




Supplementary Materials Relating to Plan to Commence a Tender Offer for Chilled & Frozen Logistics Holdings Co., Ltd.

March 21, 2024

AZ-COM MARUWA Holdings Inc.



Note : This document has been translated from the Japanese original for reference purposes only.
In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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1. Purpose and Background Behind Decision to Commence the Tender Offer

Purpose behind Decision to Commence the Tender Offer

Purpose: Maximizing the Corporate Value of Both Firms, “Aiming to be No. 1 in the Domestic Cold Food Chain Logistics Market”

- Since our foundation, food logistics has been a core business, and by supporting supermarkets and other retail customers with 3PL (comprehensive shipping services), we have grown together with our customers. With the aim of becoming a robust company that perennially contributes to society, our goals are for sales to reach 1 trillion yen and for us to become the top 3PL company.
- We primarily carry out a 3PL business that has the operation and management of logistics centers at its core; specializing in retail-focused e-commerce, ambient temperature logistics, food logistics, and medicine and medical logistics. Further, in recent years, we have been putting effort into making “BCP logistics” the 4th pillar of our business—which would enable the steady supply of foodstuffs and the like during times of disaster—because disasters have been increasing in Japan. Among our businesses, we particularly hope that **the food chain business, where we are aiming for 1 trillion yen in sales by 2040, will become a major pillar.**
- Chilled & Frozen Logistics Holdings Co., Ltd. (“CF”) has been active for many years in the chilled and frozen cold food chain and has a diverse range of customers, including food producers, wholesalers and retailers. We particularly note that CF has secured its position ahead of other firms today by providing high-quality logistics services and having a commercialized joint delivery business, top corporations as transaction partners, and an independent business. However, in “Measures toward Realizing Management that is Conscious of Capital Cost and Share Price”, which CF released on March 15, 2024, the long-term sales goal is 200 billion yen and specific measures for realizing the enhancement of corporate value are indicated. CF’s ROE has remained at a low level, and for the past two years its PBR has been below 1.0. Thus, it appears that there are remaining issues regarding the feasibility of obtaining sustainable growth and the enhancement of corporate value over the medium-to-long term if CF continues to operate its business independently.
- We believe that having CF participate in Our Group through the Tender Offer (the “Transaction”) will result in a demonstration of synergy effects, business expansion and the enhancement of corporate value envisioned by CF, thus spearheading the rapid realization of added value over the entire cold chain. We believe that by integrating CF’s corporate culture of high reliability in providing stable, high-quality cold food logistics services with our marketing strength, which has consistently achieved high corporate growth, will enable the provision of Japan’s best cold food logistics services **as well as the rapid realization of what CF is aiming for—namely, securing a position as a leading company in the cold food chain industry**—and, beyond that, it will **create a future where we together provide services to Asia and the rest of the world.**

Background behind Decision to Implement the Tender Offer

- For some time, CF and Our Company have exchanged opinions on what the future cold chain will look like, the issues facing the logistics industry and measures for their resolution among other topics that go beyond our respective business areas.
- In October 2022, we proposed a business integration to CF for the purpose of addressing logistics problems, creating added value in the overall cold chain, and enhancing the corporate value of both firms. However, in October 2023, we received notice from CF that it had decided to suspend consideration of the business integration even though there was no indication that they ever seriously considered the proposal.
- CF pointed to concerns such as limited synergy effects and differences in corporate culture as reasons for suspending its consideration. We have repeatedly examined these concerns since then, but we still cannot find any of the negative synergy effects CF alluded to. By contrast, we have concluded that, if accepted, the proposal would create large synergy benefits for CF and would also contribute to the resolution of issues facing the logistics industry overall while also resolving societal problems as well.
- With the worsening of economic trends in the freight transport industry, such as the bankruptcy of a fellow cold logistics company, there has been a heightening sense of crisis, and a belief that there is a strong need to quickly address the 2024 Logistics Problem and other issues facing the logistics industry. Our Company thought that it was critical to achieve rapid managerial decision-making and synergies as soon as possible, and **making CF a wholly-owned subsidiary through the Transaction would make the decision-making in the management of both firms faster, enable synergy effects to be achieved earlier, and allow for a timely response to the critical issues facing the logistics industry.** Therefore, the Transaction would bring great benefits to the shareholders, customers, employees, and other stakeholders of both firms.
- Thus, we decided to release our Notice of the Plan to Commence a Tender Offer to ensure that CF and its shareholders can properly understand the content of the Statement of Intent as well as its background while allotting sufficient time to gain the understanding and support of CF and its shareholders for the Transaction.
- In light of its specificity, legitimacy of purpose, and feasibility, the Tender Offer **constitutes a “bona fide offer” as described in the Takeover Guidelines released by METI on August 31, 2023.**

2. Our Managerial Policy

Our Basic Managerial Concepts and History

Management Philosophy

Operating on the principle that the customer comes first, we aim to be the number one company in third-party logistics and to contribute to building shared happiness and a bountiful society.

Future Vision

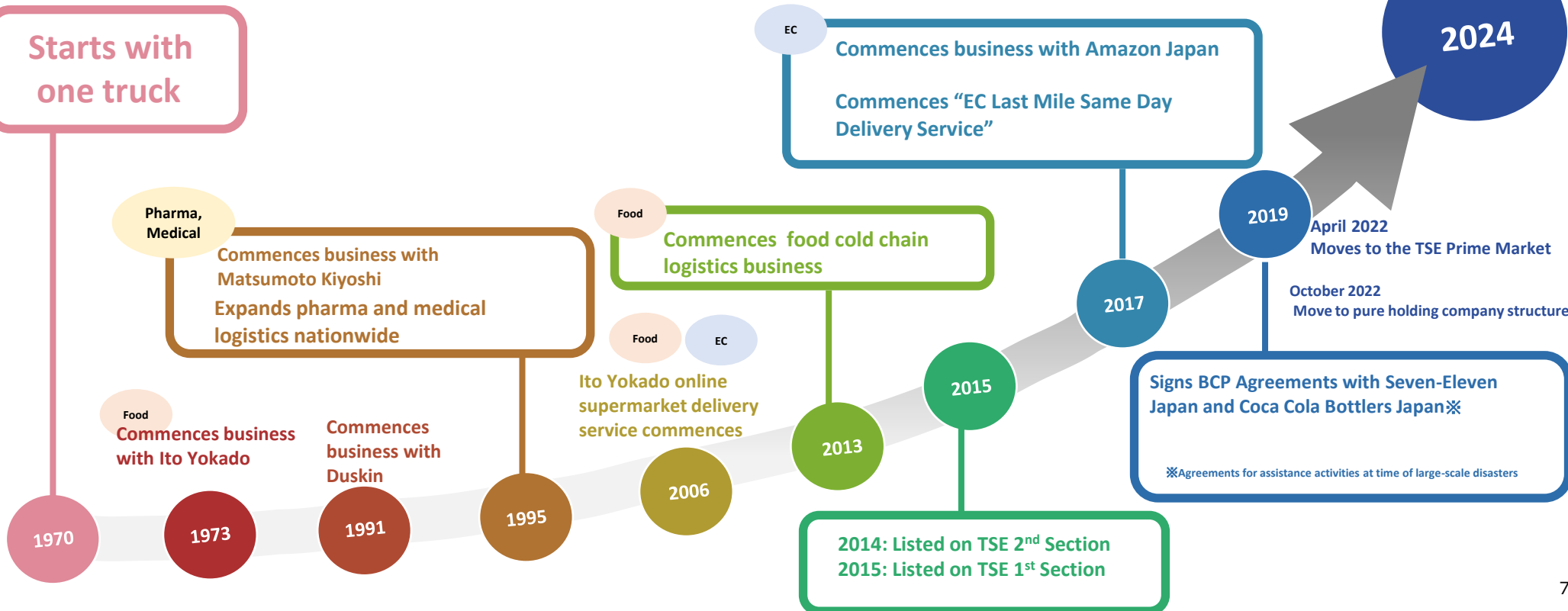
Aim for “1 trillion yen in sales” and “100,000 employees”, and also aim to achieve the “seven highs” – “high quality human resources”, “high quality”, “high growth”, “high revenue”, “high wages”, “high dividends” and “high share price”

Management Strategy

Invest managerial resources in growing markets and growing corporations, and promote 3PL business specializing in retail businesses

History

Starts with one truck



Our Performance Transition and Long-Term Goals

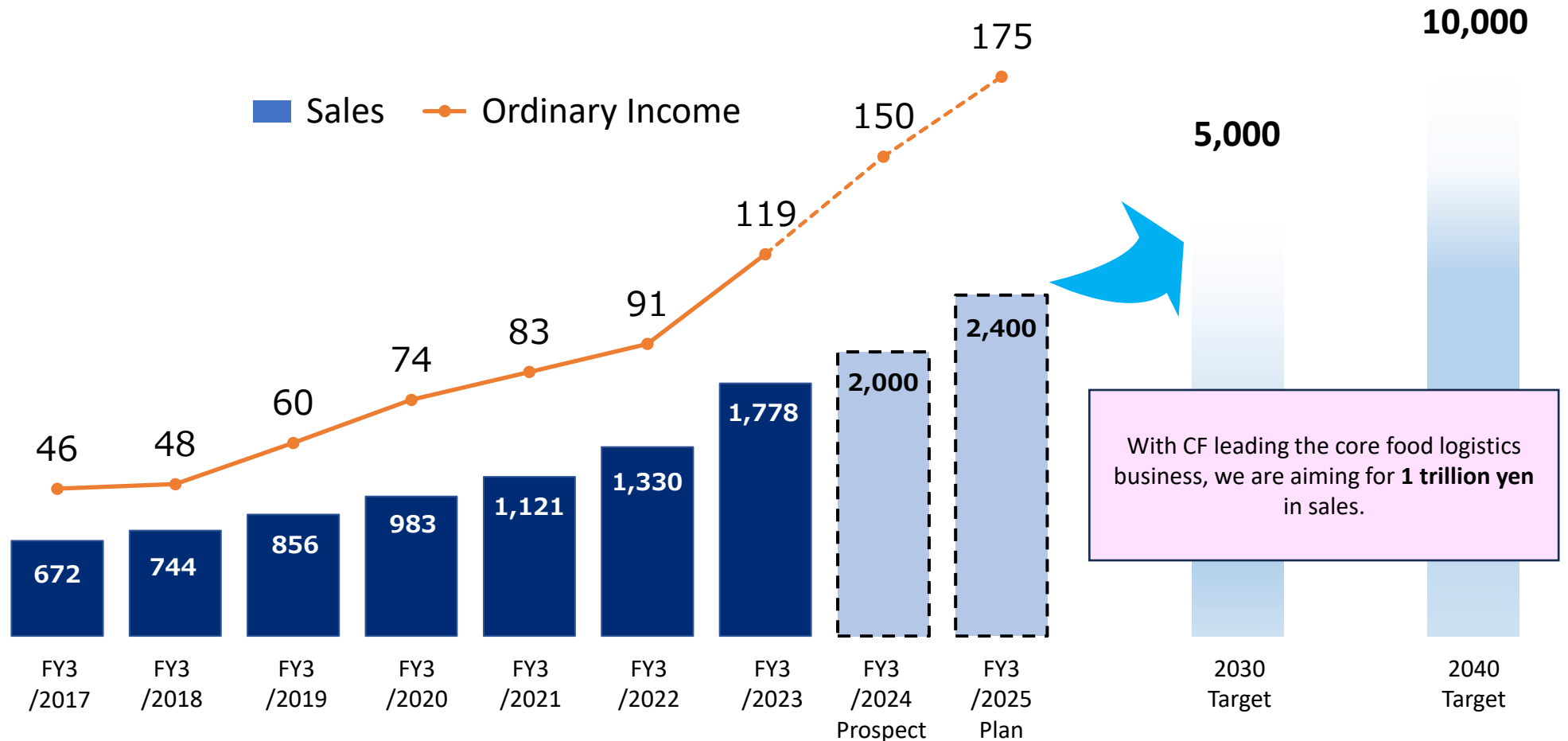
Long-Term Goals

2030: 500 billion yen in sales

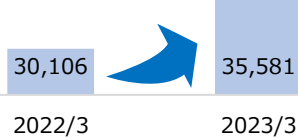
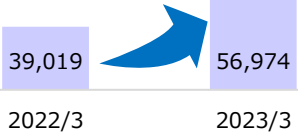
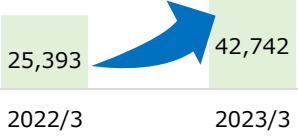
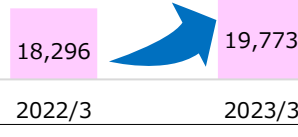

2040: achieve 1 trillion yen in sales

Our Performance Transition and Long-Term Goals

Unit: 100 million yen



Our Businesses — 5 business domains

Domain		Major Customers	Business Content	Sales by Domain (1 million yen)
Transport and delivery	Last one mile	<ul style="list-style-type: none"> Amazon Japan Coop Mirai Yamato Transport and others 	<ul style="list-style-type: none"> Share of sales: 20% Primarily large EC businesses and also individual deliveries for Seikyo Securing vehicles and drivers, large growth by firmly understanding the revenue opportunities from the expanding EC market 	<p>+ 18.2% over prior term</p>  <p>30,106 → 35,581</p> <p>2022/3 2023/3</p>
	EC ambient temp. transport and delivery	<ul style="list-style-type: none"> Yamato Transport Amazon Japan PALTAC and others 	<ul style="list-style-type: none"> Share of sales: 32% Focus is mainline transport, including transport and delivery overall, other than the last one mile Large growth in sales from making transport and delivery business operator PHYZ Holdings a subsidiary 	<p>+ 46.0% over prior term</p>  <p>39,019 → 56,974</p> <p>2022/3 2023/3</p>
3PL	EC ambient temp.	<ul style="list-style-type: none"> Amazon Japan Duskin and others 	<ul style="list-style-type: none"> Share of sales: 24% Primarily EC logistics for large EC business operators Large growth in sales from making logistics center operations services provider PHYZ Holdings a subsidiary 	<p>+ 68.3% over prior term</p>  <p>25,393 → 42,742</p> <p>2022/3 2023/3</p>
	Cold food	<ul style="list-style-type: none"> Belc COOP Tohoku Maruai ■ Yamazawa Beisia ■ Mammy Mart and others 	<ul style="list-style-type: none"> Share of sales: 11% Primarily logistics for supermarkets Provision of direct-from services, providing added value to supermarkets through logistics 	<p>+ 8.1% over prior term</p>  <p>18,296 → 19,773</p> <p>2022/3 2023/3</p>
	Pharma and medical	<ul style="list-style-type: none"> MatsukiyoCocokara & Co. Alfresa 	<ul style="list-style-type: none"> Share of sales: 12% Matsumoto Kiyoshi is the main customer With the merger of Matsumoto Kiyoshi and Cocokarafine, we opened a new logistics center to combine the logistics of the two firms 	<p>+ 6.0% over prior term</p>  <p>19,208 → 20,361</p> <p>2022/3 2023/3</p>

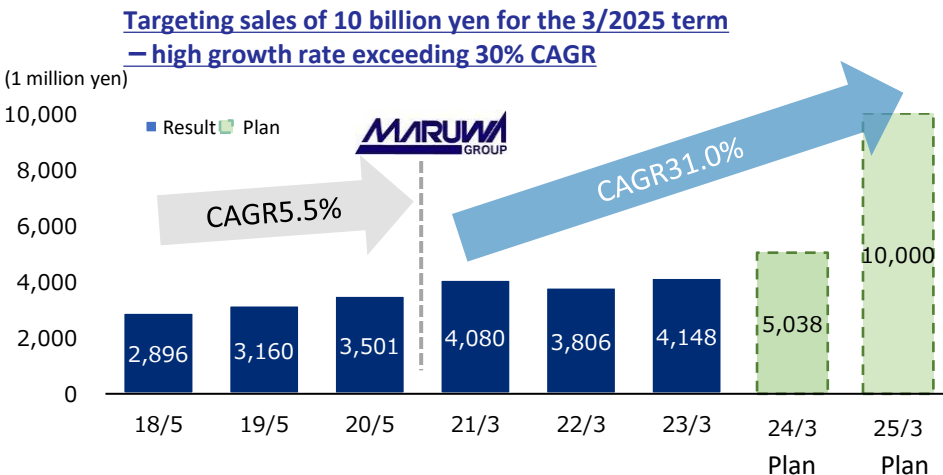
Our M&A Policy and Results

- In addition to organic growth, Our Group has utilized M&A transactions to expand business.
- Companies that joined Our Group have their corporate autonomy respected and have seen their businesses expand.

M&A Results ①

Japan Logistics Development Co.,Ltd. (August 2020)		
	Location of Headquarters	Tokyo
	Main Business	EC logistics center services, distribution processing
	Sales Target	10 billion yen (March 2025 term)

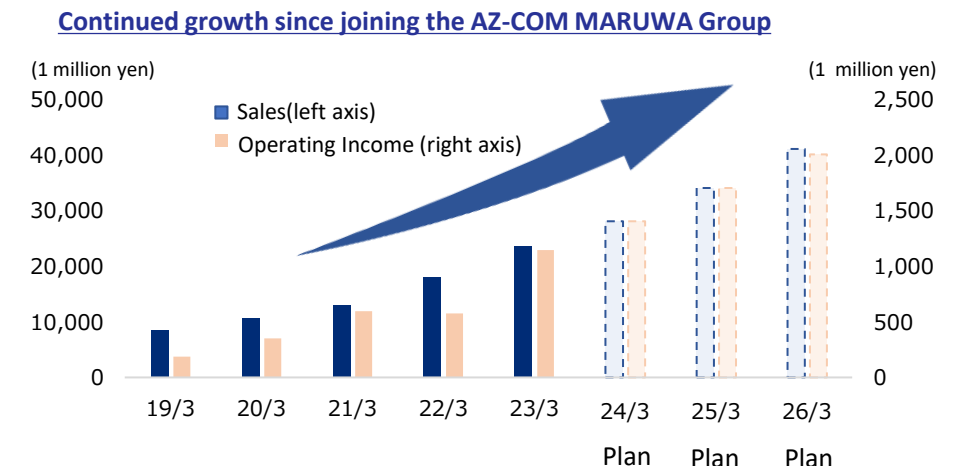
- Expected synergy effects**
- Expansion of EC business service areas
 - Cooperation in capital investment



M&A Results ②

PHYZ Holdings Inc. (March 2022)		
	Location of Headquarters	Osaka
	Main Business	EC solution services
	Total market valuation ^{(*)1}	12.6 billion yen
	Sales Target	32.5 billion yen (March 2025 term)
	PHYZ HD (9325)	

- Expected synergy effects**
- Build new revenue base through tie-ups in EC logistics business
 - Utilize managerial resources of both firms and strengthen personnel training
 - New investment to support acceleration of growth speed
 - Further strengthening of logistics for major EC businesses
- *1: as of 3/29/24

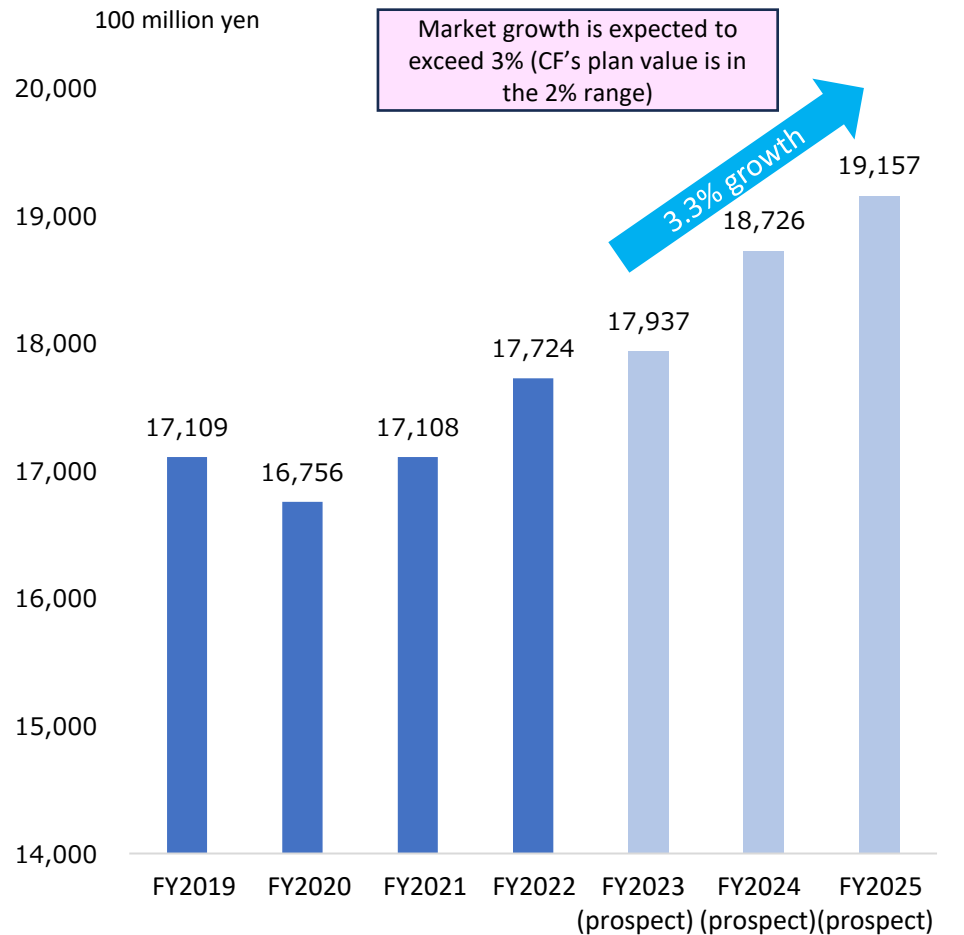


3. Issues Facing CF and Synergy Effects with Our Company

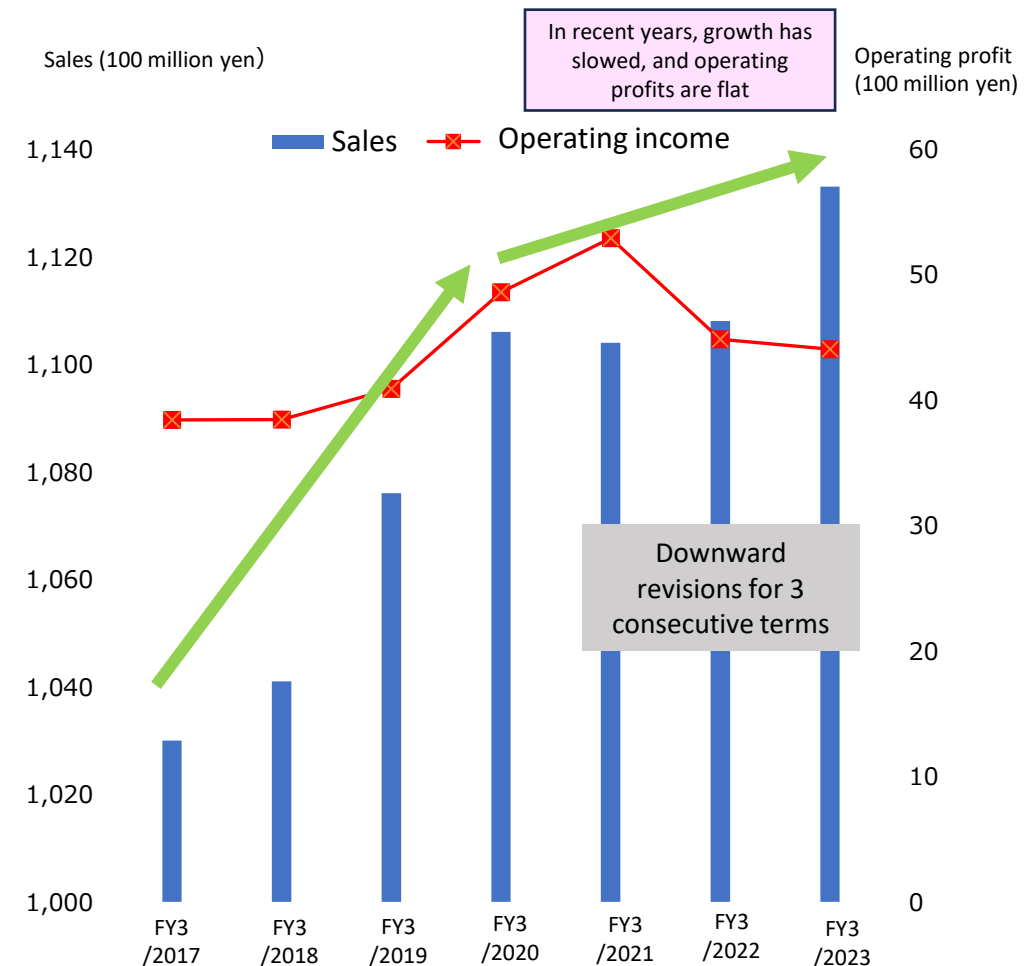
Expansion of the Food Logistics Market; CF's Performance over Recent Years

- Since 2020, the food logistics market has continued to expand, but CF has revised its medium-term business plan targets, showing weak growth over recent years, with downward revisions of results projections for three consecutive years starting from the March 2021 term.

Food Logistics Market



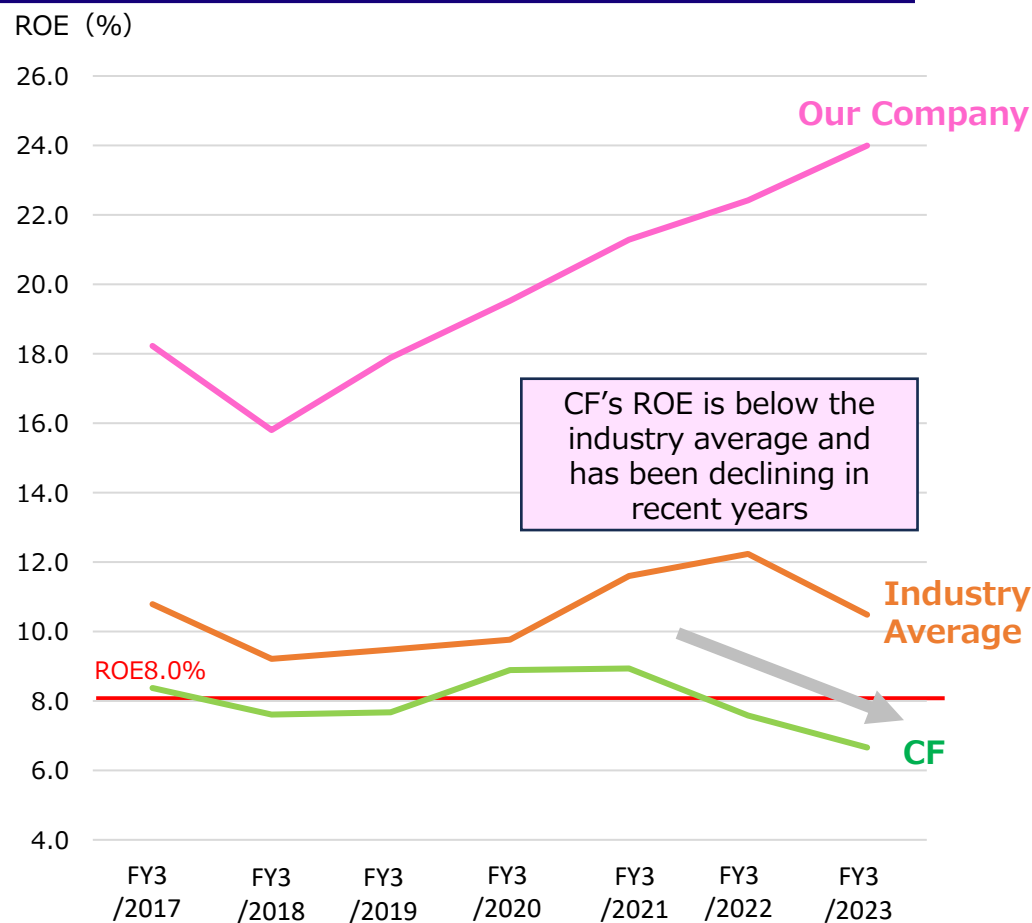
CF's Performance over Recent Years



CF Issues in Terms of Managerial Indicators

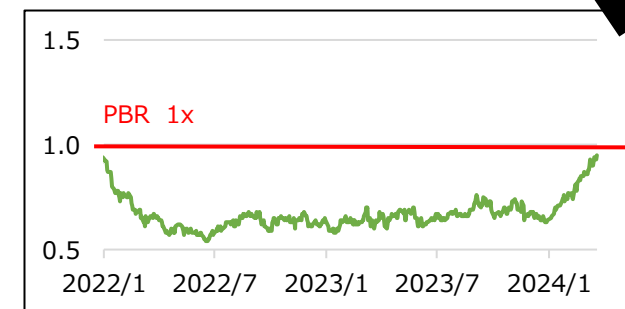
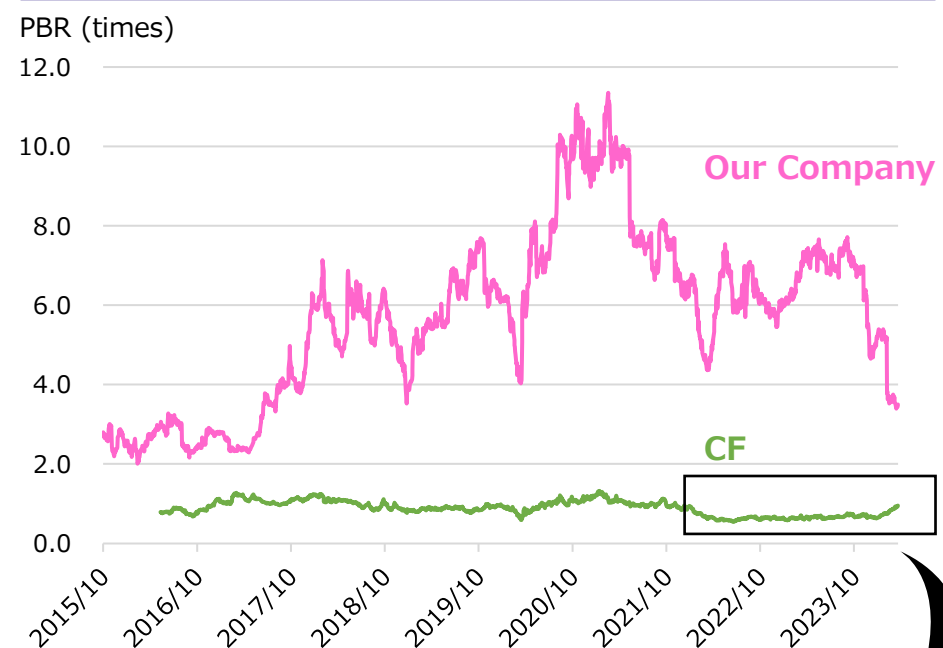
- After the merger, ROE trended at roughly 8%, but recently ROE has been weak, trending below industry average levels.
- After the merger, PBR trended at roughly 1.0, but it was recently below 1.0 for two consecutive terms.

ROE



Source: CF figures since incorporation prepared by Our Company based on Speeda.
 Note: Industry average calculated from indicators of the cold logistics companies on p. 18 that are listed companies.

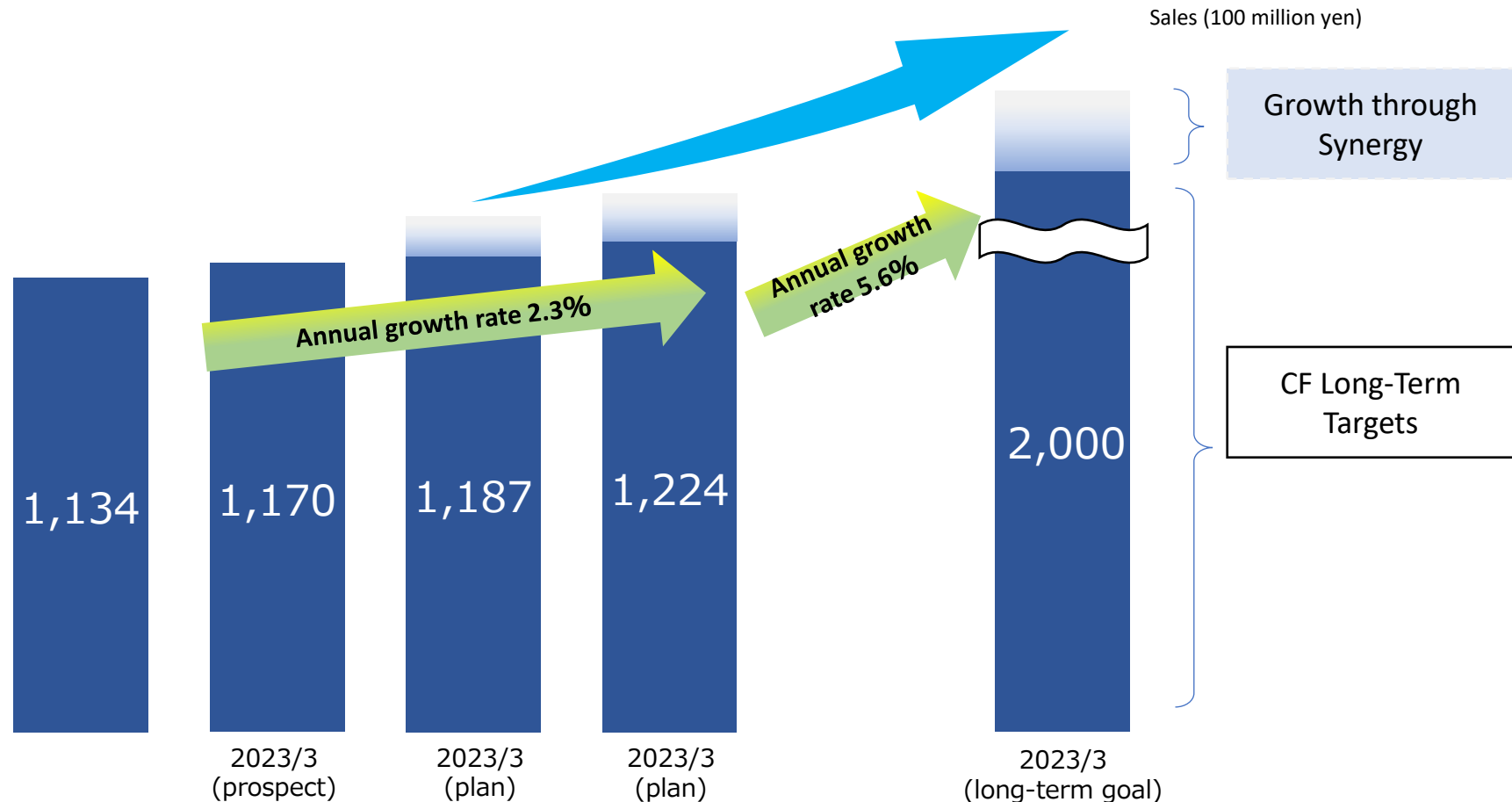
PBR



Source: CF figures since incorporation prepared by Our Company based on Quick.

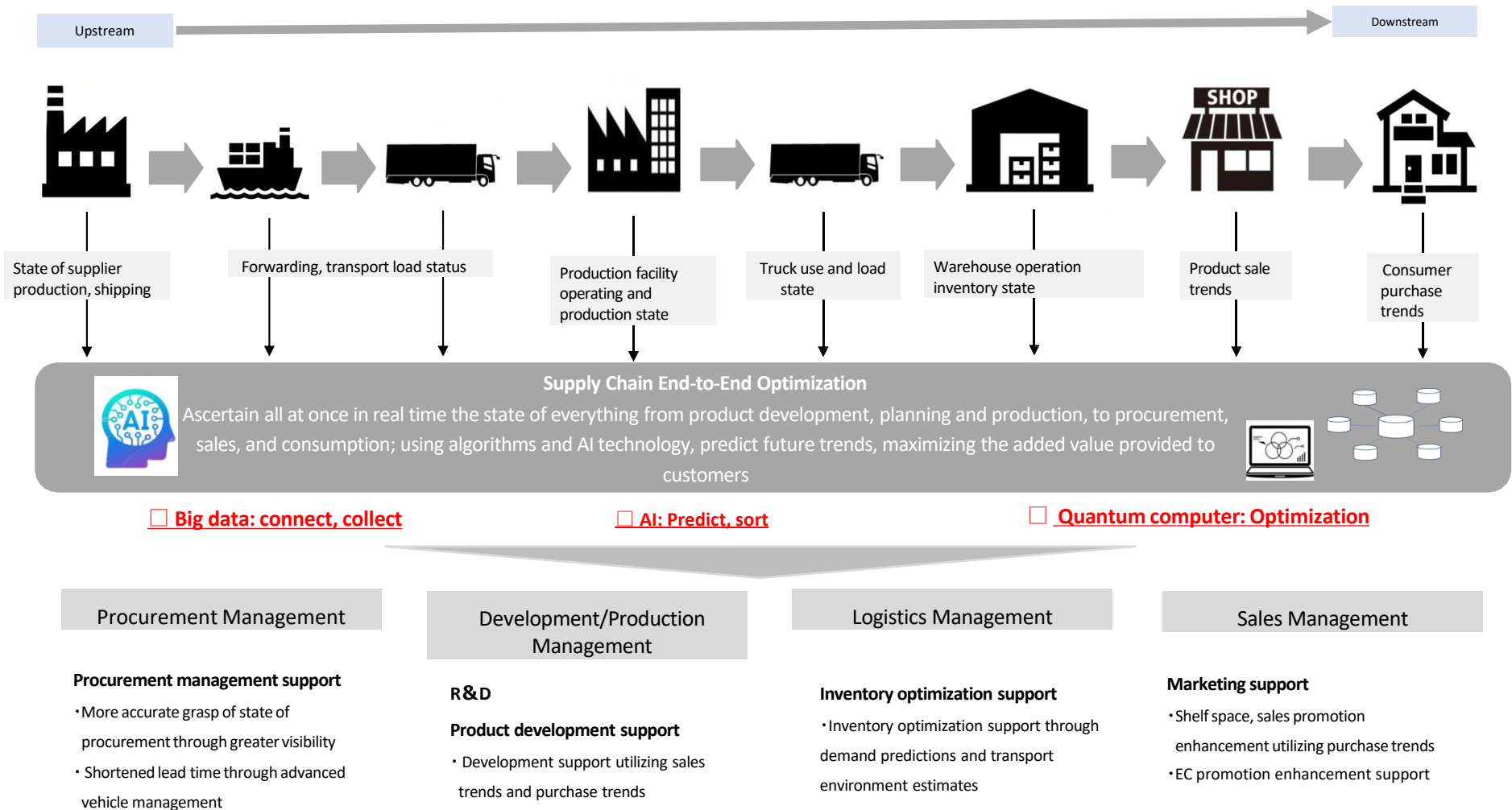
CF Has Room for More Business Growth (our projections)

- CF's average annual growth rate for sales in its medium-term management plan was just 2.3%, which is below the expected growth rate for the market at 3.3%.
- As its long-term target, CF is aiming for sales of 200 billion yen in the March 2025 term. If CF collaborates with Our Company, the top sales and the marketing organization, including top sales and the synergy effects, will enable a growth rate that surpasses CF's plan growth rate.



Future Image of the Logistics Business of CF and Our Company

- Become a supply chain management platform (real and digital) that ties together the chain from production to sale, and together with CF, create “logistics + extra value”



Synergy Effects between CF and AZ-COM MARUWA

Synergy effects that we anticipate (see following pages for details)

Complementary Business Areas	
1	Strengthening of logistics network (joint delivery)
2	Economies of scale
3	Expansion of the EC-related logistics business
4	Cooperation in the direct-from-farm value chain
5	Building a logistics network in the supply chain from upstream to downstream
6	Joint development of BCP logistics support business
7	Building an effective sales structure
8	Developing the overseas business
9	Promoting a modal shift
Enhanced Functions	
10	Personnel hiring and training
11	Accelerated investment in labor-saving and workforce reduction

Our opinion regarding the corporate value enhancement measures CF announced on 3/15/24

- In its corporate value enhancement measures disclosed on 3/15, CF indicated that it seeks to enhance corporate value using both a financial and business approach.
- Of the specific measures set forth therein for enhancing corporate value, those set forth below in particular seem to overlap precisely with the synergies we expect from the Transaction. By utilizing our resources, these synergies can be realized much faster than CF imagines, and we firmly believe that the Transaction will contribute to the enhancement of CF's corporate value.

Primary Measures by CF	
1	Expansion of EC-related logistics
2	Developing an overseas business
3	Expansion of autonomous navigation through modal shift (ships)
4	Achieving human capital management through investment in human resources
5	Deployment of labor-saving, workforce-reducing facilities

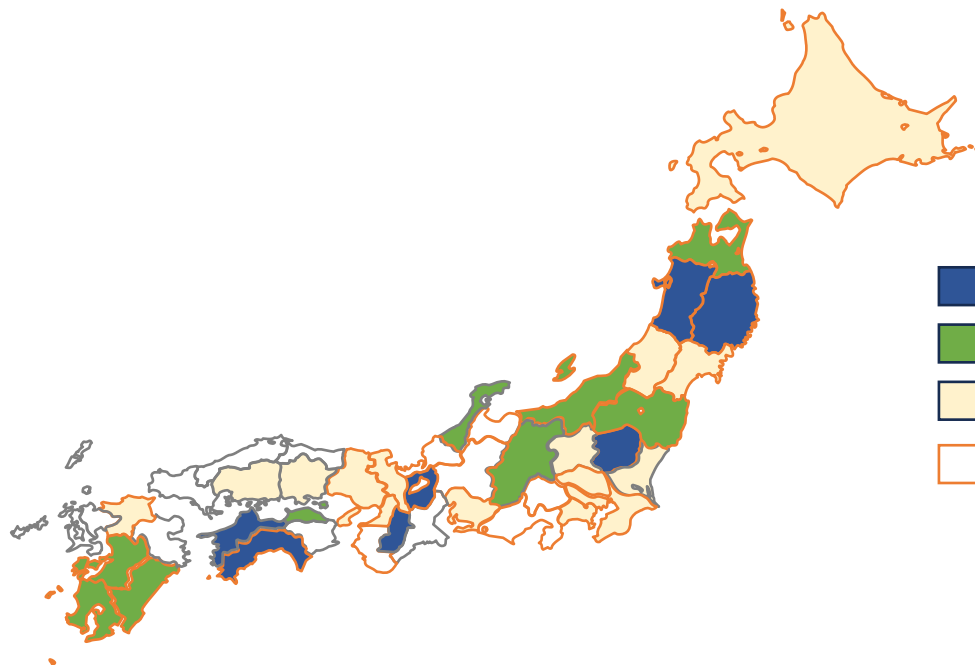
Source: From the specific initiatives and the policies over the medium-to-long term in "Measures toward Realizing Management that is Conscious of Capital Cost and Share Price" released by CF on 3/15/24, we extracted those we believe that through our know-how can be realized more quickly in terms of corporate value enhancement

Synergy ①: Strengthening the Logistics Network (Cooperative Delivery)

- Strengthen the nationwide network, build a more robust logistics center network
 - ✓ Achieve more efficient transport and delivery through **mutual utilization of each other's logistics networks** as well as closures, consolidations, and other reorganization
 - ✓ Through utilization of the logistics centers of both firms, **promote cooperative delivery with CF**
- ⇒ This will lead to an increase in sales for CF and, through greater efficiencies in center operation, it is intended to increase the profitability of both companies

Distribution of the Logistics Centers of Both Companies

Nationwide network of logistics center with a focus on the Tokyo metropolitan area
 Disaster agreements (BCP logistics) and the AZ-COM MARUWA Support Network also cover large areas



CF Group locations: 127 (as of end of 9/2023; no. of domestic places of business)

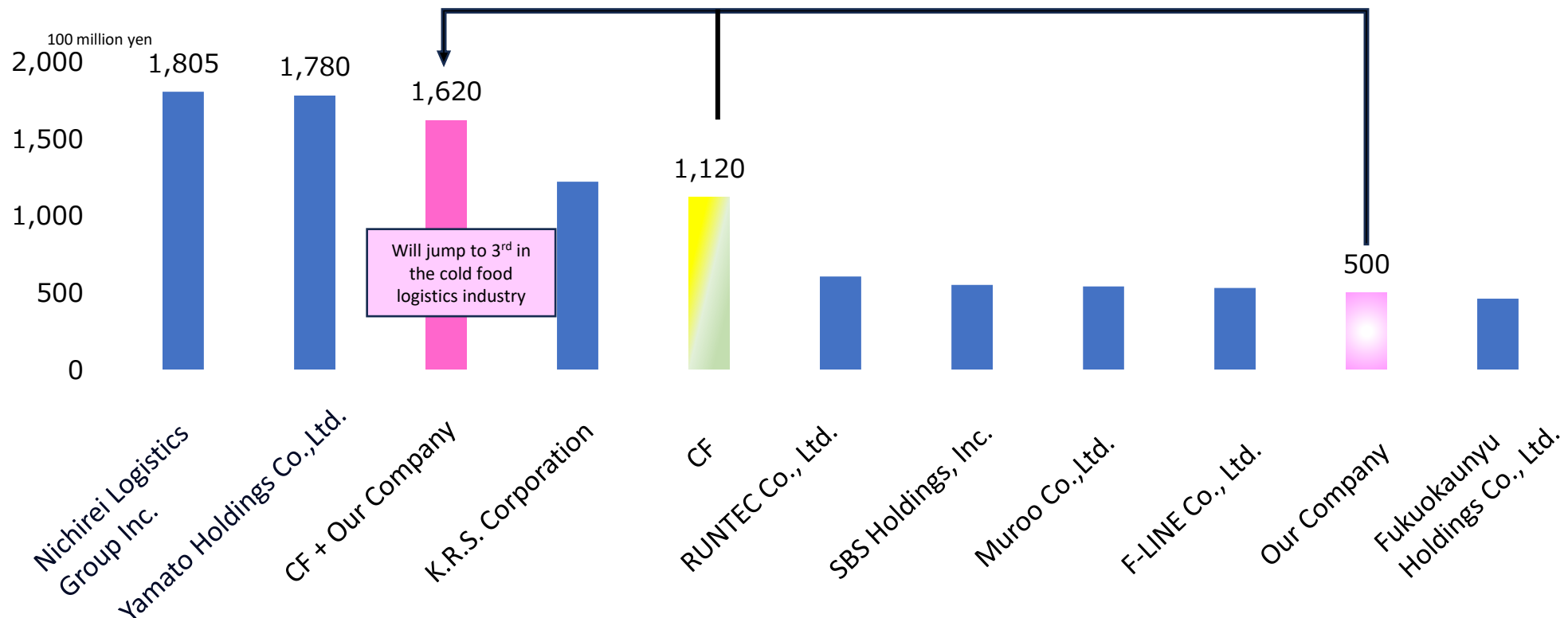
Our Group locations: 247 (as of end of 12/2023)

- : Our Group only; logistics centers
- : CF only; logistics centers and cooperative delivery bases (including cooperating companies)
- : both firms; logistics centers and cooperative delivery bases (including cooperating companies)
- : Localities with disaster agreements with AZ-COM MARUWA Support Network (BCP logistics)
 - ※as of 12/31/2023
 - ※For Kochi, Kyoto, Hokkaido, Iwate, and Shizuoka, some municipalities
 - ※There are 1,895 member companies in the AZ-COM MARUWA Support Network as of 12/31/2023.

Synergy ②: Economies of Scale

- Through greater scale, industry ranking improves, strengthening the ability to respond to industry issues and make proposals
- ⇒ Improving rank within the industry and increasing market share to **address the 2024 Logistics Problem and other issues facing the industry**, and **through further growth, aim to be top class in terms of size in the industry**

Sales for the Cold Logistics Industry Overall



Source: Prepared by Our Company based on “2023 Current Status and Future Outlook of the Cold Chain Logistics Market” published by Yano Research Institute Ltd.
 Note: Sales amount estimates for the main companies in the cold logistics segment for FY2022 were prepared by Yano Research Institute.

Synergy ③: Expansion of EC-Related Logistics Business

- The CF Group considers EC-related logistics a growth field and has been investing managerial resources there.
- ⇒ By utilizing the business base and know-how of Our Group in EC-related logistics, the expansion of the CF Group's EC-related logistics business centering on cold food will be realized more quickly.

Our EC Logistics Business

- As our managerial strategy, we are concentrating managerial resources in the growing EC market.
- In addition to the last one-mile business, we provide long-distance transport and logistics center operation services, achieving results.

EC Logistics



Reinforce three logistics functions to support growth businesses

Last One Mile Business



Main customers
Amazon Japan G.K., CO-OP MIRAI, Yamato Transport Co., Ltd., etc.

- E-commerce and parcel delivery
- Online supermarket
- Door-to-door parcel delivery, etc.

E-commerce & Ordinary-temperature Transportation Business



Main customers
Yamato Transport Co., Ltd., Amazon Japan G.K., PALTAC CORPORATION, etc.

- Trunk transportation
- General charter service
- Charter transportation, etc.

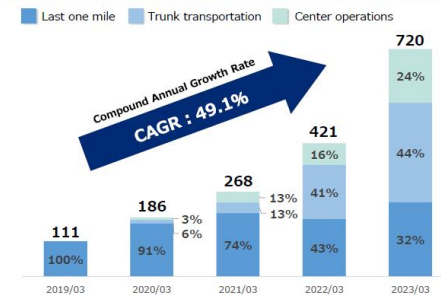
E-commerce & Ordinary-temperature 3PL Business



Main customers
Amazon Japan G.K., DUSKIN co.,LTD., etc.

- Logistics center operations with a focus on EC-related customers, etc.

A breakdown of operations in the EC business domain



* The percentage figures in the graph represent the breakdown of operations by net sales in each fiscal year, and the figures at the top of the bar graph (unit: 100 million yen) represent the total net sales in the EC business domain.

CF's policy for EC-related logistics business

Specific initiatives and mid-long term plan



Point-1

Enhancing "low-temperature logistics business" based on selection and concentration.

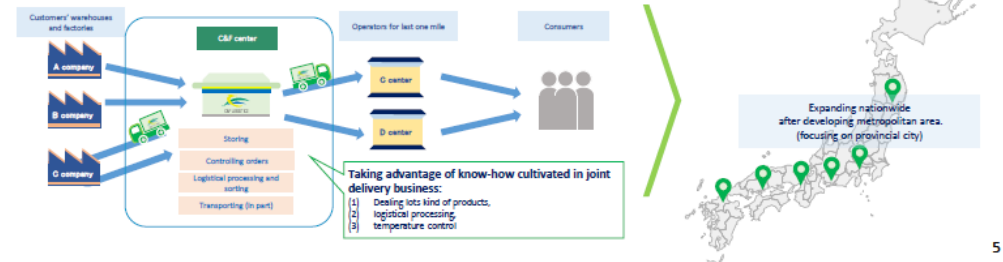
- Accelerating the growth speed by promoting investment in growth fields.

EC-related logistics business

Expanding logistics business focusing on e-commerce related business for foods handled in low temperature.

- acquisition of exclusive-use facilities for EC-related logistics business in Metropolitan area.
- developing EC-related logistics business, including acquisition of exclusive-use facilities, in major areas other than Metropolitan area.
- modifying specification of existing facilities to accommodate the new business based on a review of its business portfolio.
- business expansion with a view to collaborating with last one mile business operators.

In response to diversification of sales and distribution channels, including EC-related logistics, the Company sets a sales target in the future of JPY30 billion for such domain.



Synergy ④: Building of a Logistics Network from Upstream to Downstream

- Provide unique services by building a comprehensive logistics network that covers the entire supply chain

CF:

Independent food logistics company with many producers and wholesalers as customers

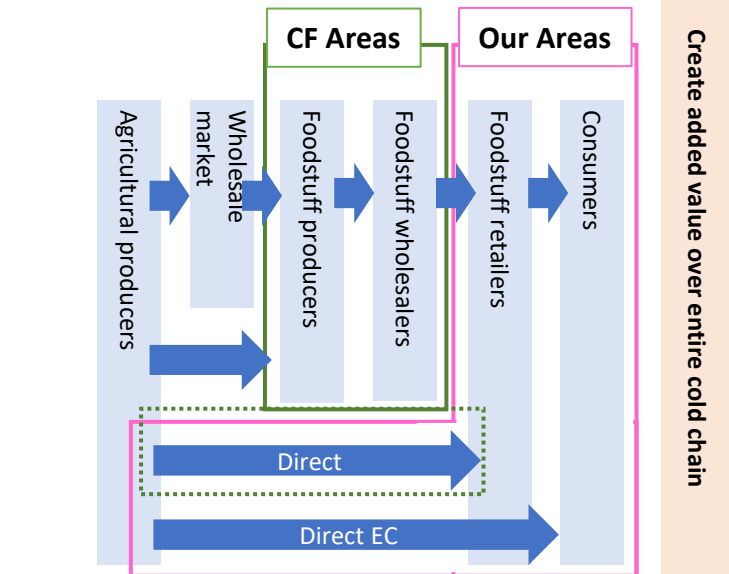


Our Group:

3PL business specializing in retail

Operation of a comprehensive logistics business covering the entire supply chain is possible.

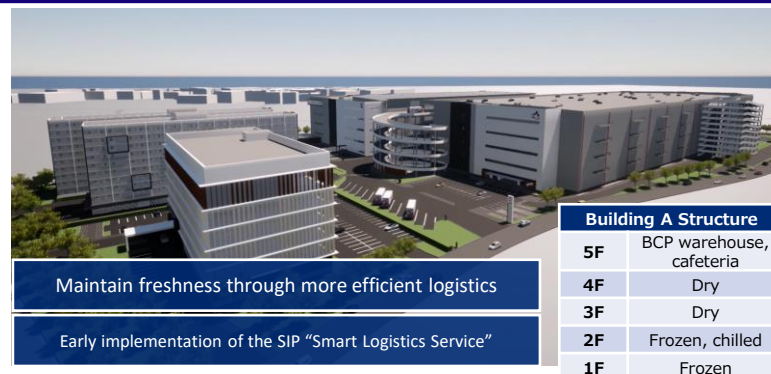
Distribution channels in the food logistics market



- Achieve efficient transport and delivery by mutually utilizing **AZ-COM Matsubushi, which will be Japan's largest food logistics center**, currently under construction by us

Utilization of AZ-COM Matsubushi

Name	AZ-COM Matsubushi Building A
Location	Matsubushi, Saitama (within roughly 25 km of the city center)
Site Area	Roughly 35,200 <i>tsubo</i>
Construction period	Start 6/2023; completion 1/2025 (planned)
Start	April 2025 (planned)



Maintain freshness through more efficient logistics

Early implementation of the SIP "Smart Logistics Service"

Advanced demand prediction

Effective sales organization

Reduced food loss

Synergy ⑤: Collaboration with Other Businesses

■ Collaborating in our initiatives will expand the range of CF's business activities.

Cooperation in the direct-from-farm value chain

In our direct-from-farm value chain, we serve as a bridge between supermarket buyers and farm producers across the country, creating trade opportunities for farmers.

In the direct-from-farm value chain, the robust temperature management in CF's cold food logistics services will lead to added value, creating new revenue opportunities for CF.



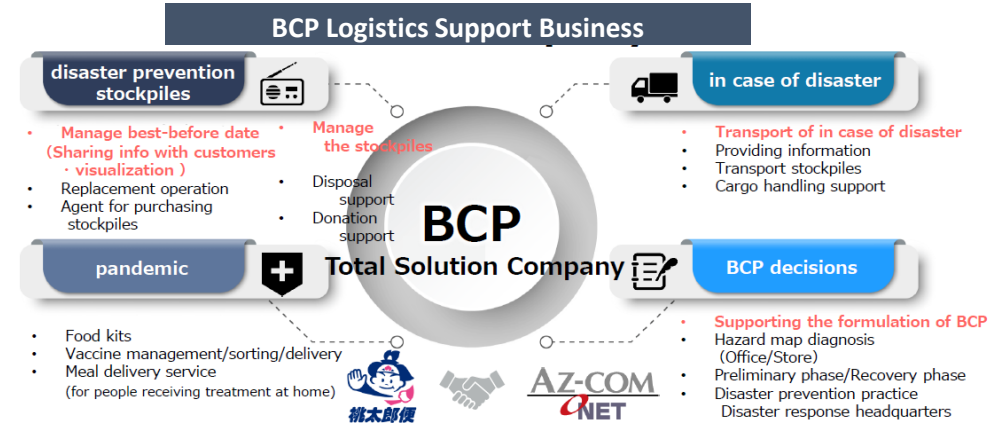
New revenue opportunities for CF

Robust temperature management in CF's cold food logistics services

Joint development of BCP logistics support business

As Our Group's fourth business pillar, we are developing a BCP logistics support business to support the building of a nationwide logistics support network for times of disaster.

If CF's cold food logistics capabilities are added to the provision of logistics support and stockpiling services at times of nationwide or wide-area disaster, and to the building of a sustainable transport lifeline, this will enable the securing of a higher quality lifeline, thus contributing to society.



Securing a higher quality lifeline

Synergy ⑥: Other Synergies

Complementary Business Areas		
7	Building an effective sales structure	Our Company is good at proposing mechanisms that contribute to the enhancement of the corporate value of customer businesses, and otherwise finding new customers. If we combine our marketing strength with CF's in-the-field strengths, the sales organization can be strengthened. Further, by having unified operations across the entire value chain, it will be possible to construct an overwhelmingly effective sales organization.
8	Developing the overseas business	We have a capital and business partnership with Kamigumi Co., Ltd., which has locations in Vietnam—which is a priority area for CF—and elsewhere in Southeast Asia, and with its port know-how and local network, it can provide support to CF.
9	Promoting a modal shift	Our Group, for a while now, as countermeasures to the 2024 Logistics Problem and environmental problems, has taken initiatives in the provision of logistics services using transport other than automobiles including rail transport through its group company Maruma Tsuun, ship transport through its capital and business partner Kamigumi Co., Ltd., and air transport through its business partner ANA Cargo. Together with CF, we can move forward with a modal shift covering land, sea, and air.
Enhanced Functions		
10	Human Resources hiring and training	Our Group has for many years taken initiatives in the field of education of human resources, with the education department being an independent organization. In fiscal 2022, Our Group made 911 hires in total of new graduates and mid-career hires. By utilizing our know-how and knowledge regarding Our Group's human resources education and hiring, the CF Group will be able to realize "human capital management through expanded investment in human resources" more quickly.
11	Accelerated investment in labor-saving and workforce reduction	Our Group is moving forward with investments in labor-saving and workforce reduction and is applying the labor-saving and workforce-reduction know-how cultivated in the EC-related logistics business to the food logistics business. The labor-saving and workforce-reduction know-how that we cultivated in the EC-related logistics business can be smoothly applied to the EC-related logistics business, which is a growth field for the CF Group and to the food logistics business, which is CF Group's primary business.

What the Transaction Aims for

Harnessing the strengths of both firms to be No. 1 in cold food logistics

CF's Strengths

- ✓ Proven high **in-the-field capabilities**
- ✓ **Excellent customer base** of food producers and wholesalers
- ✓ 2,800-vehicle strong **transport capability**



Our Strengths

- ✓ **Executive ability** to reach aggressive targets
- ✓ **Marketing strength**, including by the president
- ✓ **Know-how** cultivated in retail 3PL and EC-related logistics

to be No. 1 in cold food logistics

Enhanced Functions

- Enhanced hiring and education of human resources
- Acceleration of labor-saving, workforce-reducing investments

Enhanced Business

- Strengthen logistics network
- Benefits of economies of scale
- Expansion of EC-related logistics business
- Cooperation in direct-from-farm value chain
- Build a logistics network in the supply chain from upstream to downstream
- Joint development of BCP logistics support business
- Build an effective sales structure
- Develop overseas business
- Promote modal shifts

Business growth of CF operating alone

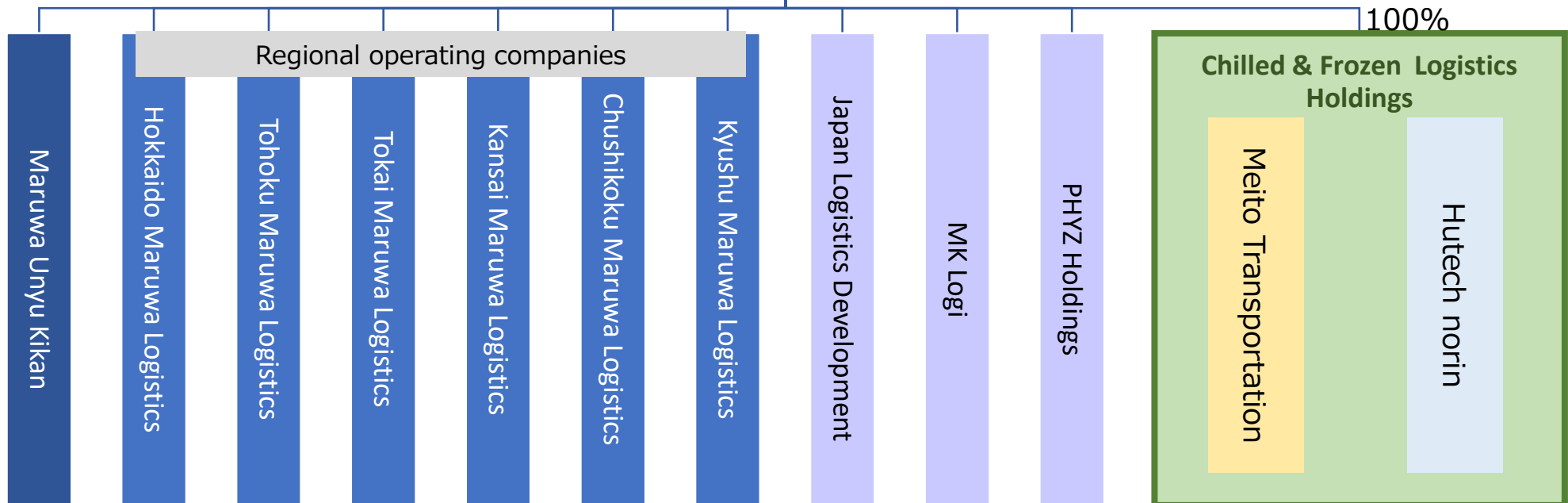
4. Management Policy after the Transaction

Our Corporate Group Following the Transaction (illustration)

- AZ-COM MARUWA Holdings, through M&A transactions, has formed a corporate group with many corporations.
- When the Transaction is consummated, CF Holdings will be under the umbrella of AZ-COM MARUWA Holdings, as shown below, and will be able to collaborate with group companies and pursue synergies.

Post-Integration illustration

AZ-COM MARUWA Holdings Co., Ltd.



Note: The above graph is merely illustrational and does not show all related companies.

Post-Transaction Managerial Policy

- In order to quickly realize synergies with CF and enhance the corporate value of both firms over the medium-to-long term, our company will provide support to achieve managerial reform by utilizing its business operational strength to formulate a CF business plan and carry out top management directed towards attaining that plan.
- The specific managerial policy and managerial framework are matters that we will decide following discussions with CF conducted in the spirit of equality and from the perspective of further enhancing the corporate value of both firms.

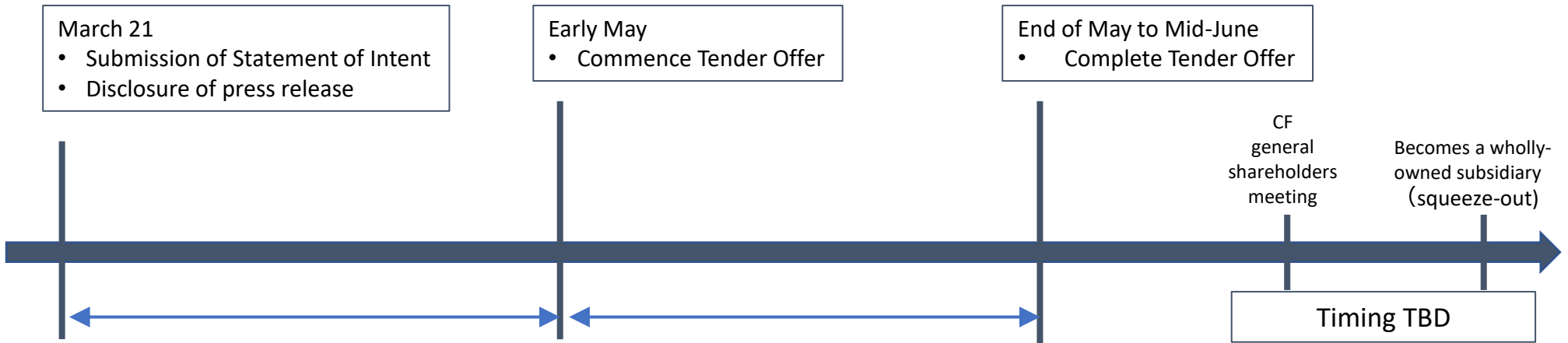
Management Team	<ul style="list-style-type: none"> • Dispatching directors from our company is one option we are considering. The specific managerial policy and managerial framework are matters that we will decide following discussions with CF from the perspective of further enhancing the corporate value of both firms. • We expect to have the current CF management team continue in their positions, provided they commit themselves fully to corporate growth, including the creation of synergy between our company and CF.
Employees	<ul style="list-style-type: none"> • We do not plan any particular changes in the employment of CF employees or their employment conditions.
Customers, Transaction Partners	<ul style="list-style-type: none"> • CF’s transactions with its current customers and transaction partners will continue following the Transaction, and we will carry out sales activities matching customer needs to an extent not done before.
Other	<ul style="list-style-type: none"> • We do not plan to change the CF trade name or brand.

5. Overview of Tender Offer

Overview of Tender Offer

Tender Offeror	AZ-COM MARUWA Holdings Inc. (Issue code: 9090)	
Target	Chilled & Frozen Logistics Holdings Co., Ltd. (Issue code: 9099)	
Tender Offer Price	3,000 yen per share	
Premium	Reference date: March 19, 2024	Over reference date closing price of 2,040 yen (+47.06%) Over 1 month average of 1,900 yen (+57.89%) Over 3-month average of 1,714 yen (+75.03%) Over 6-month average of 1,558 yen (+92.55%)
Tender Offer Period	Starting early May 2024	
Number of Shares Planned for Purchase	Upper limit: None Lower limit: 10,848,304 shares (majority)	Note: The lower limit of the number of shares planned for purchase is 10,848,304 shares (Shareholding ratio: 49.89%), which is calculated as follows. First, take the total number of outstanding CF Shares as of February 29, 2024, as set forth in the Own Share Buyback Status Report that CF submitted on March 5, 2024 (25,690,766 shares), and subtract the number of the CF's treasury shares as of the same date as set forth in the same report (3,945,672 shares), resulting in 21,745,094 shares. The number of voting right units associated with these shares is 217,450, under which the majority is 108,726 votes. Then, multiply the majority votes by the number of shares in one voting right unit of shares (100 shares), resulting in 10,872,600 shares (shareholding ratio : 50.00%). Last, subtract from this number, CF Shares that we possess (24,296 shares) (shareholding ratio: 0.11%) , resulting in 10,848,304 shares (shareholding ratio: 49.89%).
Tender Offer Agent	Mizuho Securities Co., Ltd.	

Tentative Schedule



Sufficient period of time for consideration for CF and its shareholders (more than one month)

Tender Offer Period※:
20 business days + 10 business days (from the business day following the date of the announcement that the lower limit has been reached)

※It is planned that if the total number of tendered share certificates etc. reaches the lower limit of the number of shares for purchase during the initial Tender Offer Period, an announcement will be made to such effect, and the Tender Offer Period will be extended for 10 business days from the day following the date of the announcement (if the total number of tendered share certificates etc. reaches the lower limit of the number of shares for purchase within 10 business days from the start of the Tender Offer Period, no extension will be made).

- We will provide explanations in good faith to CF to gain its support and if we are asked to provide additional information in order for CF to form its opinion, we intend to respond in good faith.
- We have secured time for consideration sufficient to gain the understanding of CF and its shareholders.

Method of Squeeze-Out

If Our Company is unable to acquire all of CF's shares and:

- (a) owns 90% or more of the total number of voting rights: squeeze-out by demand for sale
- (b) owns less than 90% of the total number of voting rights: Extraordinary general shareholders meeting convened for share consolidation, resolution for squeeze-out by share consolidation

- ① If resolution passes: Squeeze-out implemented promptly
- ② If resolution doesn't pass: Our Company will additionally acquire CF shares until two-thirds of voting rights are owned; after two-thirds of voting rights are owned, then convene a general shareholders meeting and pass resolution for squeeze-out by share consolidation

Price conditions upon squeeze-out:
 The consideration to be paid to shareholders in the squeeze-out procedures and the above additional acquisition will be a price that when compared to the Tender Offer Price is equivalent economically.

TOB Price

■ The Tender Offer Price of 3,000 yen far exceeds the highest share price since listing, with a PBR of roughly 1.4.



Source: Prepared by our company from Nikkei Value Search.

Note: PBR level is calculated by Share Price ÷ Book value Per Share. Net Asset which is basis of the Book value Per Share does not include treasury shares and non-controlling interest.

Disclaimers

- This document concerns the future business of Our Company and other corporations and may include forward-looking statements. These statements are based on business forecasts for Our Company as of the present time and may change depending on circumstances going forward.
- Our Company bears no duty to update forward-looking statements contained in this information to reflect actual results or changes to assorted circumstances or conditions, and except where obligated by statute or the rules of a financial instruments exchange, Our Company bears no duty to update or correct such statements in order to reflect future events or circumstances.