror and return all of the Target Company Shares subject to the Share Lending to the Shareholders Agreed Not to Tender excluding Mr. Yamai after the execution of the Share Split.

(3) Shareholders Agreement

BCPE Myoko has executed a Shareholders Agreement containing the following contents with the Shareholders Agreed Not to Tender (in "(3) Shareholders Agreement," collectively, the "Counterparty Shareholders") on February 20, 2024.

(a) After the completion of the Squeeze Out Procedures, BCPE Myoko and the Counterparty Shareholders will execute the Triangular Share Exchange, with the date proposed by BCPE Myoko as an effective date, and will take any actions required for the Triangular Share Exchange;

(b) The governance of the Tender Offeror's Parent Company, the Tender Offeror, and the Target Company, and each party's nomination right after the Triangular Share Exchange shall be as follows:

(i) Directors of the Tender Offeror's Parent Company and the Tender Offeror

After each company becomes a company with a Board of Directors, each shall have the number of directors as separately agreed by BCPE Myoko and the Counterparty Shareholders, and BCPE Myoko has the right to nominate a majority of the directors thereof, and the Counterparty Shareholders have the right to nominate the remaining number of directors;

(ii) Directors of the Target Company

There shall be the number of directors separately agreed by BCPE Myoko and the Counterparty Shareholders, and BCPE Myoko has the right to nominate a majority of the directors thereof, and the Counterparty Shareholders have the right to nominate the remaining number of directors;

(iii) Representative Directors of the Tender Offeror's Parent Company, the Tender Offeror, and the Target Company

Each company shall have up to two directors, and from the effective date of the Triangular Share Exchange, one of the representative directors of each company during the effective term of the Shareholders Agreement shall be Mr. Yamai;

(iv) Auditors of the Tender Offeror's Parent Company

After it becomes a company with a Board of Directors, it shall have one auditor, who BCPE Myoko shall have the right to nominate;

(c) Unless otherwise set forth in the Shareholders Agreement, the Counterparty Shareholders may not transfer the shares of the Tender Offeror's Parent Company held thereby in whole or in part to a third party;

(d) In the event BCPE Myoko transfers the shares of the Tender Offeror's Parent Company in whole or in part to a third party and if after the transfer the equity ratio in the Tender Offeror's Parent Company of BCPE Myoko will be less than 50% (excluding transfer to BCPE Myoko's affiliates), BCPE Myoko will preferentially negotiate with the Counterpart Shareholders;

(e) If BCPE Myoko transfers all of the shares of the Tender Offeror's Parent Company to a third party, BCPE Myoko may demand the Counterparty Shareholders to sell all of the shares of the Tender Offeror's Parent Company they hold to such third party at the same terms and conditions, and the Counterparty Shareholders bear an obligation to comply with such demand; and

(f) In the event BCPE Myoko does not exercise the right set forth in € and if all of the shares of the Tender Offeror's Parent Company will be transferred to a third party, the Counterparty Shareholders may demand the sale of all of the shares of the Tender Offeror's Parent Company they hold to such third party, with the same terms and conditions of such transfer, and BCPE Myoko will comply with such demand and cooperate to a reasonable extent so that the transfer between each of the Counterparty Shareholders and such third party will be made.

(4) Management Entrustment Agreement

BCPE Myoko and the Tender Offeror's Parent Company have entered into the Management Entrustment Agreement with Mr. Yamai on February 20, 2024, and agreed to entrust to Mr. Yamai the duties of the representative director and president, etc. of the Target Company, and to cause the Target Company to pay the remuneration separately agreed between BCPE Myoko and Mr. Yamai as consideration for such services, by referencing the actual performance of compensations in the fiscal year ending December 2023.

(5) Memorandum of understanding concerning support for tender offer

The Tender Offeror has entered into a memorandum of understanding concerning the implementation of the Transactions on February 20, 2024 with the Target Company ("MOU") that contains the following provisions:

(a) On the condition that the Special Committee has made an affirmative report on the Target Company's Board of Directors expressing an opinion in support of the Tender Offer and recommending the Target Company's shareholders to tender their shares in the Tender Offer ("Expression of Supporting Opinion" in this "(5) Memorandum of understanding concerning support for tender offer") and such report has not been withdrawn or changed, the Target Company shall make the Expression of Supporting Opinion;

(b) The Target Company shall maintain the Expression of Supporting Opinion and shall not adopt any resolution of its Board of Directors to withdraw or change it until the last day of the Tender Offer Period of the Tender Offer unless (i) a person other than the Tender Offeror commences a tender offer for all of the Target Company's shares that competes with the Tender Offer or (ii) the Target Company receives a feasible and sincere proposal for a transaction that substantially conflicts with the Transactions or makes it difficult to implement the Transactions, or that is reasonably likely to do so (including transactions to acquire the Target Company Shares or to dispose of the Target Company Group's shares or all or material part of its business through a tender offer, reorganization or other means, hereinafter referred to as "Competing Transaction") (for such proposal, the financing for the implementation of the relevant Competing Transaction must be reasonably expected to be certain, and the consideration for the relevant Competing Transaction must substantially not fall below the Tender Offer Price, hereinafter referred to as the "Counterproposal"), and undergoes a good faith consultation with the Tender Offeror;

(c) From the execution date of the MOU until completion of the Squeeze Out Procedures, the Target Company shall not (i) enter into any agreement in relation to a Competing Transaction (including expressing an opinion to support the transaction or recommend tendering in the tender offer), (ii) provide any information on the Target Company Group or other information to any person other than the Tender Offeror in relation to a Competing Transaction, or (iii) propose, solicit, apply for or offer for discussion on a Competing Transaction, or discuss or negotiate on the transaction. Provided, however, that if the Target Company receives a Counterproposal, this shall not apply to a relationship with a third party who has made the Counterproposal;

(d) Upon receiving a proposal for a Competing Transaction, the Target Company shall promptly notify the Tender Offeror to that effect and of the details of such proposal, and shall discuss with the Tender Offeror how to respond to such proposal in good faith;

(e) The Target Company and the Tender Offeror shall cooperate with each other to a reasonable extent to implement the Transactions;

In addition, the MOU stipulates as causes of termination any material breach by the other party (for the Target Company, it means the Tender Offeror, and for the Tender Offeror, it means the Target Company) of the representations and warranties set forth in the MOU (Note 1) or any material default by the other party of obligations under the MOU (Note 2).

(Note 1) In the MOU, the Tender Offeror has made representations and warranties regarding (1) the validity of its incorporation and existence, (2) the power and capacity required for the execution and performance of the MOU, (3) the validity and enforceability of the MOU, (4) the absence of any conflict with laws and regulations in connection with the execution and performance of the MOU, (5) the absence of any bankruptcy or other similar proceedings, and (6) the absence of any transaction with or involvement in anti-social forces. In the MOU, on the other hand, the Target Company has made representations and warranties regarding (1) the validity of its incorporation and existence, (2) the power and capacity required for the execution and performance of the MOU, (3) the validity and enforceability of the MOU, (4) the absence of any conflict with laws and regulations in connection with the execution and performance of the MOU, (5) the absence of bankruptcy or other similar proceedings, (6) the absence of any transaction with or involvement in anti-social forces, (7) the absence of bribery, etc., (8) accuracy of tax returns and performance of obligation to pay taxes, (9) the absence of undisclosed material facts, etc., and (10) accuracy of statutory disclosure documents.

(Note 2) In the MOU, the Target Company is, in general, under obligations (1) relating to implementing the Squeeze Out Procedures if the Tender Offer is successfully completed, (2) to carry out its business within the scope of its ordinary business, (3) to make reasonable efforts to obtain consent or agreement from the counterparties to the contracts which require such consent or agreement in connection with the Transactions and the resulting acquisition by the Tender Offeror of 100% ownership of the Target Company, (4) to provide information requested by the Tender Offeror to the extent reasonably necessary in order to obtain permission required for the Tender Offer; (5) to cooperate in financing efforts of the Tender Offeror, (6) to notify any breach of representations, warranties or obligations of which it becomes aware, (7) to fulfill the procedures necessary for tendering in the Tender Offer regarding Target Company Shares in trust for the performance-based stock compensation plan for officers (BBT) and employee stock ownership plan (EPOS), and (8) to maintain confidentiality.

5. Matters concerning Division of Profits by the Tender Offeror or its Specially Related Parties

Not applicable

6. Policy for Responses Regarding Basic Policies on the Control of the Target Company

Not applicable

7. Inquiries to the Tender Offeror

Not applicable

8. Request for Extension of the Tender Offer Period

Not applicable

9. Future Prospects

Please refer to "(ii) Background, purpose and decision-making process leading to decision to implement the Tender Offer and management policy after the Tender Offer" of "(2) Grounds and Reasons for the Opinion" of "3. Details of, and Grounds and Reasons for, the Opinion Regarding the Tender Offer," "(4) Prospects for Delisting and Reasons Therefor," and "(5) Post-Tender Offer Reorganization Policy (Matters regarding the so-called Two-Step Acquisition)" above.

10. Others

The Target Company resolved at a meeting of its Board of Directors held today that dividends for the fiscal year ending December 2023 will not be made, and, subject to the completion of the Tender Offer, dividends for the fiscal year ending December 2024 will not be made by amending the dividend forecast for fiscal year ending December 2023, and the shareholder benefits system will be abolished from the fiscal year ending December 2024. For details, please refer to the "Amendment to Dividends of Surplus for the Fiscal Year Ending December 2023 (No Dividends) and Revision to Dividend Forecast for the Fiscal Year Ending December 2024 (No Dividends), and Notice of Abolishment of Shareholder Benefits System" announced by the Target Company on February 13, 2024.

END

(Reference) "Notice Concerning Commencement of Tender Offer for Shares of Snow Peak Inc. (Securities Code: 7816)," dated February 20, 2024 (as attached)

[Translation]

February 20, 2024

To whom it may concern:

Name of Company	K.K. BCJ-80
Name of Representative	Yuji Sugimoto, Representative Director

Notice Concerning Commencement of Tender Offer for
Shares of Snow Peak Inc. (Securities Code: 7816)

K.K. BCJ-80 ("Tender Offeror") hereby announces that on February 20, 2024, it has decided to acquire common shares ("Target Company Shares") of Snow Peak, Inc. listed on the Prime Market ("TSE Prime Market") of the Tokyo Stock Exchange, Inc. ("TSE") ("Target Company") through a tender offer ("Tender Offer") pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) ("Act"), as follows.

1. Terms and conditions of the Tender Offer

(1) Name of Target Company

Snow Peak, Inc.

(2) Class of share certificates, etc. to be purchased

Common shares

(3) Purchase period

From February 21, 2024 (Wednesday) through April 12, 2024 (Friday) (36 business days)

(4) Purchase price, etc.

JPY 1,250 per common share

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

Class of share certificates, etc.	Number of shares to be purchased	Minimum number of shares to be purchased	Maximum number of shares to be purchased
Common shares	27,250,863 shares	14,539,700 shares	- shares
Total	27,250,863 shares	14,539,700 shares	- shares

(6) Commencement date of settlement

April 19, 2024 (Friday)

(7) Tender offer agent

SMBC Nikko Securities Inc.

3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo

2. Overview of the Tender Offer

The Tender Offeror is a wholly-owned subsidiary company of K.K. BCJ-79 ("Tender Offeror's Parent Company"), whose entire shares are indirectly owned by an investment fund that receives investment advice from Bain Capital Private Equity, LP and its group (individually or collectively, "Bain Capital"), and a stock company which was established on January 31, 2024 chiefly for the purpose of owning the Target Company Shares and controlling and managing the business activities of the Target Company. As of today, Bain Capital, the Tender Offeror and the Tender Offeror's Parent Company do not own any Target Company Shares.

Bain Capital is an international investment company with assets under management worth approximately USD 175 billion worldwide, whose more than 50 employees have been proceeding with the effort to improve the corporate value of investees in Japan since it opened its Tokyo base in 2006. Bain Capital principally consists of professionals with experience mainly in business companies and consulting companies. Bain Capital steadily implemented a growth strategy by supporting business operation at a field level in addition to providing capital and financial support that general investment companies do, and has a record of leading numerous value improvement measures toward success. Bain Capital has a record of investing in 31 companies in Japan including SYSTEM INFORMATION CO.,LTD., IDAJ Co., LTD., EVIDENT CORPORATION (succeeded the former science business of Olympus), ImpactHD Inc., MASH Holdings Co.,Ltd., Hitachi Metals, Ltd. (current, Proterial, Ltd.), Net Marketing Co. Ltd., Tri-Stage Inc., Linc'well Inc., Nihon Safety Co., Ltd., IGNIS LTD., Kirindo Holdings Co., Ltd., Hey, Kabushiki Kaisha (current, STORES, Inc.), NICHIIGAKKAN CO., LTD., SHOWA AIRCRAFT INDUSTRY CO.,LTD., CheetahDigital Kabushiki Kaisha (current, EmberPoint Co., Ltd.), Works Human Intelligence Co., Ltd., Toshiba Memory Corporation (current, Kioxia Corporation) and other companies. Since its establishment in 1984, Bain Capital has a record of global investment in approximately 300 companies, and approximately 1,150 or more companies including additional investment.

The Tender Offeror will implement the Tender Offer as part of a series of transactions ("Transactions") for the so-called management buyout (MBO) (Note 1) by acquiring all of the Target Company Shares (this excludes treasury shares owned by the Target Company and Shares Agreed Not to be Tendered (as defined below)) listed on the TSE Prime Market.

(Note 1) Management buyout (MBO) means a transaction in which a tender offeror conducts a tender offer based on an agreement with officers of a target company and shares interests with the officers of the target company.

In implementing the Tender Offer, the Tender Offeror executed an agreement to tender with Ms. Mieko Watanabe and Ms. Yoshiko Yamai, who are relatives of Mr. Tohru Yamai ("Mr. Yamai"), the Target Company's Chairman, President and Representative Director and largest shareholder, as of February 20, 2024, respectively, and has agreed to tender all of the Target Company Shares owned by Ms. Mieko Watanabe (180,000 shares, ownership ratio (Note 2): 0.47%) and all of the Target Company Shares owned by Ms. Yoshiko Yamai (162,000 shares, ownership ratio: 0.42%) (total number of shares: 342,000 shares, total ownership ratio: 0.90%) in the Tender Offer.

In addition, the Tender Offeror executed an agreement not to tender with Mr. Yamai, Seppousha, Inc. ("Seppousha"), a company all of whose voting rights are held by Mr. Yamai and which is the fifth largest shareholder of the Target Company, Setsuryusha, Inc. ("Setsuryusha"), a company all of whose voting rights are held by Mr. Yamai, Rihou, Inc. ("Rihousha"), a company all of whose voting rights are held by Mr. Yamai and Jippou, Inc. ("Jippousha"), a company all of whose voting rights are held by Mr. Yamai, and Mr.

Ryusuke Yamai, Mr. Yamai's second son and the eighth largest shareholder of the Target Company, Ms. Risa Yamai, Mr. Yamai's first daughter and the tenth largest shareholder of the Target Company, Ms. Natsumi Sakakura, Mr. Yamai's second daughter, Mr. Yuma Yamai, Mr. Yamai's first son, and Ms. Takako Yamai, Mr. Yamai's spouse (collectively, "Shareholders Agreed Not to Tender"), as of February 20, 2024, and has agreed not to tender all of the Target Company Shares owned by Mr. Yamai (5,419,755 shares, ownership ratio: 14.21%), all of the Target Company Shares owned by Seppousha (1,118,800 shares, ownership ratio: 2.93%), all of the Target Company Shares owned by Setsuryusha (400,000 shares, ownership ratio: 1.05%), all of the Target Company Shares owned by Rihousha (400,000 shares, ownership ratio: 1.05%) and all of the Target Company Shares owned by Jippousha (400,000 shares, ownership ratio: 1.05%), and all of the Target Company Shares owned by Mr. Ryusuke Yamai (939,840 shares, ownership ratio: 2.46%), all of the Target Company Shares owned by Ms. Risa Yamai (736,574 shares, ownership ratio: 1.93%), all of the Target Company Shares owned by. Ms. Natsumi Sakakura (734,080 shares, ownership ratio: 1.93%), all of the Target Company Shares owned by Mr. Yuma Yamai (384,160 shares, ownership ratio: 1.01%) and all of the Target Company Shares owned by Ms. Takako Yamai (349,308 shares, ownership ratio: 0.92%) (total number of shares: 10,882,517 shares ("Shares Agreed Not to be Tendered"), total ownership ratio: 28.54%) in the Tender Offer.

(Note 2) Ownership ratio means the ratio (rounded to two decimal places; the same applies hereinafter) to the number of shares obtained by (A) deducting 6,620 shares, the number of treasury shares that the Target Company owns as of December 31, 2023 as reported by the Target Company (excluding the number of the Target Company Shares held by the Target Company as trust assets pertaining to the performance-based stock compensation plan for directors (BBT (Board Benefit Trust)) and Employee Stock Ownership Plan (ESOP) ; the same applies hereinafter) from (B) 38,140,000 shares, the total number of issued shares as of December 31, 2023 as stated in the "Consolidated Financial Results for the Fiscal Year Ended December 31, 2023 (under Japanese GAAP)" ("Target Company's Financial Results") announced by the Target Company on February 13, 2024 (38,133,380 shares).

In the Tender Offer, the Tender Offeror sets the minimum number of shares to be purchased at 14,539,700 shares (ownership ratio: 38.13%), and if the total number of share certificates, etc. tendered in the Tender Offer ("Tendered Share Certificates") falls short of the minimum number of shares to be purchased (14,539,700 shares), the Tender Offeror will purchase none of the Tendered Share Certificates. On the other hand, given that the purpose of the Tender Offer is to obtain all of the Target Company Shares (excluding the treasury shares owned by the Target Company and Shares Agreed Not to be Tendered), the Tender Offeror has not set any maximum number of shares to be purchased .The Tender Offeror will purchase all of the Tendered Share Certificates if the total number of the Tendered Share Certificates is no less than the minimum number of shares to be purchased .Given that the special resolution at a shareholders meeting provided in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended; the "Companies Act") is required to implement the procedures for consolidation of shares in order to carry out a series of procedures to make the Tender Offeror and the Shareholders Agreed Not to Tender only the shareholders of the Target Company ("Squeeze Out Procedures") as set out in "3. Post-Tender Offer reorganization policy (matters regarding so-called two-step acquisition)" below, in order to ensure the implementation of the Transactions, the Tender Offeror has set the minimum number of shares to be purchased (14,539,700 shares) to the number of shares obtained by the following formula: (A) multiplying by the number of share units (100 shares) of the Target Company (B) the number of voting rights (254,222 units) which is obtained by multiplying 2/3 by the number of voting rights (381,333 units) pertaining to the number of shares obtained by deducting the number of the treasury shares of the Target Company owns (6,620 shares) from the total number of issued shares as of December 31, 2023 as stated in the Target Company’s Financial Results

(38,140,000 shares) and deducting the number of voting rights (108,825 units) pertaining to the number of the Shares Agreed Not to be Tendered (10,882,517 shares).

If the Tender Offer is successfully completed, the Tender Offeror plans to receive investment of up to JPY 12.5 billion from the Tender Offeror's Parent Company by 2 business days before the commencement date of settlement of the Tender Offer ("Settlement Commencement Date") and borrowing of up to JPY 22 billion from MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation, The Bank of Yokohama, Ltd., and Daishi Hokuetsu Bank, Ltd. by the business day immediately preceding the Settlement Commencement Date. The Tender Offeror plans to use these funds to settle the Tender Offer.

If the Tender Offeror fails to acquire all of the Target Company Shares (excluding the treasury shares owned by the Target Company and Shares Agreed Not to be Tendered) through the Tender Offer although the Tender Offer has been successfully completed, after the successful completion of the Tender Offer, the Tender Offeror plans to implement the Squeeze Out Procedures to make the Tender Offeror and the Shareholders Agreed Not to Tender the only shareholders of the Target Company, as set out in "3. Post-Tender Offer reorganization policy (matters regarding so-called two-step acquisition)" below.

Mr. Yamai plans to continue to manage the Target Company after the successful completion of the Tender Offer, and is considering indirectly owning the shares of the Tender Offeror after the completion of the Tender Offer in order to have a common goal to improve the corporate value. In addition, the Shareholders Agreed Not to Tender except for Mr. Yamai are relatives of Mr. Yamai or their asset management companies, and they are also considering indirectly owning shares of the Tender Offeror. Therefore, after the completion of the Squeeze Out Procedures, the Shareholders Agreed Not to Tender and the Tender Offeror plan to implement a share exchange ("Triangular Share Exchange") in which the Tender Offeror is the wholly owning parent company resulting from the share exchange and the Target Company is the wholly owned subsidiary company resulting from the share exchange and for which the common shares of the Tender Offeror's Parent Company is the consideration, subject to the completion of the Squeeze Out Procedures, and implement the procedures necessary for the Shareholders Agreed Not to Tender to acquire the shares of the Tender Offeror's Parent Company which is the consideration of the Triangular Share Exchange. In determining the exchange ratio of the Triangular Share Exchange, the value of the Target Company Shares will be evaluated at the same amount as the purchase price, etc. per share of the Target Company Shares in the Tender Offer ("Tender Offer Price") so as not to contradict the purpose of the uniformity of the tender offer price (Article 27 -2, Paragraph 3 of the Act), and the share exchange ratio will be set at which will not be a more favorable condition than the Tender Offer Price. Ultimately, the ownership ratio regarding the common shares of the Shareholders Agreed Not to Tender and BCPE Myoko Cayman L.P. ("BCPE Myoko"), which is the wholly owning parent company of the Tender Offeror's Parent Company as of today, will be 45:55 in principle (Note 3).

(Note 3) If this ownership ratio is not achieved through the Triangular Share Exchange alone, before and after the Triangular Share Exchange, the Tender Offeror plans to make adjustments to achieve such ratio by transferring the Target Company Shares or the common shares of the Tender Offeror's Parent Company on a relative basis, as necessary, between the Shareholders Agreed Not to Tender and the Tender Offeror (if adjustments are made prior to the Triangular Share Exchange) or between the Shareholders Agreed Not to Tender and BCPE Myoko (if adjustments are made after the Triangular Share Exchange). The consideration for such relative transfer is planned to be valued at the same amount as the Tender Offer Price, setting a price that is not more favorable than the Tender Offer Price, so as not to violate the intention of the uniformity of the tender offer price (Article 27-2, Paragraph 3 of the Act).

3. Post-Tender Offer reorganization policy (matters regarding so-called two-step acquisition)

As described in "2. Overview of Tender Offer" above, if the Tender Offeror is unable to acquire all of the Target Company Shares (excluding the treasury shares owned by the Target Company and the Shares Agreed not to be Tendered) through the Tender Offer, the Tender Offeror plans to acquire all of the Target Company Shares (excluding the treasury shares owned by the Target Company and the Shares Agreed not to be Tendered) through the following series of procedures after the successful completion of the Tender Offer.

If the Tender Offer is successfully completed, in accordance with Article 180 of the Companies Act, the Tender Offeror will, promptly after the completion of the settlement of the Tender Offer, request the Target Company to hold an extraordinary shareholders meeting ("Extraordinary Shareholders Meeting") that includes in its agenda a proposal for the consolidation of the Target Company Shares ("Consolidation of Shares") around June 2024 and, on the condition of the effectuation of the Consolidation of Shares, a proposal to partially amend the articles of incorporation to abolish the provisions regarding share units. According to the Target Company, in the event the Target Company receives such a request from the Tender Offeror, the Target Company intends to comply with such request. The Tender Offeror and the Shareholders Agreed Not to Tender will vote in favor of the above proposals at the Extraordinary Shareholders Meeting.

If the proposal for Consolidation of Shares is approved at the Extraordinary Shareholders Meeting, on the effective date of the Consolidation of Shares, the Target Company's shareholders will own the number of Target Company Shares corresponding to the ratio of the Consolidation of Shares approved at the Extraordinary Shareholders Meeting. If the Consolidation of Shares results in a fraction of less than one share, the Target Company's shareholders shall receive an amount of money that would be obtained by selling to the Target Company or the Tender Offeror the Target Company Shares equivalent to the total number of such fractional shares (if the total number includes a fraction of less than one share, such fraction shall be rounded down) in accordance with the procedures prescribed in Article 235 of the Companies Act and other relevant laws and regulations. With respect to the sale price of the Target Company Shares equivalent to the total number of such fractional shares, a petition for permission of voluntary sale will be filed with the court after calculating that the amount of money to be paid to the Target Company's shareholders who did not tender in the Tender Offer (excluding the Target Company and the Shareholders Agreed Not to Tender) as a result of such sale will be equal to the Tender Offer Price multiplied by the number of Target Company Shares held by such Target Company's shareholders. The ratio of the Consolidation of Shares has not yet been determined as of today, but it will be determined so that the number of the Target Company Shares held by the Target Company's shareholders who did not tender in the Tender Offer (excluding the Target Company and the Shareholders Agreed Not to Tender) will be a fraction of less than one share in order for the Tender Offeror to be able to own all of the Target Company Shares (excluding the treasury shares owned by the Target Company and the Shares Agreed not to be Tendered). Provided, however, that if, before the Consolidation of Shares becomes effective, there are Target Company's shareholders ("Major Shareholders") other than the Tender Offeror and the Shareholders Agreed Not to Tender whose number of the Target Company Shares it holds is the same as or more than the smallest number of the Target Company Shares held respectively by the Shareholders Agreed Not to Tender, the ratio of consolidation of the Target Company Shares may be set so that as a result of the Consolidation of Shares, only the Tender Offeror and the Shareholders Agreed Not to Tender whose number of the Target Company Shares it holds exceeds the Target Company Shares held by the Major Shareholders (if there are no such Shareholders Agreed Not to Tender, only the Tender Offeror) hold all of the Target Company Shares (excluding the treasury shares owned by the Target Company). In the best effort to avoid Major Shareholders from existing on the effective date and as a measure to ensure that the number of the Target Company Shares held by the Tender Offeror and the Shareholders Agreed Not to Tender exceeds the number of the Target Company Shares held by the Major

Shareholders, if Major Shareholders exist or expected to exist after the settlement of the Tender Offer, Shareholders Agreed Not to Tender other than Mr. Yamai may lend, free of charge, the Target Company Shares they hold to Mr. Yamai. The specific procedures for the Consolidation of Shares will be announced by the Target Company as soon as they are determined upon consultation between the Tender Offeror and the Target Company.

The provisions of the Companies Act that aim to protect the rights of minor shareholders in connection with the Consolidation of Shares provide that if the Consolidation of Shares results in a fraction of less than one share, the shareholders of the Target Company (excluding the Tender Offeror, the Target Company, and Shareholders Agreed Not to Tender) may, pursuant to Article 182-4 and Article 182-5 of the Companies Act and other applicable laws and regulations, demand that the Target Company purchase all of the fractional shares they own at a fair price and may file a petition with the court to determine the price of the Target Company Shares. As described above, in the event of a Consolidation of Shares, the number of the Target Company Shares held by the Target Company's shareholders who did not tender in the Tender Offer (excluding the Target Company and Shareholders Agreed Not to Tender) will be a fraction of less than one share, so the Target Company's shareholders who oppose to the Consolidation of Shares will be able to file the above petition. If the above petition is filed, the purchase price will be ultimately determined by a court.

Depending on the status of amendments to and enforcement of relevant laws and regulations and interpretations by authorities, the above procedures may take time to be implemented or the implementation method may be changed. Provided, however, that even in such cases, the method of delivering the amount of money to the shareholders of the Target Company who did not tender in the Tender Offer (excluding the Target Company and the Shareholders Agreed Not to Tender) will be adopted in the ultimate, and in such event, the amount of money to be delivered to each such shareholder will be calculated to be the same as the price obtained by multiplying the Tender Offer Price by the number of Target Company Shares held by each such shareholder. The specific procedures in the above cases, the timing of their implementation and other relevant matters will be promptly announced by the Target Company as soon as they are determined upon consultation with the Target Company.

The Tender Offer is in no way intended to solicit the approval of the Target Company's shareholders at the Extraordinary Shareholders Meeting. Additionally, the Target Company's shareholders should consult their certified public tax accountants or other experts at their own responsibility with respect to the tax treatment when they tender in the Tender Offer or take the abovementioned procedures.

4. Prospects for delisting and reasons therefor

As of today, the Target Company Shares are listed on the TSE Prime Market. However, since the Tender Offeror has not set the maximum number of shares to be purchased in the Tender Offer, depending on the result of the Tender Offer, the Target Company Shares may be delisted through prescribed procedures in accordance with the delisting standards of the TSE.

In addition, even if the Target Company Shares do not fall under the delisting standards at the time of successful completion of the Tender Offer, the Tender Offeror plans to carry out the Squeeze Out Procedures as described in "3. Post-Tender Offer reorganization policy (matters regarding so-called two-step acquisition)" above after the successful completion of the Tender Offer, so in the event such procedures are carried out, the Target Company Shares will be delisted through prescribed procedures in accordance with the delisting standards of the TSE. It will not be possible to trade the Target Company Shares on the TSE Prime Market after the Target Company Shares have been delisted.

End

[Restrictions on Solicitation]
This press release is to announce the Tender Offer to the public and has not been prepared for the purpose of soliciting an offer to sell shares or share options. If shareholders wish to make an offer to sell their shares or share options, they should first be sure to carefully read the Tender Offer Explanatory Statement for the Tender Offer and make their own independent decision. This press release does not constitute, nor form part of, any offer to sell, solicitation of a sale of, or any solicitation of any offer to buy, any securities. In addition, neither this press release (or any part of it) nor the fact of its distribution shall form the basis of any agreement pertaining to the Tender Offer or be relied upon in the event of the execution of any such agreement.

[U.S. Regulations]
The Tender Offer will be conducted in compliance with the procedures and information disclosure standards provided under the Financial Instruments and Exchange Act of Japan, and those procedures and standards are not always the same as those applicable in the United States. In particular, neither Section 13(e) nor Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended, the "U.S. Securities Exchange Act of 1934") nor the rules under these sections apply to the Tender Offer; therefore, the Tender Offer is not conducted in accordance with those procedures or standards. All of the financial information included or referred to in this press release and reference materials of this press release do not conform to the U.S. accounting standards and may not be equivalent or comparable to the financial statements prepared pursuant to the U.S. accounting standards. In addition, because the Tender Offeror is a corporation incorporated outside the United States and some or all of its officers are non-U.S. residents, it may be difficult to exercise rights or demands against them which arise pursuant to U.S. securities laws. It also may be impossible to bring an action against a corporation that is based outside of the United States or its officers in a court outside of the United States on the grounds of a violation of U.S. securities laws. Furthermore, there is no guarantee that a corporation that is based outside of the United States or its subsidiaries or affiliates may be compelled to submit themselves to the jurisdiction of a U.S. court. All procedures regarding the Tender Offer will be conducted in Japanese. All or part of the documents regarding the Tender Offer will be prepared in English; however, if there is any discrepancy between the documents in English and those in Japanese, the documents in Japanese shall prevail. Before the commencement of the Tender Offer or during the purchase period of the Tender Offer, the Tender Offeror and its affiliates (including the Target Company), and the affiliates of the financial advisors and tender offer agents of each of the foregoing might purchase, etc. by means other than the Tender Offer or conduct an act aimed at such a purchase, etc. of the common shares of the Target Company on their own account or the account of their client to the extent permitted by Japanese legislation related to financial instruments transactions in the scope of their ordinary business and in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934. If information regarding such a purchase, etc. is disclosed in Japan, the person that conducted that purchase, etc. will disclose such information in English on the website of such person.

[Forward-looking Statements]
This press release includes forward-looking statements as defined in Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934. The actual results may be significantly different from the predictions expressly or implicitly indicated in the forward-looking statements, due to known or unknown risks, uncertainties, or other factors. The Tender Offeror or its affiliates cannot promise that the predictions expressly or implicitly indicated as the forward-looking statements will turn out to be correct. The forward-looking statements included in this press release were prepared based on the information held by the Tender Offeror as of the date of this press release, and unless obligated by laws or regulations or the rules of a financial instruments exchange, the Tender Offeror or its affiliates shall not be obligated to update or revise the statements to reflect future incidents or situations.

[Other Countries]
Some countries or regions may impose legal restrictions on the announcement, issue, or distribution of this press release. In such cases, please take note of such restrictions and comply therewith. The announcement, issue, or distribution of this press release shall not constitute a solicitation of an offer to sell or an offer to buy share certificates, etc. relating to the Tender Offer and shall be deemed a distribution of materials for informative purposes only.