



[Translation]

February 27, 2024

To Whom It May Concern:

Company Name: OUTSOURCING Inc.
Name of Representative: Haruhiko Doi
Representative Executive
Officer, Chairman and CEO
(Prime Market of TSE, Securities code: 2427)
Contact: Masashi Umehara
Executive Officer in charge of
Corporate Management Division
Phone: 03-3286-4888 (Main)

Company Name: K.K. BCJ-78
Representative: Yuji Sugimoto
Representative Director

**Notice Regarding Commencement of Tender Offer
for the Stock of OUTSOURCING Inc. (Securities Code: 2427) by K.K. BCJ-78**

K.K. BCJ-78 announces that it has decided today to acquire the common stock of OUTSOURCING Inc. through a tender offer as attached.

This material is published pursuant to Article 30, Paragraph 1, Item 4 of the Enforcement Order of the Financial Instruments and Exchange Act at the request of K.K. BCJ-78 (offeror) to OUTSOURCING Inc. (target).

(Attachment)

"Notice Regarding Commencement of Tender Offer for the Stock of OUTSOURCING Inc. (Securities Code: 2427)" dated February 27, 2024

February 27, 2024

To whom it may concern:

Company Name: K.K. BCJ-78

Representative: Yuji Sugimoto, Representative Director

**Notice Regarding Commencement of Tender Offer
for the Stock of OUTSOURCING Inc. (Securities Code: 2427)**

K.K. BCJ-78 (the "Offeror") announces that it has decided today to commence a tender offer (the "Tender Offer") for the common stock (the "Target's Stock") of OUTSOURCING Inc. (securities code: 2427, a company listed on the Prime Market of Tokyo Stock Exchange, Inc. (the "TSE"); the "Target") under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the "Act") from February 28, 2024, as described below.

1. Details of the Tender Offer

(1) Name of the target

OUTSOURCING Inc.

(2) Class of shares to be purchased

Common shares

(3) Tender offer period

(I) Period set at the time of filing

From February 28, 2024 (Wednesday) through March 27, 2024 (Wednesday) (20 business days)

(II) Possibility of extension of the tender offer period at the request of the Target

If a report concerning the expression of opinion to request for the extension of the purchase period of the Tender Offer (the "Tender Offer Period") is submitted pursuant to the provisions of Article 27-10, Paragraph 3 of the Act, the Tender Offer Period will be 30 business days, and will end on April 10, 2024 (Wednesday).

(4) Price of tender offer, etc.

JPY 1,755 per common share

(5) Number of shares to be purchased

Number of shares to be purchased 126,002,608 (shares)

Minimum number of tendered shares to be purchased	83,961,300 (shares)
Maximum number of shares to be purchased	-

(6) Commencement date of settlement

April 3, 2024 (Wednesday)

(Note) If the Target submits the report concerning the expression of opinion containing a statement that it requests an extension of the Tender Offer Period, pursuant to Article 27-10, Paragraph 3 of the Act, the commencement date of settlement will be April 17, 2024 (Wednesday).

(7) Tender offer agent

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

1-9-2, Otemachi, Chiyoda-ku, Tokyo

au Kabucom Securities Co., Ltd. (sub-agent)

3-2-5, Kasumigaseki, Chiyoda-ku, Tokyo

2. Outline of the Tender Offer

The Offeror is a wholly-owned subsidiary of K.K. BCJ-77 (the "Offeror's Parent"), all of whose voting rights 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"). The Offeror is a stock company (*kabushiki kaisha*) established on October 2, 2023 for the principal purpose of owning the Target's Stock and controlling and managing the Target's business activities. As of today, Bain Capital, the Offeror's Parent and the Offeror do not own any shares of the Target's Stock.

Bain Capital is an international investment firm with approximately USD 175 billion in assets under management worldwide. Since the establishment of its Tokyo office in 2006, Bain Capital's not less than 50 employees of in Japan have been engaged in initiatives to enhance the corporate value of its portfolio companies. Most of Bain Capital's professionals have business or consulting backgrounds and have successfully led corporate value enhancement initiatives in following companies not only by providing general investment and financial support to portfolio companies but also by executing steady growth strategies through on-site management support. In Japan, Bain Capital has invested in 31 companies, including SYSTEM INFORMATION CO., LTD., IDAJ Co., LTD., EVIDENT CORPORATION (the successor to the former scientific solutions business of Olympus Corporation), ImpactHD Inc., Hitachi Metals, Ltd. (currently known as 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 (currently known as STORES, Inc.), NICHIIIGAKKAN CO., LTD., SHOWA AIRCRAFT INDUSTRY CO., LTD., CheetahDigital Kabushiki Kaisha (currently known as

EmberPoint Co., Ltd.), Works Human Intelligence Co., Ltd., and Toshiba Memory Corporation (currently known as Kioxia Corporation). Globally, Bain Capital has invested in approximately 300 companies (approximately 1,150 companies or more, including additional investments) since its founding in 1984.

As announced by the Offeror in its "Notice Regarding Planned Commencement of Tender Offer for the Stock of OUTSOURCING Inc. (Securities Code: 2427)" dated December 8, 2023, the Offeror set certain preconditions to the commencement of the Tender Offer (collectively, the "Preconditions") and planned to acquire the Target's Stock through the Tender Offer upon the satisfaction (or waiver by the Offeror) of the Preconditions, namely, (i) the Target's board of directors has adopted a resolution to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Target tender their shares in the Tender Offer, such resolution has been publicly announced in accordance with laws and regulations and such expression of opinion has not been withdrawn or amended, and no resolution inconsistent therewith has been adopted; (ii) a special committee (the "Special Committee") that has been established to review the proposal for a series of transactions to take the Target's Stock private (the "Transaction") in order to ensure the fairness of the tender offer price in the Tender Offer (the "Tender Offer Price") and other terms and conditions of the Transaction, including the Tender Offer, has reported favorably on the proposed approval of the Tender Offer by the Target's board of directors and such report has not been withdrawn or modified; (iii) the representations and warranties of the Target set forth in the tender offer implementation agreement entered into with the Target as of December 8, 2023 (the "Tender Offer Implementation Agreement") (Note 1) are true and correct in all material respects; (iv) all of the obligations to be performed or complied with by the Target under the Tender Offer Implementation Agreement (Note 2) have been performed or complied with in all material respects; (v) the Tender Agreement (as defined below; hereinafter the same) between the Offeror and Mr. Haruhiko Doi, the founder and Representative Executive Officer, Chairman and CEO of the Target ("Mr. Doi") has been legally and validly executed as of December 8, 2023 and remains unchanged (except where the Offeror and Mr. Doi terminate the Tender Agreement by mutual consent); (vi) the Target has not made any distribution of surplus after the execution of the Tender Offer Implementation Agreement, no proposal for the dividend of surplus or other appropriation of surplus to be implemented on or after the date of the execution of the Tender Offer Implementation Agreement (including a proposal to convene a general meeting of shareholders for the purpose of considering such proposal) has been approved at a general meeting of shareholders or a board of directors meeting of the Target, and no shareholder proposal or request to convene an extraordinary shareholders meeting for the purpose of considering such proposal has been made by any shareholder of the Target (except where such shareholder proposal or request to convene an extraordinary shareholders meeting is withdrawn prior to the satisfaction or waiver of all Preconditions other than the one set forth in this (vi)); (vii) confirmation has been obtained from the Target that there are no

undisclosed material facts (material facts concerning the business as provided in Article 166, Paragraph 2 of the Act (excluding those published in accordance with Paragraph 4 of the said Article)) relating to the Target and that the Target is not aware of any facts relating to the implementation of a tender offer or the discontinuation of a tender offer as provided in Article 167, Paragraph 2 of the Act (excluding the Tender Offer and those publicly announced in accordance with Paragraph 4 of the said Article); (viii) there is no actual or threatened decision of any judicial or administrative body restricting or prohibiting any part of the Transaction; (ix) clearances under applicable Japanese and foreign competition and investment control laws and regulations have been obtained; (x) no event has occurred that would constitute a cause for withdrawal of the Tender Offer as agreed to in the Tender Offer Implementation Agreement; (xi) the Target has not incurred, and there is no objective and concrete threat of incurring, any damages, losses, expenses or other monetary obligations in excess of the amount set forth in "Notice Regarding Amendment of the Securities Reports and Summary of Financial Results, etc. for the Previous Years" announced by the Target on November 14, 2023 (the "Amendment"), arising out of or in connection with the issues announced by the Target on November 2, 2023, such as that the actions of the Target and the five Target Group companies were found to be highly likely to constitute fraudulent receipt of employment adjustment subsidies and that at OUTSOURCING TECHNOLOGY Inc. a former director was involved in the selection of outsourced contractors to which the outsourcing costs for certain recruitment-related services would be paid (the "Case of Inappropriate Application, etc.") (except where the total amount of such excess is JPY 2 billion or less); (xii) since the date of the execution of the Tender Offer Implementation Agreement, the Target, 225 consolidated subsidiaries and 2 equity-method affiliates (the "Target Group") have not been found to have committed any material violations of laws and regulations or decisions of judicial or administrative authorities (limited to those that are objectively and reasonably deemed to have an impact of 10% or more on the cumulative amount of operating profit in the Target's business plan for each year from the fiscal year ending December 2023 through the fiscal year ending December 2026 of the Target) similar to or related to the Case of Inappropriate Application, etc. or the incident of inappropriate accounting (the "Inappropriate Accounting") announced by the Target in the "Notice Regarding Receipt of the Investigation Report from the Investigation Commission" on December 28, 2021 (excluding the Inappropriate Accounting and the Case of Inappropriate Application, etc.), nor has it been publicly announced that any such violation has occurred; (xiii) since the date of the execution of the Tender Offer Implementation Agreement, the Target Group has not been found to have committed any act that materially violates laws and regulations or decisions of judicial or administrative authorities (limited to those that are objectively and reasonably deemed to have an impact of 10% or more on the cumulative amount of operating profit in the Target's business plan for each year from the fiscal year ending December 2023 through the fiscal year ending December 2026 of the Target), nor has it been publicly announced that any such act has occurred; and (xiv) the

Target Group has obtained the consent of the counterparties to the Target Group's existing loan agreements not to claim for acceleration of payment due to the Case of Inappropriate Application, etc. and the Amendment (including any delay or failure to audit financial statements and other documents in connection with such events), or measures reasonably satisfactory to the Offeror have been taken in lieu of such consent.

(Note 1) For the substance of the Target's representations and warranties under the Tender Offer Implementation Agreement, please refer to the Tender Offer Registration Statement for the Tender Offer.

(Note 2) For the substance of the Target's obligations under the Tender Offer Implementation Agreement, please refer to the Tender Offer Registration Statement for the Tender Offer.

Subsequently, on January 30, 2024, Bain Capital received a report from the Target that, as of the same date, all of the Preconditions had been satisfied except for the acquisition of clearances under applicable Japanese and foreign competition and investment control laws and regulations and the unaltered and valid status of the Tender Agreement (conditions whose satisfaction was to be determined at the time of commencement of the Tender Offer were expected to be satisfied at such time).

In addition, all clearances under applicable Japanese and foreign competition and investment control laws and regulations have been acquired upon the expiration as of February 21, 2024 (local time) of the preliminary review period with respect to the prior notification of a concentration under the EU regulation on foreign subsidies distorting the EU internal market in the European Union (For the status of acquisition of each clearance, please refer to the Tender Offer Registration Statement for the Tender Offer. For the acquisition of the Target's Stock under the Tender Offer, there are no other clearances under applicable Japanese and foreign competition and investment control laws and regulations that the Offeror considers necessary, except for the permits and licenses described in the Tender Offer Registration Statement for the Tender Offer.).

Accordingly, the Offeror has determined that all of the Preconditions have been satisfied (conditions whose satisfaction is to be determined at the time of the commencement of the Tender Offer, including the unchanged and valid status of the Tender Agreement, are expected to be satisfied at such time).

Furthermore, the Offeror has determined again that all the Preconditions have been satisfied as of February 27, 2024 because (i) the Offeror and the Target have completed the preparations for the commencement of the Tender Offer required under the Act and the disclosure regulations of the Tokyo Stock Exchange and necessary in terms of practical procedures and (ii) on February 27, 2024, the Offeror was informed by the Target that the Target had received from the Special Committee on the same day an additional report to the effect that the opinions expressed by the Special Committee to the Target's board of directors as of December 8, 2023 remain unchanged.

Therefore, the Offeror has decided today to commence the Tender Offer to acquire all of the Target's Stock (excluding the treasury shares owned by the Target) as part of the Transaction from February 28, 2024. There are no Preconditions that have been waived.

The Transaction constitutes a management buyout (MBO) (Note 3).

(Note 3) "Management buyout (MBO)" refers to a transaction in which an offeror makes a tender offer pursuant to an agreement with a director of the target and shares common interests with such director.

In connection with the implementation of the Tender Offer, as of December 8, 2023, the Offeror entered into a tender agreement (the "Tender Agreement") with Mr. Doi under which the Offeror and Mr. Doi have agreed that (i) Mr. Doi will tender all of his shares of the Target's Stock (15,761,400 shares, excluding 27,800 shares acquired by Mr. Doi under the restricted stock allocation agreement dated April 30, 2023 between the Target and Mr. Doi; 6,900 shares acquired by Mr. Doi under the restricted stock allocation agreement dated April 15, 2022 between the Target and Mr. Doi; and 5,800 shares acquired by Mr. Doi under the restricted stock allocation agreement dated April 15, 2021 between the Target and Mr. Doi (a total of 40,500 shares; the "Restricted Shares"(Note 4)), Shareholding Ratio (Note 5): 12.51%) in the Tender Offer and that (ii) the Offeror and Mr. Doi, after consultation, will decide on Mr. Doi's proposed investment in the Offeror's Parent (the "Reinvestment") by subscribing to up to 5% of the common stock of the Offeror's Parent following the completion of a series of procedures to make the Offeror the sole shareholder of the Target and take the Target's Stock private (the "Squeeze-out Process"). Such consultation is expected to take place after the completion of the Squeeze-out Process by the end of 2024 at the latest.

(Note 4) These shares are excluded from the scope of the tendering agreement because they cannot be tendered in the Tender offer due to transfer restrictions under the respective restricted stock allocation agreements.

(Note 5) "Shareholding Ratio" refers to the ratio (rounded to the second decimal place) of the number of shares held to the number of shares (126,002,608 shares) obtained by deducting the number of treasury shares owned by the Target (23,592 shares) as of December 31, 2023 from the total number of issued shares as of December 31, 2023 (126,026,200 shares), both as stated in the "Consolidated Financial Results for the Fiscal Year Ended December 31, 2023 (Under IFRS)" disclosed by the Target on February 19, 2024 (the "Earnings Briefing"); hereinafter the same.

The specific amount and timing of the Reinvestment will be determined through discussions between Bain Capital and Mr. Doi after the Transaction is executed and have not been determined

at this time. However, it is contemplated that the Offeror and Mr. Doi will consult and decide on Mr. Doi's Reinvestment in the Offeror's Parent of a portion of the consideration received for tendering his shares in the Tender Offer following the completion of the Squeeze-out Process. In order not to conflict with the purpose of uniformity of the tender offer price (Article 27-2, Paragraph 3 of the Act), the appraisal value per share of the Target's Stock, which will be the basis for determining the amount to be paid in per common share of the Offeror's Parent in the Reinvestment, is to be set at the same price as the Tender Offer Price) (provided, however, that if the Share Consolidation (as defined in "(II) Share Consolidation" under "3. Policy regarding reorganization, etc., following completion of the Tender Offer (so-called "two-step acquisition)") below; hereinafter the same) is carried out as part of the Squeeze-out Process, a formal adjustment will be made based on the ratio of consolidation of the Target's Stock in the Share Consolidation), and the Offeror's Parent will not issue any shares to Mr. Doi at an appraisal value lower than the said amount (i.e., there will be no issuance at a price lower than the Tender Offer Price).

The Offeror's Parent is to receive the Reinvestment from Mr. Doi if it is determined through consultation between the Offeror and Mr. Doi with the intention of having him have a common incentive to improve the corporate value of the Target after the Transaction, as he is expected to remain involved in the management of the Target for a certain period of time after the Transaction and provide a handover to the newly selected management team of the Target to establish the next generation management structure, focusing on his role as Honorary Chairman to formulate growth strategies and visions while maintaining the business foundation of the Target that has been developed under his leadership since its establishment. The Offeror believes that Mr. Doi's Reinvestment is not contrary to the purpose of the regulation on uniformity of the tender offer price (Article 27-2, Paragraph 3 of the Act) because the Reinvestment was considered independently of whether or not Mr. Doi should be allowed to tender his shares of the Target' Stock in the Tender Offer.

In addition, as of December 8, 2023, BCPE Origin Cayman, L.P. ("BCPE Origin") entered into a shareholders agreement (the "Shareholders Agreement") with Mr. Doi, pursuant to which the parties have agreed that Mr. Doi will remain involved in the management of the Target for a certain period based on the above-mentioned policy. For details of the Tender Agreement and the Shareholders Agreement, please refer to the Tender Offer Registration Statement for the Tender Offer.

The Offeror has set the minimum number of tendered shares to be purchased in the Tender Offer at 83,961,300 shares (Shareholding Ratio: 66.63%), and if the total number of shares tendered in the Tender Offer (the "Tendered Shares") is less than the minimum number of tendered shares to be purchased, the Offeror will not purchase any of the Tendered Shares. In

other words, if the total number of the Tendered Shares is less than such minimum number (83,961,300 shares, Shareholding Ratio: 66.63%), the Tender Offer will not be successful and the Transaction will not be completed.

Meanwhile, as the purpose of the Tender Offer is to take the Target private by way of the Offeror's acquisition of all of the Target's Stock (excluding the treasury shares owned by the Target), as stated above, the Offeror has not set the maximum number of shares to be purchased. If the number of the Tendered Shares is not less than the minimum number of tendered shares to be purchased (83,961,300 shares, Shareholding Ratio: 66.63%), the Offeror will purchase all of the Tendered Shares.

The minimum number of tendered shares to be purchased (83,961,300 shares) is equal to (A) the number of shares (83,961,300 shares) obtained by deducting (B) the number of voting rights (405) attached to the Restricted Shares (40,500 shares) from the number obtained by multiplying (C) the number of voting rights (1,260,026) pertaining to the number of shares (126,002,608 shares) equal to the total number of issued shares as of December 31, 2023 (126,026,200 shares) minus the number of treasury shares owned by the Target as of December 31, 2023 (23,592 shares), both as stated in the Earnings Briefing, by two-thirds (2/3) (840,018, any fraction less than one to be rounded up), and then multiplying the result (839,613) by the number of shares per unit of the Target (100 shares).

$$A = (C \times 2/3 - B) \times 100$$

If the Offeror fails to acquire all of the Target's Stock (excluding the treasury shares owned by the Target) in the Tender Offer, the Offeror will request the Target, after the successful completion of the Tender Offer, to implement the Squeeze-out Process, as described in "3. Policy regarding reorganization, etc., following completion of the Tender Offer (so-called "two-step acquisition")" below, and a special resolution of the shareholders meeting as provided in Article 309, Paragraph 2 of the Companies Act of Japan (Act No. 86 of 2005, as amended; the "Companies Act") is required to implement the Share Consolidation as part of the Squeeze-out Process. Therefore, the Offeror has set the minimum number of tendered shares to be purchased so that the Offeror and Mr. Doi will hold two-thirds (2/3) or more of the total number of voting rights of all shareholders of the Target after the Tender Offer in order to ensure the implementation of the Squeeze-out Process.

The Offeror intends to fund the Transaction, including the Tender Offer, with contributions from the Offeror's Parent (the "Parent's Contribution") and plans to receive the Parent's Contribution from the Offeror's Parent subject to the successful completion of the Tender Offer. The amount to be raised through the Parent's Contribution is expected to exceed the amount (JPY 221,134,577,040) obtained by multiplying the Tender Offer Price (JPY 1,755) by the difference (126,002,608 shares) calculated by subtracting the number of treasury shares owned by the Target

as of December 31, 2023 (23,592 shares) from the total number of issued shares as of December 31, 2023 (126,026,200 shares) as stated in the Earnings Briefing. The Offeror's Parent plans to fund a portion of the Parent's Contribution by borrowing from Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. as well as Trust Capital Mezzanine 2022 Investment Partnership, MCo No. 7 Investment Partnership and MCP Mezzanine V Investment Limited Partnership (the "Borrowings") and expects to receive the Borrowings no later than the settlement commencement date of the Tender Offer, subject to the successful completion of the Tender Offer.

3. Policy regarding reorganization, etc., following completion of the Tender Offer (so-called "two-step acquisition")

If the Offeror cannot acquire all the Target's Stock (excluding the treasury shares held by the Target) through the Tender Offer, the Offeror plans to carry out the Squeeze-out Process by the following means after the successful completion of the Tender Offer, as described in "2. Outline of the Tender Offer" above.

(I) Demand for Share Cash-out

If, after the consummation and the settlement of the Tender Offer, the Offeror comes to hold 90% or more of the total voting rights of all shareholders of the Target, the Offeror intends to request all shareholders of the Target (excluding the Offeror and the Target) to sell all shares of the Target's Stock they hold (the "Demand for Share Cash-out") pursuant to Article 179 of the Companies Act promptly after the settlement of the Tender Offer is completed. In the Demand for Share Cash-out, it is planned that an amount of money equal to the Tender Offer Price shall be delivered to the Target's shareholders (excluding the Offeror and the Target) as consideration per share of the Target's Stock. In this case, the Offeror shall notify the Target to that effect and request the Target to approve the Demand for Share Cash-out. If the Target approves the Demand for Share Cash-out by the resolution of its board of directors, the Offeror intends to acquire all of the Target's Stock held by the Target's shareholders (excluding the Offeror and the Target) as of the acquisition date specified in the Demand for Share Cash-out in accordance with the procedures prescribed by the relevant laws and regulations without requiring individual consent of the Target's shareholders. In consideration for the Target's Stock held by such shareholders, the Offeror intends to deliver to each such shareholder an amount of money equal to the Tender Offer Price per Target's Stock. The Target plans to approve the Demand for Share Cash-out at the Target's board of directors meeting if the Target receives notice from the Offeror regarding the Demand for Share Cash-out.

To protect the rights of minority shareholders in connection with the Demand for Share Cash-out, the Companies Act provides that the Target's shareholders (excluding the Offeror and the Target) may file a petition to the court to determine the sale price of the shares of the Target's

Stock they hold in accordance with the provisions of Article 179-8 of the Companies Act and other relevant laws and regulations. If such petition is filed, the sale price will ultimately be determined by the court.

(II) Share Consolidation

If, after the consummation and the settlement of the Tender Offer, the total shares obtained by the Offeror do not reach 90% or more of voting rights of all shareholders of the Target, the Offeror intends to request the Target to hold the extraordinary shareholders' meeting (the "Extraordinary Shareholders' Meeting") to approve the consolidation of the Target's Stock (the "Share Consolidation") and to amend its Articles of Incorporation to abolish the provision concerning less than one unit shares subject to the Share Consolidation becoming effective, pursuant to Article 180 of the Companies Act promptly after the settlement of the Tender Offer (The Extraordinary Shareholders' Meeting is expected to be held around May 2024.). The Offeror and Mr. Doi intend to approve the above proposals at the Extraordinary Shareholders' Meeting. As stated in the "Notice Regarding Setting of Record Date for Convocation of Extraordinary Shareholders' Meeting" released by the Target on February 27, 2024, the Target has decided by a resolution of the board of directors dated February 27, 2024 to set the record date for the Extraordinary Shareholders' Meeting as April 3, 2024 for the purpose of determining the shareholders who are entitled to exercise their voting rights at the Extraordinary Shareholders' Meeting in case the Extraordinary Shareholders' Meeting is held. Please note that if the Tender Offer Period is extended, the Target is expected to postpone the record date for the Extraordinary Shareholders' Meeting.

If the proposal regarding the Share Consolidation is approved at the Extraordinary Shareholders' Meeting, the Target's shareholders will own the number of the Target's Stock in proportion to the Share Consolidation ratio as approved in the Extraordinary Shareholders' Meeting as of the date when the Share Consolidation becomes effective. If there are any fractional shares upon the Share Consolidation, the amount of cash corresponding to the amount obtained by selling the Target's Stock equivalent to the total number of fractional shares (if the aggregated number of entitlements to fractional shares includes a fractional number, such fractional number will be rounded down; the same shall apply hereinafter) to the Target or the Offeror will be delivered to the Target's shareholders in accordance with the procedures under Article 235 of the Companies Act and other relevant laws and regulations. Concerning the sales price of the Target's Stock corresponding to the aggregated number of fractional shares, the Offeror will request the Target to file a petition for voluntary disposal permission with the court after calculating that the amount of cash to be delivered to the Target's shareholders (excluding the Target) who did not tender their shares to the Tender Offer will be equal to the amount

calculated by multiplying the Tender Offer Price by the number of the Target's Stock held by such shareholders. Although the Share Consolidation ratio is undetermined as of today, the Offeror will request the Target to determine the Share Consolidation ratio so that the number of the Target's Stock held by the Target's shareholders (excluding the Target) who did not tender their shares to the Tender Offer will be a fractional number of less than one share, which will enable the Offeror to hold all the Target's Stock (excluding treasury shares held by the Target). The Target intends to accept these requests of the Offeror if the Tender Offer is successfully completed. The details of the procedures regarding the Share Consolidation will be promptly announced by the Target once decided upon mutual consultation between the Offeror and the Target.

Regarding the provisions under the Companies Act aimed at protecting general shareholders' interests in relation to the Share Consolidation, if there are any fractional shares when the Share Consolidation is conducted, the Target's shareholders (excluding the Offeror and the Target) may, in accordance with the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations, demand the Target to purchase all fractional shares of the Target's Stock that the relevant shareholders hold at a fair price, and may file a petition to determine the price under appraisal rights of such Target's Stock.

As mentioned above, in the Share Consolidation, the number of the Target's Stock held by the Target's shareholders (excluding the Target) who did not tender their shares to the Tender Offer will be a fractional number of less than one share. The Target's shareholders who disapprove of the Share Consolidation (excluding the Offeror and the Target) will be able to file the above petition. The purchasing price of Target's Stock under appraisal rights if these petitions are filed will be ultimately determined by the court.

Regarding the above procedures for (I) and (II), depending on any revisions to and enforcement of the relevant laws and regulations, interpretation thereof by authorities, etc., there is a possibility that changes may be made to the method of implementation or timing. In such case, however, the Offeror plans to adopt such method that enables each of the Target's shareholders (excluding the Target) not having tendered his or her shares to the Tender Offer to ultimately receive cash. If such method is adopted, it is intended that the amount of such cash to be delivered to each of the relevant Target's shareholders will be calculated to be equal to the price produced by multiplying the Tender Offer Price by the number of the Target's Stock held by such shareholder.

The Offeror will discuss the details of the above procedures and the timing of implementation thereof with the Target, which will be promptly announced by the Target as soon as they are decided. The Tender Offer is not intended to solicit the votes of the Target's shareholders in favor of the resolutions to be proposed at the Extraordinary Shareholders'

Meeting. Each of the Target's shareholder should consult with his or her tax advisor, at his or her own responsibility, regarding the tax treatment relating to the Tender Offer or under each of the above procedures.

4. Prospects for delisting and its reasons

The Target's Stock is listed on the TSE Prime Market as of today. Because the Offeror has not set a maximum number of shares to be purchased in the Tender Offer, the Target's Stock may be delisted through prescribed procedures in accordance with the stock delisting criteria established by the TSE, depending on the results of the Tender Offer. Also, even in the case where the Target's Stock does not fall under that criteria as of the successful completion of the Tender Offer, if the Squeeze-out Process set out in "3. Policy regarding reorganization, etc., following completion of the Tender Offer (so-called "two-step acquisition")" above is carried out after the successful completion of the Tender Offer, the Target's Stock will be delisted through the prescribed procedures in accordance with the stock delisting criteria established by the TSE. After delisting, the Target's Stock can no longer be traded on the TSE.

For further details of the Tender Offer, please refer to the Tender Offer Registration Statement to be filed by the Offeror on February 28, 2024 relating to the Tender Offer.

End

【Disclaimer】

Restrictions on Solicitation

This press release is to announce to the public the Tender Offer 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") or 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 the Target (including its affiliates), 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 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, the "U.S. Securities Exchange Act of 1933") and Section 21E of the U.S. Securities Exchange Act of 1934. The actual results may be significantly different from the predictions expressly or implicitly indicated in the forward-looking statements, due to known or unknown risks, uncertainties, or other factors. 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 and the Target (including 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.