This document is an English translation of a statement written originally in Japanese.
The Japanese original should be considered as the primary version.

April 5, 2024

To whom it may concern:

Company: Nippon Telegraph and Telephone Corporation
Representative: Akira Shimada, President and Chief Executive Officer
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Company: NTT DATA Group Corporation
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Company: NTT DATA Japan Corporation
Representative: Yutaka Sasaki, President and Representative Director
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Notice Concerning Commencement of Tender Offer for the Shares etc. of JASTEC Co.,Ltd. (Securities Code: 9717) by NTT DATA Japan Corporation

NTT DATA Japan Corporation ("NTT DATA"), the subsidiary of Nippon Telegraph and Telephone Corporation and NTT DATA Group Corporation, today decided to acquire the shares etc. of JASTEC Co.,Ltd. (Securities Code: 9717, Prime Market of the Tokyo Stock Exchange) ("JASTEC") through a tender offer ("Tender Offer") under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; hereinafter, "FIEA").

For further information, please refer to the attached "Notice Concerning Commencement of Tender Offer for the Shares etc. of JASTEC Co.,Ltd. (Securities Code: 9717)" released by NTT DATA today.

Overview of the Tender Offeror

Name	NTT DATA Japan Corporation
Location	3-3, Toyosu 3-chome, Koto-ku, Tokyo
Title and Name of Representative	President and Representative Director, Yutaka Sasaki
Description of Business	Consulting, integrated IT solutions, systems integration and software development, maintenance and support, etc.
Share Capital	1,000 million yen

End

This document is disclosed by Nippon Telegraph and Telephone Corporation and NTT DATA Group Corporation in accordance with the Securities Listing Regulations, and also makes a public announcement pursuant to Article 30, Paragraph 1, Item (4) of the Order for Enforcement of the Financial Instruments and Exchange Act upon request by NTT DATA Japan Corporation (the Tender Offeror) to Nippon Telegraph and Telephone Corporation and NTT DATA Group Corporation (the parent company of the Tender Offeror).

April 5, 2024

To whom it may concern:

Company: NTT DATA Japan Corporation
Representative: Yutaka Sasaki, President and Representative Director
Contact: Keisuke Kusakabe, Head of Finance Department, Corporate Strategy Headquarters
Phone: + 81-50-5547-2065

<u>Notice Concerning Commencement of Tender Offer for the Shares etc. of JASTEC Co.,Ltd. (Securities Code: 9717)</u>

NTT DATA Japan Corporation ("Tender Offeror") hereby announces that it decided today to acquire all of the common stock (including the common shares of the Target Company to be issued upon exercise of the Stock Acquisition Rights (as defined below, the same applies hereafter) and excluding the treasury shares held by the Target Company as of today; hereinafter "Target Company Shares") and Stock Acquisition Rights of JASTEC Co.,Ltd. (Prime Market of the Tokyo Stock Exchange ("Tokyo Stock Exchange"), Securities Code: 9717; hereinafter "Target Company") through a tender offer ("Tender Offer") under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; hereinafter "FIEA").

1. Purpose of the Purchase etc.

(1) Overview of Tender Offer

The Tender Offeror has resolved at the Board of Directors meeting held today to implement the Tender Offer as part of a transaction to acquire all of the Target Company Shares and the Stock Acquisition Rights and make the Target Company a wholly-owned subsidiary of the Tender Offeror ("the Transaction"). As of today, the Tender Offeror and NTT DATA Group Corporation, which is the wholly owning parent company of the Tender Offeror, do not own any of the Target Company Share or the Stock Acquisition Rights.

For the Tender Offer, the Tender Offeror has executed with Mr. Shigeru Kamiyama (2,953,600 shares, Shareholding Ratio (Note 1) 16.73%), the founder and principal shareholder of the Target Company, and SASUYAMA Limited Liability Company (1,200,000 shares, Shareholding Ratio 6.80%, and together with Mr. Shigeru Kamiyama, "Prospective Tendering Shareholders"), the asset management company of Mr. Shigeru Kamiyama and the third largest shareholder of the Target Company, tender offer agreements respectively ("Tender Offer Agreements") as of today under which they are agreed that all Target Company Shares owned by the Prospective Tendering Shareholders ("Shares to be Tendered") will be tendered in the Tender Offer. For the details of the Tender Offer Agreements, please refer to "(6) Matters Relating to Important Agreements Regarding the Tender Offer" below.

(Note 1) "Shareholding Ratio" means the percentage (rounded to the second decimal place; hereinafter the same in reference to calculation of Shareholding Ratios) of shares owned relative to the number of shares (17,652,744 shares; hereinafter, the "Total Number of Target Company Shares After Adjustment for Diluted Shares") calculated as the sum of (i) the total number of issued shares as of February 29, 2024 (18,287,000 shares) listed in the "First Quarter Results for FY Ending November 2024 (Japanese Accounting Standards) (Non-Consolidated)" announced today by the Target Company ("Target Quarter Results"); (ii) the number of Target Company Shares (59,500 shares) issued upon the exercise of 595 units of stock acquisition rights, which is the sum of 522 units of the 16th Stock Acquisition Rights (exercise period is from April 1, 2019 to March 31, 2024) issued in accordance with the resolution of the board of directors meeting of the Target Company held on March 24, 2017 and 73 units of the 18th Stock Acquisition Rights, from February 29, 2024 to April 5, 2024; and (iii) the number of Target Company Shares (total: 375,000 shares) (Note 2) underlying all of the Stock Acquisition Rights outstanding as of today (3,750 units), and (iv) subtracting from this total number of shares (18,721,500 shares) the number of treasury shares (1,068,756 shares) owned by the Target Company as of today.

(Note 2) The breakdown of the Stock Acquisition Rights remaining as of today, as reported by the Target Company to the Tender Offeror, is as follows.

Title of Stock Acquisition Rights	Number as of Today	Number of Target Company Shares to be Issued
The 17th Stock Acquisition Rights	2,080 units	208,000 shares
The 18th Stock Acquisition Rights	1,670 units	167,000 shares
Total	3,750 units	375,000 shares

The Tender Offeror has set the minimum number of shares to be purchased in the Tender Offer at 11,768,500 shares (Shareholding Ratio 66.67%), and if the total number of shares etc. tendered in the Tender Offer ("Tendered Share Certificates") is less than said minimum number of shares to be purchased (11,768,500 shares), the Tender Offeror will not purchase etc. any of the Tendered Share Certificates. However, as described above, the Tender Offeror's intention is to make the Target Company a wholly-owned subsidiary of the Tender Offeror by acquiring all of the Target Company Shares and the Stock Acquisition Rights; thus, no maximum number of shares to be purchased has been set, and if the total number of Tendered Share Certificates is equal to or greater than the minimum number of shares to be purchased (11,768,500 shares), the Tender Offeror will purchase all of the Tendered Share Certificates. It bears noting that the minimum number of shares to be purchased (11,768,500 shares) has been set at the product of the Target Company's share unit number (100 shares) and 117,685, i.e., two-thirds (rounded up to the nearest whole number) of the number of voting rights (176,005) corresponding to the Total Number of Target Company Shares After Adjustment for Diluted Shares (17,652,744 shares). The Tender Offeror intends to make the Target Company a wholly-owned subsidiary of the Tender Offeror through the Transaction, but if the Tender Offeror is unable to acquire all Target Company Shares (including the Target Company shares to be issued upon exercise of the Stock Acquisition Rights, and excluding treasury shares held by the Target Company as of today) and the Stock Acquisition Rights through the Tender Offer despite the formation of said Tender Offer and the Share Consolidation procedures described in "(4) Post-Tender Offer Reorganization etc. Policy (Matters relating to Two-Step Acquisition)" below are implemented, a special resolution at a general shareholders meeting, as specified in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended; hereinafter, the "Companies Act"), will be a requirement; for this reason, the minimum number of shares to be purchased has been set so that the Tender Offeror will hold at least two-thirds of the total voting rights among the Target Company's general shareholders after the Tender Offer, thus ensuring the satisfaction of such requirement and, by extension, the completion of the Transaction.

If the Tender Offeror does not acquire all of the Target Company Shares through the Tender Offer, it is planned that, after the completion of the Tender Offer, a series of procedures ("Squeeze-Out Procedures") will be carried out to make the Tender Offeror the Target Company's only shareholder and make the Target Company a wholly-owned subsidiary of the Tender Offeror, as described in "(4) Post-Tender Offer Reorganization etc. Policy (Matters relating to Two-Step Acquisition)" below.

According to the "Notice of Expression of Opinion in Favor of and Recommendation to Tender in Tender Offer by NTT DATA Japan Corporation for Company Share Certificates" ("Target Company Press Release") published today by the Target Company, the Target Company, at a meeting of its board of directors held today, resolved to issue an opinion supporting the Tender Offer, and to recommend that all the Target Company's shareholders and the holders of the Stock Acquisition Rights ("Stock Acquisition Right Holders") tender their shares and stock acquisition rights respectively in the Tender Offer. The above resolution of the board of directors was based on the consideration that the Tender Offeror intends to make the Target Company a wholly-owned subsidiary of the Tender Offeror through the Tender Offer and subsequent series of transactions, and that the Target Company's shares are scheduled to be delisted.

For details of the decision-making process of the Target Company's board of directors meeting, please refer to the Target Company Press Release, as well as "⑤ Approval of All Directors (including directors who are audit and supervisory committee members) Without Interests" in "(3) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer" below.

(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement Tender Offer, and Management Policy After Tender Offer

① Background, Purpose and Decision-Making Process Leading to the Decision to Implement Tender Offer

The Tender Offeror was established on November 1, 2022, as NTT DATA Japan Preparation Corporation, and for the purpose of transitioning to a holding company structure, the Tender Offeror succeeded the rights and obligations in relation to the domestic operating company of NTT DATA Group Corporation, the wholly-owning parent company, by way of an absorption-type company split effective as of July 1, 2023. On the same day, the Tender Offeror's name was changed to NTT DATA Japan Corporation, which is the name it currently uses. NTT DATA Group Corporation, the parent company of the Tender Offeror, was established on May 23, 1988, as NTT DATA Communications Systems Corporation, which was spun off from Nippon Telegraph and Telephone Corporation. Subsequently, its company name was changed to NTT DATA CORPORATION on August 1, 1998, and to the current NTT DATA Group Corporation on July 1, 2023.

As of today, the Tender Offeror, NTT DATA Group Corporation, its consolidated subsidiaries (594 companies as of December 31, 2023), and equity method affiliates (49 companies as of the same date) (collectively, the "Tender Offeror Group") are engaged in public and social infrastructure, financial services, corporate services, international operations, and other business sectors. The contents of each business are as follows.

(i) Public & Social Infrastructure: providing high-value-added IT service to invigorate government, medical, communications, electric power and other forms of social infrastructure and regional economies.

(ii) Financial services: providing high-value-added IT services to improve the efficiency of financial institutions and their services.

(iii) Enterprise: providing high-value-added IT services to support the business activities of the manufacturing, distribution/logistics and service industries, as well as credit card and payment services and platform solutions related to IT services for each of these areas

(iv) International operations: providing high-value-added IT services in various regions outside of Japan as well as inter-regional

(v) Others: Business that provide cross-industry consulting solutions and specialized support for corporate headquarters' functions and related activities.

In May 2022, the Tender Offeror Group announced a new medium-term management plan from fiscal year 2022 to fiscal year 2025 aimed achieving Global 3rd Stage (Note 3) for 2025 under the slogan "Realizing a Sustainable Future". The Tender Offeror Group will continue to realize a suitable society with its clients by creating value for the future and connecting various people with technology. To achieve these goals, the Tender Offeror Group is implementing the five strategies outlined in our medium-term management plan: (1) creation of new services through fusion of IT and connectivity; (2) strengthening foresight-driven consulting abilities; (3) evolving to an asset-based business model; (4) strengthening abilities in advanced technology application and system development technology; and (5) maximization of talent and organizational strengths as well as promote sustainable management. In July 2023, the Tender Offeror Group started the process to transition to a holding company structure.

(Note 3) "Global 3rd Stage" refers, following the Global 1st Stage (2005-2015), which aimed to expand global coverage, and the Global 2nd Stage (2016-2018), which aimed to establish a global brand, to the goals set by the Tender Offeror Group for the period 2019-2025, which include creating value for the future and aiming to realize a sustainable society together with their customers by connecting various people with technology.

On the other hand, according to the Target Company Press Release, the Target Company was established by Mr. Shigeru Kamiyama in July 1971 and started the software development operations. The Target Company registered its shares as over-the-counter securities in June 1989, was listed on the Second Section of the Tokyo Stock Exchange in June 2000, and was listed on the First Section of the Tokyo Stock Exchange in May 2003. Following the revision of the new market classification of the Tokyo Stock Exchange, the Target Company was shifted to Prime Market in April 2022, where it currently is.

The Target Company is an independent software development company that operates its projects based on the following management philosophy:

(i) Contribute to the information society by specializing in software development and sales that eliminate manpower leasing and focus on integrating and distributing development fields rather than diversifying related businesses.

(ii) Take a leading role in educating and cultivating customers to establish a software market.

(iii) Generally, have a single-industry focus, ensuring the trust and safety of our customers.

(iv) Strive to lead fulfilling and happy lives by engaging in outward-facing activities that contribute to the earth and humanity outwardly, and a change in the mindset of engineers.

(v) Put in place an employee stock ownership program holding system for participation in management

Since its establishment, the Target Company's core software development business has focused on providing services through turnkey contracting in many of its contracts, rather than on providing manpower leasing through temporary staffing. Specifically, the Target Company is engaged in a broad range of activities in the manufacture and sale of software products that leverage its development and project management technologies accumulated over the years, and that integrate all aspects of system construction—from information system planning and proposals to requirement definition, development construction, and operation.

In the IT services industry, to which the Tender Offeror Group belongs, competition for talent acquisition is intensifying globally. In this industry, where some competitors have shown growth rates exceeding market averages and engineering resources are crucial for growth, Tender Offeror Group recognizes that it is impossible to maintain and strengthen our current market position as a leading company in Japan without acquiring exceptional engineering talent, which cannot be achieved without the use of M&A. In order to achieve its medium-term management plan from fiscal year 2022 to fiscal year 2025, the Tender Offeror Group has been considering various strategies, including acquiring exceptional engineering talent while leveraging M&A.

The Tender Offeror and Target Company are key business partners, with a business relationship spanning 40 years. Currently, their collaborative relationship focuses on the financial sector but also extends do the public and social infrastructure sectors as well as the corporate sector. Through this relationship, the Tender Offeror fully recognizes the Target Company's exceptional software development capabilities, and in the course of considering the strategy mentioned above, the Tender Offeror has also carefully considered the future direction of its collaborative relationship with the Target Company.

Under these circumstances, on July 24, 2023, upon receiving notification from Mr. Shigeru Kamiyama that Mr. Shigeru Kamiyama intended to sell all of the Target Company Shares he owned, the Tender Offeror initiated discussions with Mr. Shigeru Kamiyama, the founder and then Chairman of the Board of Directors of the Target Company. Trough the discussion with Mr. Shigeru Kamiyama, in early September 2023, the Tender Offeror determined that inviting the Target Company, which is recognized as having advanced technological capabilities, know-how, and extensive experience backed by such capabilities and know how, into the Tender Offeror Group and allowing the Tender Offeror Group greater flexibility in the allocation of the Target Company's engineering resources, without the possibility of a conflict of interest with minority shareholders would significantly enhance its competitiveness in Japan's robust IT services market, where demand is strong and the Target Company can expect sustained and further growth. Therefore, the Tender Offeror and the Target Company reached a consensus that operating their businesses in an integrating manner by making the Target Company a wholly owned subsidiary of the Tender Offeror beyond the existing collaborative efforts would be mutually beneficial.

Accordingly, in early October 2023, the Tender Offeror retained Daiwa Securities Co., Ltd. ("Daiwa") as its financial advisor and Nagashima Ohno & Tsunematsu as its legal advisor in order to start considering specific methods of the Transaction. On November 8, 2023, the Tender Offeror made an initial proposal (the "Initial Proposal") to the Target Company that does not include a proposal for the Tender Offer Price and expresses its intention to acquire the Target Company Shares to make the Target Company a wholly owned subsidiary through the Tender Offer and subsequent squeeze-out procedures. In response, the Target Company appointed legal advisors and financial advisors respectively and established a consideration framework in order to start specific consideration of the Transaction (for the details, please refer to "(i) Background of the Organization of the Consideration Framework" in "② Course of Events behind Decision-Making Leading to Target Company's Agreeing to the Tender Offer; Reasons" below.). Subsequently, from late November 2023 to late January 2024, the Tender Offeror conducted due diligence on the Target Company's operations, finances, taxation, and legal matters, and, on December 26, 2023, conducted interviews with the Target Company's management and verify the hypothesized business synergies between the Tender Offeror and the Target Company, which were considered by the Tender Offeror, through questioning of the Target Company to evaluate feasibility of the Tender Offer. The Tender Offeror Group then proceeded to further analyze and evaluate specific measures aimed at generating synergies between the Tender Offeror Group and the Target Company as well as the management policy of the Target Company after the Tender Offeror makes it a wholly owned subsidiary.

As a result of such evaluation, the Tender Offeror anticipates that the Transaction will yield the synergies and benefits below for the Tender Offeror and the Target Company. On January 22, 2024, the Tender Offeror concluded that, in order to maximize such synergies and benefits described below, it is essential to make the Target Company its wholly-owned subsidiary in order to eliminate potential conflicts of interest with minority shareholders of the Target Company to allow for prompt decision-making and flexible implementation of necessary measures, and made a detailed proposal to the Target Company, including the synergies and benefits that the Tender Offeror expects to derive from the Transaction, as well as the main terms and conditions of the Transaction, such as the establishment of a minimum threshold of two-thirds or more of the total number of voting rights held by all shareholders of the Target Company in the Tender Offer and the expected timeline for the announcement of the Tender Offer at the same time as the announcement of the Target Company's First Quarter Results for FY Ending November 2024.

(i) Implementation of business expansion strategy through integration of the Tender Offeror Group's customer base and network with the Target Company's engineering resources

By incorporating the Target Company's exceptional engineers into the project structure of the Tender Offeror Group, whose customers cover a wide range of industries, including public and social infrastructure, as well as the finance and corporate sectors, the Tender Offeror anticipates that it will be able to mitigate the risks associated with engineering shortages, including missed opportunities, project quality deterioration, and delivery delays. Additionally, this integration will enable the Target Company to secure a larger, more stable long-term baseline, which will lead to improved sales efficiency and the stabilization of billable utilization rates at higher levels.

(ii) Strengthening of the Tender Offeror Group's brand and engineering capabilities through the application of its human resource development strategy

The Tender Offeror Group has strong brand power in the labor market and offers a development system tailored to the diverse expertise and preferences of its employees, as well as comprehensively developed training content, a system to encourage community learning, and a career path system designed to foster a culture in which diverse human resources can thrive. By providing the Target Company and its employees with an environment conducive to flexible work locations and hours, we believe it will further enhance their skills and engagement. This approach, in turn, is expected to improve the quality and increase the quantity of engineering resources, which will serve as the foundation for sales growth.

(iii) Expansion of services provided to customers of the Target Company through business collaboration between the Tender Offeror Group and Target Company

By the Tender Offeror Group and the Target Company integrating or collaborating on their services provided to the Target Company's existing customers in the insurance and other industries, both the Tender Offeror Group and the Target Company will be able to expand their presence and strengthen their competitiveness with such customers, which we believe will increase business entry opportunities for both the Tender Offeror Group and the Target Company.

On the other hand, the Tender Offeror also considered the disadvantages of implementing the Transaction. Specifically, the Tender Offeror expects that there is a possibility of losing orders or withdrawing from transactions with business partners in areas in which there is competition with the Tender Offerors as a result of the Target Company becoming a part of the Tender Offeror's group through the Transaction. However, in this regard, the Tender Offeror believes that such disadvantage could be offset by minimizing the loss of transactions through coordinating the business areas between the Tender Offeror and the Target Company, as well as by expanding the Target Company's business through combining the Tender Offeror Group's customer base and network with the Target Company's engineering resources described as synergy (i) above.

In general, one of the disadvantages of privatization is that the Target Company will no longer be able to receive the benefits it has received as a publicly listed company, such as increased recognition and social credit. However, the Tender Offeror believes that such disadvantages associated with privatization of the Target Company Shares are limited, considering that the Target Company will also obtain the recognition and social credit that the Tender Offeror Group has by becoming a part of the Tender Offeror's group.

The Target Company had resolved at a meeting of its board of directors held on November 13, 2023 to establish the Independent Committee (defined in "② Course of Events behind Decision-Making Leading to Target Company's Agreeing to the Tender Offer; Reasons" below; the same applies hereinafter) to consider and negotiate the Transaction from a standpoint independent of the Prospective Tendering Shareholders, the Tender Offeror and its parent company, and the Tender Offeror had held multiple discussions with the Target Company and the Independent Committee from late January to mid-February of 2024. Specifically, on January 31 of the same year, the Tender Offeror received questions in writing from the Independent Committee regarding the purpose of the Transaction, the growth strategy and synergies after the implementation of the Transaction, the intended structure of the Transaction, and the organization and personnel after the Transaction, and submitted answers in writing to such questions on February 9 of the same year. Furthermore, at the meeting of the Independent Committee held on February 13 of the same year, the Tender Offeror explained and exchanged opinions with the Target Company regarding the Target Company's business environment, management issues, background and process of the Transaction, the necessity, purpose and synergies of going private, management policy after the Transaction, scheme of the Transaction and various conditions of the Transaction.

With respect to the purchase price per share of the Target Company Shares in the Tender Offer ("Tender Offer Price"), the Tender Offeror comprehensively considered the results of the due diligence conducted from late November 2023 to late January 2024, as well as the evaluation and analysis on the Target Company Shares by Daiwa, and on March 5, 2024, the Tender Offeror informed the Target Company that it would consider setting the Tender Offer Price at 1,700 yen and the purchase price per Stock Acquisition Right ("Stock Acquisition Right Price") at the difference between the Tender Offer Price and the exercise price of each Stock Acquisition Right multiplied by the number of Target Company Shares to be issued upon exercise of each Stock Acquisition Right, which would be 39,300 yen per the 17th Stock Acquisition Right and 70,400 yen per the 18th Stock Acquisition Right. Such a tender offer price is a premium of 23.82% (rounded to the second decimal place; the same applies in the calculation of the premium below) on the closing price of the Target Company Shares on the date of such proposal (March 5, 2024), a premium of 25.74% on the simple average closing price for the past one month, a premium of 21.69% on the simple average closing price for the past three months and a premium of 17.08% on the simple average closing price for the past six months. However, on the 7th of the same month, the Tender Offeror received a request from the Target Company to increase the Tender Offer Price on the grounds that the Tender Offer Price is not considered to be a sufficient price at which a reasonable portion of the value expected to be realized in the future through the implementation of the Transaction is appropriately distributed to the Target Company's shareholders. In response, on the 14th of the same month, the Tender Offeror made a re-proposal to the Target Company to set the Tender Offer Price at 1,800 yen, the Stock Acquisition Rights Price at 49,300 yen per the 17th Stock Acquisition Right and 80,400 yen per the 18th Stock Acquisition Right. Such tender offer price is a premium of 25.96% on the closing price of the Target Company Shares on the date of such proposal (March 14, 2024), a premium of 30.34% on the simple average closing price for the past one month, a premium of 29.78% on the simple average closing price for the past three months and a premium of 24.22% on the simple average closing price for the past six months. However, on the 18th of the same month, the Tender Offeror was again requested by the Target Company to increase the Tender Offer Price, on the grounds that such tender offer price is not a sufficient price at which a reasonable portion of the value expected to be realized in the future through the Transaction is appropriately distributed to the Target Company's shareholders, and that such tender offer price has not yet reached a sufficient level in light of the premium level in other tender offer cases similar to the Tender Offer. In response, on the 26th of the same month, the Tender Offeror made a re-proposal to the Target Company to set the Tender Offer Price at 1,880 yen, the Stock Acquisition Rights Price at 57,300 yen per the 17th Stock Acquisition Right and 88,400 yen per the 18th Stock Acquisition Right. Such tender offer price is a premium of 30.28% on the closing price of the Target Company Shares on the date of such proposal (March 26, 2024), a premium of 32.86% on the simple average closing price for the past one month, a premium of 35.15% on the simple average closing price for the past three months and a premium of 29.92% on the simple average closing price for the past six months. However, on the 27th of the same month, the Tender Offeror was again requested by the Target Company to increase the Tender Offer Price, on the grounds that the Tender Offer Price is still considered to be insufficient considering the premium level in other tender offer cases similar to the Tender Offer. In response, on April 2, 2024, the Tender Offeror made a re-proposal to the Target Company to set the Tender Offer Price at 1,940 yen, the Stock Acquisition Rights Price at 63,300 yen per the 17th Stock Acquisition Right and 94,400 yen per the 18th Stock Acquisition Right, and notified the Target Company that such proposal was the final proposal. Such tender offer price is a premium of 34.44% on the closing price of the Target Company Shares on the date of such proposal (April 2, 2024), a premium of 35.57% on the simple average closing price for the past one month, a premium of 39.17% on the simple average closing price for the past three months and a premium of 34.26% on the simple average closing price for the past six months. As a result, the Tender Offeror received a response from the Target Company on 4th of the same month that it would accept the proposal and reached agreement to set the Tender Offer Price at 1,940 yen, the Stock Acquisition Rights Price at 63,300 yen per the 17th Stock Acquisition Right and 94,400 yen per the 18th Stock Acquisition Right.

On the other hand, the Tender Offeror held a meeting with the Prospective Tendering Shareholders on February 9, 2024, and offered to enter into the Tender Offer Agreements, receiving positive responses on the same day, and since mid-February 2024, the Tender Offeror has started discussions with the Prospective Tendering Shareholders toward entering into the Tender Offer Agreements, and has proceeded to discuss the terms of the Tender Offer Agreements, including the covenants not to compete in the Target Company's business with that of the Prospective Tendering Shareholders. On April 4, 2024, the Tender Offeror informed the Prospective Tendering Shareholders that the Tender Offer Price would be 1,900 yen. The Prospective Tendering Shareholders responded on the same day that they would tender all of their Target Company Shares at the Tender Offer Price, and the Tender Offeror entered into the Tender Offer Agreements as of today.

② Course of Events behind Decision-Making Leading to Target Company's Agreeing to the Tender Offer; Reasons

According to the Target Company Press Release, the course of events behind decision-making and reasons for the Target Company's agreement of the Tender Offer are as follows.

(i) Background of the Organization of the Consideration Framework

On July 24, 2023, the Target Company was informed by Mr. Shigeru Kamiyama, who was the chairman of the board of directors of the Target at that time, that Mr. Shigeru Kamiyama had approached the Tender Offeror about selling all of the Target Company Shares he owned to the Tender Offeror and that he wanted the Target Company to organize the required internal framework to handle the initial due diligence from the Tender Offeror, and, on the same day, informed some of the directors of the Target Company and proceeded to organize a team for considering the Transaction, such as selecting one employee in the general affairs and personnel department to be engaged in handling the Transaction. On that basis, since the Transaction is planned to involve the sale of shares by Mr. Shigeru Kamiyama, a major shareholder of the Target Company, and the Tender Offer will be conducted as part of the purpose of making the Target Company a wholly-owned subsidiary of the Tender Offeror, there is a possibility that the interests of the shareholders of the Target Company other than the Prospective Tendering Shareholders will not coincide with those of the Prospective Tendering Shareholders. In light of the foregoing, in mid-October 2023, in order to ensure the fairness of the Tender Offer Price and to eliminate the possibility of arbitrariness and conflicts of interest in the decision-making process leading to the decision to implement the Tender Offer and to ensure the fairness of the Transaction, the Target Company appointed Kataoka & Kobayashi Legal Professional Corporation as a legal advisor and SMBC Nikko Securities Inc. ("SMBC Nikko") as a financial advisor, respectively, independent of the Target Company, the Prospective Tendering Shareholders, the Tender Offeror and its parent company. Subsequently, in late October 2023, the Target Company appointed PLUTUS CONSULTING Co., Ltd ("Plutus") as a third-party valuation agency. The Target Company, upon receiving legal advice from its legal advisor, Kataoka & Kobayashi Legal Professional Corporation, promptly considered establishing an independent committee ("Independent Committee"; for the composition and specific activities of the Independent Committee, please refer to "③ Establishment of an Independent Committee at the Target Company; Obtaining of Report from the Independent Committee" in "(3) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer" below) to consider and negotiate the Transaction from a standpoint independent of the Prospective Tendering Shareholders and the Tender Offeror, and authorized the Independent

Committee to (a) make the Target Company report to the Independent Committee in a timely manner on the status of the Target Company's negotiations with the Tender Offeror on the terms and conditions of the Transaction, and the Independent Committee may express its opinions and give instructions and requests to the board of directors of the Target Company at any important juncture, (b) negotiate directly with the Tender Offeror on the terms and conditions of the Transaction if deemed necessary from the perspective of enhancing the corporate value of the Target Company and the interests of the Target Company's minority shareholders, (c) request the Target Company's financial or legal advisors, if it is deemed that such advisors can be trusted, professional advice and to collect information that may be required in making decisions on the matters consulted upon, and (d) appoint, at the Target Company's reasonable expense, its own financial or legal advisors, if deemed necessary. On the same day, the Target Company organized a framework within the Target Company (including the formation of a 15-member consideration team consisting of the President and Representative Director and other directors in charge of the sales and manufacturing divisions and executive staff of the administrative division, not including Mr. Shigeru Kamiyama and Mr. Tetsuya Obata ("Mr. Obata") from the Tender Offeror, who have interests in the Tender Offer) to consider, negotiate and decide on the Transaction (including the scope of the officers and employees of the Target Company who will be involved in the consideration, negotiation and decision-making regarding the Transaction and their duties (including duties that require a high degree of independence, such as preparation of business plans ("Business Plan") for the period from the fiscal year ending November 30, 2024 to the fiscal year ending November 30, 2026, which will be the basis for the calculation of the share value of the Target Company's shares)) from a standpoint independent of the Prospective Tendering Shareholders, the Tender Offeror and its parent company.

(ii) Background of Considerations and Negotiations

Under the aforementioned organizational framework, after receiving the Initial Proposal from the Tender Offeror on November 8, 2023, expressing its intention to acquire the Target Company Shares on the assumption that it makes the Target Company a wholly-owned subsidiary without including the proposed Tender Offer Price, the Target Company, with the advice of its legal advisor, Kataoka & Kobayashi Legal Professional Corporation and its financial advisor, SMBC Nikko, has carefully considered the merits of the Transaction and the reasonableness of the terms and conditions of the Transaction. The Independent Committee also approved the appointment of Kataoka & Kobayashi Legal Professional Corporation as the legal advisor and SMBC Nikko as the financial advisor, respectively, and received explanations from the Target Company regarding its business, management environment, management issues and management actions currently contemplated in response thereto, the content and assumptions of the Business Plan, the organization for considering the Transaction in the Target Company, the background, process, and synergies of the Transaction, etc., based on the Tender Offeror's proposal regarding the Transaction, and considered and discussed these points. In this process, with respect to the Business Plan, which was presented to the Tender Offeror and would be the basis for the calculation of the share value of the Target Company Shares by Plutus, the Independent Committee confirmed that the Business Plan was prepared under the initiative of a person independent of the Prospective Tendering Shareholders, the Tender Offeror and its parent company (including no involvement of Mr. Tanaka, who is from the Tender Offeror, in the preparation), and also confirmed the reasonableness of the contents of the Business Plan, material assumptions and the process of its preparation, and approved the Business Plan. Furthermore, the Independent Committee confirmed the Target Company's management environment, management issues, the background and process of the Transaction, the required and intended purpose of going private, synergies, management policy after the Transaction, the scheme of the Transaction, and the terms and conditions of the Transaction, through receipt of answers to the questionnaires dated January 31, 2024, from the Tender Offeror as of February 9th of the same year and hearing explanations from and discussions with the Tender Offeror regarding the Target Company's management environment, management issues, the background and process of the Transaction, the required and intended purpose of going private, synergies, management policy after the Transaction, the scheme of the Transaction, and the terms and conditions of the Transaction, and a question and answer session with the Target Company's directors in an interview regarding the purpose of the Transaction, the growth strategy and synergies after the Transaction, the intended structure of the Transaction, and the organization and personnel after the Transaction. In particular, with respect to the Target Company's concerns about the potential disadvantages associated with the Transaction, such as (i) the possibility of losing orders or withdrawing from transactions with business partners in areas in which there is competition with the Tender Offeror, (ii) the possibility of increased turnover rate due to a decline in motivation among those who prefer to work for an independent company, and the possibility of job offer declines due to instability in recruitment policies (Details are described in "(iii) Decision-making Details of the Target Company" below.), the Independent Committee confirmed, apart from the Tender Offer Price, with the Tender Offeror the recognition of these concerns and the possibility of cooperating with the measures taken by the Target Company, and shared the recognition of the concerns and confirmed a cooperative relationship after the Transaction.

With respect to the negotiation of Tender Offer Price, on March 5, 2024, after receiving a proposal from the Tender Offeror that the Tender Offer Price would be set at 1,700 yen and the Stock Acquisition Right Price would be set at the difference between the Tender Offer Price and the exercise price of each Stock Acquisition Right multiplied by the number of the Target Company Shares to be issued upon exercise of each Stock Acquisition Right, which would be 39,300 yen per the 17th Stock Acquisition Right and 70,400 yen per the 18th Stock Acquisition Right, as a result of careful examination in consideration of the opinion of the Independent Committee, on March 7, 2024, the Target Company requested the Tender Offeror to increase the Tender Offer Price on the grounds that the Tender Offer Price is not considered to be a sufficient price at which a reasonable portion of the value expected to be realized in the future through the implementation of the Transaction is appropriately distributed to the Target Company's shareholders. Subsequently, on March 14, 2024, the Target Company received a proposal from the Tender Offeror to set the Tender Offer Price at 1,800 yen, 49,300 yen per the 17th Stock Acquisition Right and 80,400 yen per the 18th Stock Acquisition Right. However, as a result of careful consideration in light of the opinion of the Independent Committee, on March 18, 2024, the Target Company requested the Tender Offeror to increase the Tender Offer Price on the ground that the Tender Offeror considered that the Tender Offer Price is not considered to be a sufficient price at which a reasonable portion of the value expected to be realized in the future through the implementation of the Transaction is appropriately distributed to the Target Company's shareholders, and that such tender offer price has not yet reached a sufficient level in light of the premium level in similar tender offer cases. Subsequently, on 26th of the same month, the Target Company received a proposal from the Tender Offeror to set the Tender Offer Price at 1,880 yen, 57,300 yen per the 17th Stock Acquisition Right and 88,400 yen per the 18th Stock Acquisition Right. However, as a result of careful consideration in light of the opinion of the Independent Committee, on 27th of the same month, the Target Company requested the Tender Offeror to increase the Tender Offer Price on the ground that the Tender Offeror considered that the Tender Offer Price is not considered to be a sufficient price at which a reasonable portion of the value expected to be realized in the future through the implementation of the Transaction is appropriately distributed to the Target Company's shareholders, and that such tender offer price has not yet reached a sufficient level in light of the premium level in similar tender offer cases. Subsequently, on April 2, 2024, the Target Company received a proposal from the Tender Offeror to set the Tender Offer Price at 1,940 yen, 63,300 yen per the 17th Stock Acquisition Right and 94,400 yen per the 18th Stock Acquisition Right, and was notified such proposal was the final proposal. On April 4, 2024, the Target Company, based on the discussions with the Independent Committee, responded to the Tender Offeror that it would accept the Tender Offer Price of 1,940 yen, the Stock Acquisition Rights Price at 63,300 yen per the 17th Stock Acquisition Right and 94,400 yen per the 18th Stock Acquisition Right.

(iii) Decision-making Details of the Target Company

Under the circumstances above, the Target Company has carefully considered and discussed the appropriateness of the Transaction including the Tender Offer and the terms and conditions of the Transaction including the Tender Offer Price, in light of the legal advice received from Kataoka & Kobayashi Legal Professional Corporation, the advice received from SMBC Nikko, the advice received from Plutus, and the content of the share price computation document ("Target Company Shares Price Computation Document (Plutus)") and the opinion on the fairness of the Tender Offer Price from a financial perspective ("Fairness Opinion"), as well as respecting to the maximum extent the opinion of the Independent Committee as indicated in the report submitted by the Independent Committee dated August 4, 2024 ("Report"; for the overview of the Report, please refer to "③ Establishment of an Independent Committee at the Target Company; Obtaining of Report from the Independent Committee" in "(3) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer" below).

As a result, in light of the following points below, the board of directors of the Target Company at its meeting held today has reached the conclusion that becoming a wholly-owned subsidiary of the Tender Offeror through the Transaction will contribute to the enhancement of the corporate value of the Target Company.

The operational environment of the Target Company has been favorably impacted by the normalization of social activities due to the containment of COVID-19 infections and a strong domestic economy. In the context of addressing the "2025 Problem" (Note 4), companies in various industries are actively investing in IT as part of their DX (Digital Transformation) initiatives (Note 5). These investments aim at restructuring and adding functions to their existing systems using new IT technologies, including generative AI (Note 6), 5G (Note 7), and cloud services (Note 8). While these developments have given the Target Company a boost, it faces a challenge due to IT personnel shortage in the systems development industry, which limits its ability to fully meet increased demand.

(Note 4) "2025 Problem" refers to a scenario outlined in the "Report on Digital Transformation" published by the Study Group for Digital Transformation of the Ministry of Economy, Trade and Industry, which noted that if the maintenance issues in relation to existing legacy systems are not addressed, there could be economic losses of up to 12 trillion yen per year starting from 2025, a scenario described as the "2025 cliff."

(Note 5) "DX (Digital Transformation)" refers to companies using digital technology to respond to rapid changes in the business environment by transforming operations, organizational structures, processes, and corporate culture. The aim is to establish a competitive advantage by introducing new products, services, and business models.

(Note 6) "Generative AI" refers to Generative Artificial Intelligence, a technology capable of learning data patterns and relationships in data to generate various contents, including text, images, sounds, and audio.

(Note 7) "5G" refers to the 5th Generation communication system, a basic technology that enables mobile communications at ultra-high-speed, ultra-large-capacity, ultra-high-volume, and ultra-low-latency compared to the 4th Generation communication system.

(Note 8) "Cloud services" refers to services that provide server and application functions over the Internet.

Recently, there has been a noticeable increase in the number of companies—particularly those with system development companies as subsidiaries—providing consulting services in areas closely related to customer businesses, including problem identification and consulting, and evaluating the use of alternative services to system development (such as packaging operations, WEB services, and ERP (Note 9)). As a result, customer expectations of the Target Company have increased, not only in systems development but also in those areas.

(Note 9) "ERP" is an abbreviation for "Enterprise Resource Planning" and refers to a system for centrally managing information on "people, goods, money, and information," which are a company's management resource.

In addition, the Target company recognizes that securing human resources and collaboration partners as well as enhancing personnel training are urgent issues to strengthen its development system. To address these issues, the company aims to strengthen mid-career recruitment, expand core partners through early disclosure of upcoming projects to partner companies, develop training programs based on lessons learned from unprofitable projects, and prevent the outflow of human resources by improving compensation based on productivity gains.

In this business environment, the Target Company has determined that the synergies anticipated from the Transaction will enhance its corporate value due to the Target Company's ability to meet customer expectations in areas closely related to the customer businesses mentioned above, the evaluating of the use of alternative services to system development, as well as the addressing of the challenges of securing human resources and enhancing personnel training. The specific synergies to be realized through the Transaction are as follows:

(a) Improve competitiveness by further deepening of strong business alliances

The Target Company has been entrusted with a number of system development projects by the Tender Offeror since 1986, marking a long-standing relationship with the Tender Offeror that spans approximately 40 years. Additionally, various forms of personnel exchanges occur between the companies, including secondments of Target Company personnel to the Tender Offeror and collaborative efforts for the purpose of training the Tender Offeror's new employees.

The Target Company believes that (a) within the diverse customer base of the Tender Offeror Group, there is a high level of synergy, particularly with the financial and public sectors, and that, by implementing the Transaction, the integration or collaboration of services provided by the Target Company and the Tender Offer Group is expected to enhance the Target Company's presence and competitiveness, leading to an expansion of business opportunities. In addition, the Target Company believes that the Target Company will be able to engage in long-term and large-scale projects that the Target Company Group participates in to a greater extent than before, which will lead to an increase in billable utilization rates and sales efficiency. Additionally, the Target Company recognizes that (b) in areas closely related to consumer businesses, including problem identification and consulting, and in evaluation the use of alternative services to system development services (such as packaging operations, WEB services, and ERP), the Tender Offeror Group has significant expertise and a track record of securing contracts. The Target Company recognizes that this Transaction will further enhance its competitiveness in these areas as well. The Target Company recognizes that such a strong business alliance is expected to enhance the Target Company's competitiveness because the Target Company and the Tender Offeror Group have a long business relationship and a high level of affinity in the financial and public sectors.

(b) Securing IT and management human resources

In the system development industry, the number of IT personnel and their paid utilization rates significantly impact business performance. Therefore, the Target Company recognizes that securing human resources and partner companies to strengthen its development systems as well as investing in human resources to enhance development personnel training are challenges to be addressed.

In response to these challenges, the Target Company has been diligently focused on "improving compensation" and "enhancing training." With the implementation of the Transaction, it is anticipated that the Target Company can bolster its recruitment capabilities by leveraging the Tender Offeror Group's brand power in the labor market. At the same time, by integrating the Tender Offeror Group's training system tailored to the diverse expertise and preferences of its employees as needed, including its comprehensively developed training content, measures to promote community learning, a career path system designed to foster a culture in which diverse human resources can thrive, and an environment conducive to flexible work locations and hours, it is believed that the Target Company Group's training system will be further enhanced and ultimately employee turnover will be mitigated.

In addition, the Target Company recognizes the shortage of management personnel as a long-term challenge and believes that the implementation of the Transaction will allow it to address this challenge through inviting qualified management personnel from the Tender Offeror Group to serve as directors and by acquiring know-how on the development of management personnel. The Target Company recognizes that the Target Company can expect to secure such training system and management personnel only because the Tender Offeror Group considers itself to be a leading company in the IT services industry in Japan.

Furthermore, as a benefit of the Transaction, the Target Company anticipates being able to reduce fixed costs, including audit costs and expenses, costs and expenses associated with the management of the general meeting of shareholders, and costs and expenses for outsourcing administrative services related the shareholder registry, due to the privatization of the Target Company Shares through the Transaction.

As potential disadvantages associated with the Transaction, there is a possibility of losing orders or seeing a withdrawal from transactions with business partners in areas in which there is competition with the Tender Offeror. Additionally, and, as for the Target Company's employees in general, although the Target Company believes that the implementation of the Transaction will prevent turnover, there is a possibility that the turnover rate might increase, and job offers might be cancelled by prospective employees due to a decline in motivation among those who prefer to work for an independent company, leading to instability in recruitment policy. However, in this regard, it is believed that these potential disadvantages can be mitigated through various measures. By coordinating business territories with the Tender Offeror, the risk of losing transactions can be significantly minimized. Early alignment of the future vision of the Target Company with that of the Tender Offeror can prevent unexpected major changes. Additionally, conducting thorough briefing sessions for employees and prospective employees at an early stage can prevent the prolongation of such disadvantages. Furthermore, the general disadvantages associated with delisting include the inability to raise funds from the capital market and the loss of benefits associated with being a publicly listed company, such as gaining public trust from, and maintaining name recognition with, external parties, including business partners. However, given its current financial condition, the Target Company does not necessarily need to raise funds from the market. Its relationships with its business partners are already well established and they are unlikely to significantly deteriorate due to privatization. By becoming a group company of NTT DATA Group Corporation, the parent company of the Tender Offeror, which is a listed company on the Tokyo Stock Exchange Prime Market, the Target Company is expected to maintain or even enhance its public trust and name recognition. Such trust and recognition, which have been built up through its business operations to date are not expected to be immediately lost due to delisting. Therefore, the Target Company believes that the impact of such disadvantages will be minimal post-privatization.

Based on the foregoing, the board of directors of the Target Company has determined today that the privatization of the Target Company Shares through the Transaction, including the Tender Offer, will contribute to enhancing the Target Company's corporate value.

With respect to the Tender Offer Price, the Target Company has determined that the Tender Offer affords the shareholders of the Target Company with a reasonable opportunity to sell their shares, considering that (a) the Tender Offer Price exceeds the upper limit of the range of the results of the calculation of the corporate value of the Target Company Shares by Plutus described in "② Share Valuation Report Obtained by the Target Company from an Independent Third-Party Valuation Agency" in "(3) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer" below, and is also within the range of the results of the calculation based on the market share price method and the comparable multiple valuation method, furthermore, within the range of the results of the calculation based on the discounted cash flow method ("DCF method") (b) the Tender Offer Price of 1,940 yen is a price equivalent to a premium of 34.26% over the Target Company Shares' closing price of 1,445 yen on the prime market of the Tokyo Stock Exchange on April 4, 2024, which is the business day immediately prior to the announcement of the Tender Offer, a premium of 35.29% over the simple average of the closing price over the past one month (from March 5, 2024 to April 4, 2024) of 1,434 yen, a premium of 39.07% over the simple average of the closing price over the past three months (from January 5, 2024 to April 4, 2024) of 1,395 yen, and a premium of 34.26% over the simple average of the closing price over the past six months (from October 5, 2023 to April 4, 2024) of 1,445 yen, as well as the fact that, although it is below the median (44.42%, 44.55 %, 43.70 %, and 45.08 %, respectively) and average (50.13%, 52.74%, 53.32%, and 53.01%, respectively) of the premium levels (premium over the closing price on the business day immediately prior to the announcement date and the simple average of the closing prices for the one month, three months and six months prior to the announcement date, respectively) in cases similar to the Tender Offer (cases of successful tender offers for privatization (excluding MBO transactions, EBO transactions and real estate-related transactions) announced from June 28, 2019, when the Ministry of Economy, Trade and Industry published its "Fair M&A Guidelines", to March 22, 2024 (133 cases)), the premium of the Tender Offer Price is considered to be certain level, taking into account that a premium of 22.32% is attached to the highest price of the Target Shares' price of 1,586 yen (as of November 26, 2020) over the past 20 years, (c) the Tender Offer Price was determined through diligent negotiations between the Target Company and the Tender Offeror, after taking measures to ensure the fairness of the Tender Offer as described in "(3) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer" below, specifically, the Tender Offer Price, which is a price proposed to be increased by 240 yen per share (14.1%) (rounded to two decimal places) over the price initially proposed (1,700 yen per share), was determined as a result of diligent and continual discussions and negotiations between the Tender Offeror and the Target Company, in light of the content of the results of the calculation of the value of the Target Company Shares by Plutus and the legal advice from Kataoka & Kobayashi Legal Professional Corporation on the decision-making process and method of the Transaction and other points to be noted, and based on the opinions, instructions and requests given by the Independent Committee regarding the negotiation policy and during negotiation phase, (d) the Tender Offer Price has been determined in the Report obtained from the Independent Committee to ensure the appropriateness of the terms and conditions of the Transaction, including the Tender Offer Price, as described in "③ Establishment of an Independent Committee at the Target Company; Obtaining of Report from the Independent Committee" in "(3) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer" below, and that (e) the measures to ensure the fairness of the Tender Offer as described in "(3) Measures for Ensuring the Fairness of the Tender

Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer" below have been taken and that consideration has been given to the interests of minority shareholders.

Furthermore, with respect to the Stock Acquisition Rights Purchase Price, in light of points (a) through (e) above and the fact that it was calculated based on the difference between the Tender Offer Price and the exercise price of the Stock Acquisition Rights, multiplied by the number of shares of the Target Company to be issued upon the exercise of the Stock Acquisition Rights, the Target Company has determined that the Tender Offer affords the Stock Acquisition Rights holders of the Target Company with a reasonable opportunity to sell their Stock Acquisition Rights.

Based on the foregoing, the Target Company has determined that the Transaction will contribute to the enhancement of the Target Company's corporate value and that the Tender Offer Price and the Stock Acquisition Right Purchase Price are reasonable prices that secure the benefits to be provided to the shareholders of the Target Company and holders of Stock Acquisition Rights, and that the Tender Offer provides the shareholders of the Target Company and the Stock Acquisition Rights holders with a reasonable opportunity to sell their shares and stock acquisition rights. At a meeting of the board of directors held today, the Target Company resolved to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Target Company and the Stock Acquisition Rights holders tender their shares and stock acquisition rights in the Tender Offer.

For details of the decision-making process of the board of directors of the Target Company, please refer to "⑤ Approval of All Directors (including directors who are audit and supervisory committee members) Without Interests" in "(3) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer" below.

③ Post-Tender Offer Management Policy

The Tender Offeror and the Target Company plan to promote management measures to realize the synergies described in "① Background, Purpose and Decision-Making Process Leading to the Decision to Implement Tender Offer" above. The Tender Offeror has not reached any agreement with the Target Company regarding the appointment or benefits to be provided to directors after the Transaction. With respect to the details of the post-Transaction management structure of the Target Company, including the composition of officers, it is planned that the Target Company's current executive structure will be continued, and that arrangements will be implemented to shift to an executive structure in line with the Tender Offeror Group's management and governance structure, including the dispatch of officers from the Tender Offeror's Group (immediately following the Transaction, the Tender Offeror is considering to dispatch one director), as with other group companies of the Tender Offeror.

(3) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer

As of today, the Target Company is not a subsidiary of the Tender Offeror, and the Tender Offer does not constitute a tender offer by a controlling shareholder. Further, there is no plan for all or any part of management to make capital contributions directly or indirectly in the Tender Offeror, and the Transaction that includes the Tender Offer does not constitute a management buyout (MBO) (Note 10).

A conflict of interest may arise between the Prospective Tendering Shareholders and the other shareholders of the Target Company given that the Tender Offer is carried out as part of the goal of making the Target Company a wholly-owned subsidiary of the Tender Offeror; therefore, the Tender Offeror implemented the following measures to ensure the fairness of the Tender Offer Price and the Tender Offer Price of the Stock Acquisition Rights, eliminate arbitrariness or conflicts of interests in the decision-making process leading to a decision to implement the Tender Offer, and ensure the fairness and transparency of the Transaction.

Of the following measures, those implemented by the Target Company are based on explanations received from the Target Company.

(Note 10) A management buyout (MBO) is a transaction where a tender offeror carries out a tender offer based on an agreement with a target company's officers, and means a transaction that will result in target company's officers having a common interest.

① Share Valuation Report Obtained by the Tender Offeror from an Independent Third-Party Valuation Agency

To determine the Tender Offer Price, the Tender Offeror requested that Daiwa, which is a financial advisor and third-party valuation agency independent of the Tender Offeror, NTT DATA Group Corporation, which is the wholly owning parent company of the Tender Offeror, the Target Company and the Prospective Tendering Shareholders to calculate the share value of Target Company Shares, and obtained a share valuation report ("Share Valuation Report (Daiwa)") dated April 4, 2024. Daiwa is not a related party of the Tender Offeror, the Target Company or the Prospective Tendering Shareholders, and does not have any material interests in the Tender Offer. Moreover, the Tender Offeror has obtained the Share Valuation Report (Daiwa) from Daiwa as of April 4, 2024. The Tender Offeror has not obtained any written opinion from Daiwa an opinion on the fairness of the Tender Offer Price (a fairness opinion), since the Tender Offeror believes that sufficient consideration has been given to the interests of minority shareholders of the Target Company in light of the other measures to ensure the fairness of the Tender Offer Price and the measures to avoid conflicts of interest, each implemented in connection with the Transaction.

For an overview of the Share Valuation Report (Daiwa), please refer to "① Basis of Computation" and "② Course of Computation (Circumstances of the Decisions on the Tender Offer Price)" in "(5) Grounds for Computation of Tender Offer Price" of "2. Overview of Shares to be Bought in the Tender Offer" below.

② Share Valuation Report Obtained by the Target Company from an Independent Third-Party Valuation Agency

(i) Name of the Valuation Agency and Relationship between the Valuation Agency and the Target Company, the Tender Offeror, the Prospective Tendering Shareholders and its wholly owning Parent Company, NTT DATA Group Corporation.

In expressing its opinion at the Target Company's board of directors regarding the Transaction , which includes the Tender Offer, the Target Company requested that Plutus, which is a third-party valuation agency independent of the Target Company, the Prospective Tendering Shareholders, the Tender Offeror and its wholly owning Parent Company, NTT DATA Group Corporation, calculate the share value of the Target Company Shares and issue an opinion on the fairness of the Tender Offer Price from a financial perspective (fairness opinion) in late October 2023 in order to eliminate arbitrariness in the decision-making process in the Target Company regarding the Tender Offer Price presented by the Tender Offeror and to ensure the fairness and transparency of the Transaction, and obtained a Target Company Shares Price Computation Document (Plutus) and the Fairness Opinion from Plutus on April 4, 2024.

Plutus is not a related party to the Target Company, the Prospective Tendering Shareholders, the Tender Offeror or its parent company, and does not have any material interests in the Transaction, which includes the Tender Offer. The remuneration to be paid to Plutus for the Transaction is only a remuneration regardless of whether the Transaction is successfully completed, and does not include a contingent fee subject to conditions such as the successful completion of the Transaction.

(ii) Overview of the Calculation of the Target Company Shares

As a result of considering the calculation analysis for the Tender Offer, based on the belief that the value of the Target Company Shares should be evaluated from various perspectives, Plutus calculated the share value of the Target Company Shares using the market price analysis because the Target Company Shares are listed on the Prime Market of the Tokyo Stock Exchange, the comparable company analysis because there are several listed companies comparable to the Target Company and analogical inference of the share value of the Target Company Shares is possible through this approach, and the DCF Analysis to reflect the status of future business activities in the calculation. The ranges of values per share of the Target Company Shares calculated by Plutus using each of the above analysis are as follows.

Market Price Analysis	: 1,395 yen to 1,445 yen
Comparable Company Analysis	: 1,553 yen to 2,085 yen
DCF Analysis	: 1,697 yen to 2,126 yen

With respect to the market price analysis, the range of 1,395 yen to 1,445 yen per Target Company Share was derived by setting the record date at April 4, 2024 and using the valuation per Target Company Share quoted on the Prime Market of the Tokyo Stock Exchange based on the closing price on the record date (1,445 yen), the simple moving average closing prices over the most recent one-month period (1,434 yen), the most recent three-month period (1,395 yen), and the most recent six-month period (1,445 yen).

With respect to the comparable company analysis, the range of 1,553 yen to 2,085 yen per Target Company Share was derived from a comparison of market price and financial indicators between publicly listed companies which had similar characteristics with the Target Company.

With respect to the DCF Analysis, the range of 1,697 yen to 2,126 yen per Target Company Share was derived upon analyzing the Target Company's corporate value and share value by discounting the free cash flow that the Target Company is expected to generate in the 2nd quarter of the fiscal year ending November 2024 and thereafter (based on the Target Company's estimated future earnings and investment plans from the Business Plan, and publicly disclosed information) to the current value by using a certain discount rate.

The Business Plan, on which Plutus based its DCF Analysis, does not include a fiscal year in which a large increase or decrease in profit is expected compared to the previous fiscal year. Also, the Business Plan does not take the expected synergies from the implementation of the Transaction into account, as it is too difficult to estimate them at present. Regarding the Independent Committee's confirmation of the reasonableness of the content of the Business Plan, the material preconditions therefor, the preparation process thereof, and other matters, please refer to "③ Establishment of the Independent Committee at the Target Company; Obtaining of Report" in "(3) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer" below.

(iii) Overview of the Calculation of the Target Company Stock Acquisition Rights

As the Tender Offer Price of the Stock Acquisition Rights is determined based on the Tender Offer Price, in particular, the Tender Offer Price of the Stock Acquisition Rights is obtained by multiplying the number of shares subject to the Stock Acquisition Rights by the difference between the Tender Offer Price and the exercise price of the Stock Acquisition Rights, the Target Company has not obtained a share valuation report and a fairness opinion concerning the Tender Offer Price of the Stock Acquisition Rights from a Third-Party Valuation Agency.

While it is necessary to obtain approval from the Target Company's board of directors to acquire the Stock Acquisition Rights from third parties, as of today, the Target Company's board of directors resolved to give comprehensive approval for the holders of the Stock Acquisition Rights to transfer the same to the Tender Offeror by tendering their rights in the Tender Offer subject to the successful completion of the Tender Offer.

(iv) Overview of the Fairness Opinion

The Target Company has obtained the Fairness Opinion from Plutus on April 4, 2024. (Note 11) The Fairness Opinion states that, from a financial perspective, the Tender Offer Price (1,940 yen per Target Company Share) is fair for the shareholders of the Target Company taking into account the results of the valuation of the Target Company Shares based on the Business Plan and other factors. The Fairness Opinion was issued through a process in which Plutus received disclosures and explanations from the Target Company regarding matters such as the current state and future forecasts of business, calculated the value of the Target Company Shares, held question-and-answer sessions about the overview, the background and the purpose of the Tender Offer, considered the business environment of the Target Company, the economy, market and financial situations, etc. as deemed necessary by Plutus, and reviewed by the review committee independent of the engagement team within Plutus.

(Note 11) In preparing the Fairness Opinion, Plutus has assumed that the basic data and publicly available materials provided by the Target Company and the information obtained from the Target Company are accurate and complete. Plutus has not conducted any independent investigation or verification of the accuracy or completeness of such information and is under no obligation to do so. Accordingly, Plutus does not assume any liability arising from any omission or failure to disclose any material fact in these materials.

Plutus assumes that the Business Plan and other materials used as the basis for the Fairness Opinion have been reasonably prepared based on its best estimates and judgment at the time such materials were prepared. Plutus does not guarantee their feasibility and expresses no opinion as to the analyses, forecasts, or assumptions on which they were based. Plutus is not a professional legal, accounting, or tax organization. Therefore, Plutus does not express any opinion or assume any obligation with respect to any legal, accounting or tax issues relating to the Tender Offer.

Plutus has not conducted any independent evaluation or appraisal of the assets and liabilities (including off-balance-sheet assets, liabilities, and other contingent liabilities) of the Target Company and its affiliates, including an analysis and evaluation of individual assets and liabilities, and has not received any valuation or appraisal report in connection therewith. Accordingly, Plutus has not evaluated the solvency of the Target Company and its affiliates.

The Fairness Opinion expresses an opinion on the fairness of the Tender Offer Price from a financial perspective for the purpose of consideration by the Target Company when expressing its opinion on the Tender Offer. Accordingly, the Fairness Opinion does not express any opinion as to the superiority or inferiority of the Tender Offer over any potential alternative transaction, the benefits to be derived from the implementation of the Tender Offer, or the merits of the execution of the Tender Offer.

The Fairness Opinion does not express any opinion to the holders of any securities issued by the Target Company, creditors, or other related parties. Accordingly, Plutus does not assume any liability to the shareholders or third parties who rely on the Fairness Opinion.

Plutus is not soliciting investment in the Target Company, nor does it have the authority to do so. Accordingly, the Fairness Opinion does not constitute a recommendation to shareholders to accept the Tender Offer or to take any other action.

The Fairness Opinion expresses an opinion as of the date hereof as to whether or not the Tender Offer Price is fair to the Target Company's general shareholders from a financial perspective, based on the financial and capital markets, economic conditions, and other circumstances as of the date of the submission of the Fairness Opinion and based on information provided to or obtained by Plutus by the date hereof. Plutus is under no obligation to revise, alter, or supplement its opinion if these assumptions change due to future changes in circumstances. The Fairness Opinion does not infer or imply any opinion other than those expressly stated in the Fairness Opinion or with respect to any matter after the date of the filing of this Fairness Opinion.

③ Establishment of the Independent Committee at Target Company; Obtaining of Report from the Independent Committee

(i) Background to the Establishment etc.

On November 8, 2023, upon receipt of the letter of intent from the Tender Offeror, and based on advice from Kataoka & Kobayashi Legal Professional Corporation, the Target Company decided to establish the Independent Committee for the purpose of carefully considering and determining the merits of the Transaction and ensuring the fairness of the decision-making process of the Target Company's board of directors prior to deliberating and deciding on the Transaction at the Target Company's board of directors meeting. Further, while receiving advice from Kataoka & Kobayashi Legal Professional Corporation, the Target Company considered candidates for members of the Independent Committee. Based on this, the Target Company, after confirming that they are independent of the Tender Offeror and do not have any material interest in whether the Transaction will be successfully completed that is different from minority shareholders, and receiving advice from Kataoka & Kobayashi Legal Professional Corporation, selected the following three candidates for members of the Independent Committee, in order to establish the Independent Committee of an appropriate size that will ensure the Independent Committee with an overall balance of knowledge, experience and ability: independent outside directors, Mr. Shinichiro Shimizu, Mr. Minoru Matsumoto and Ms. Hanae Nakaya, and established the Independent Committee consisting of these three members by resolution on November 13, 2023 (the members of the Independent Committee have not changed from when it was first established. In addition, Mr. Shigeru Kamiyama, who was chairman of the board of directors at the time, and Mr. Obata, who is from the Tender Offeror, did not participate in the deliberations and resolution for the establishment of the Independent Committee. Furthermore, regardless of the success or failure of the Transaction and the content of the Report, the members of the Independent Committee are only paid remuneration that does not include any contingent fees to be paid on the condition that the Transaction, including the Tender Offer, is completed.).

On that basis, as set forth in the above "② Course of Events behind Decision-Making Leading to Target Company's Agreeing to the Tender Offer; Reasons" in "(2) Background to Decision to Implement the Tender Offer, Purpose, Process behind Decision-Making, and Post-Tender Offer Management Policy," the Target Company established the Independent Committee by resolution at a meeting of its board of directors held on November 13, 2023, and requested the Independent Committee to consider (a) whether the purpose of the Transaction is reasonable; (b) whether the terms of the Transaction are fair and reasonable; (c) whether the negotiation process and other procedures leading to the Transaction are fair; and (d) whether the decision to implement the Transaction (including the Target Company's board of directors expressing an opinion in favor of the Tender Offer to be implemented by the Tender Offeror and recommending shareholders and Stock Acquisition Rights holders of the Target Company to tender their shares or Stock Acquisition Rights in the Tender Offer) is disadvantageous to the minority shareholders of the Target Company (hereinafter collectively referred to as the "Matters for Consultation"). In addition, the Target Company's board of directors resolved that the Independent Committee would be a committee that is independent from the Target Company's board of directors; that decision-making on the Transaction by the Target Company's board of directors would respect the Independent Committee's decisions on the Report to the maximum extent. The board of directors additionally discussed at its meeting on March 29, 2024, the issue of (d) of the Matters for Consultation, namely, whether it would be disadvantageous to the minority shareholders of the Target Company to encourage the holders of the Stock Acquisition Rights to tender their rights in the Tender Offer.

At the same time, the Target Company has resolved that (A) the Target Company shall report to the Independent Committee in a timely manner on the status of the Target Company's negotiations with the Tender Offeror regarding the terms and conditions of the Transaction, and the Independent Committee shall have the authority to express its opinions, give instructions, and make requests to the Target Company's board of directors at any important stage; (B) the Independent Committee shall have the authority to directly negotiate with the Tender Offeror on the terms and conditions of the Transaction if it considers it necessary from the perspective of enhancing the Target Company's corporate value and the interests of the Target Company's minority shareholders; (C) if the Independent Committee considers the Target Company's financial or legal advisers to be trustworthy, it may seek professional advice from them and has the authority to request the Target Company's advisers to gather the information it requires when making decisions on the Matters for Consultation; and (D) the Independent Committee shall have the authority to appoint, at the Target Company's reasonable expense, the Independent Committee's own financial or legal advisers if it considers this necessary. Pursuant to the authority granted (D) above, the Independent Committee appointed Atsumi & Sakai as its own legal advisor and secretariat of the Independent Committee on November 13, 2023, and received legal advice, including advice on measures to be taken to ensure the fairness of the procedures in the Transaction, various procedures of the Transaction, and the method and process of deliberation by the Independent Committee regarding the Transaction.

(ii) Details of the Consideration

The Independent Committee held meetings 13 times in total during the period from December 5, 2023, to April 4, 2024 to discuss and consider the Matters for Consultation by reporting and exchanging information, deliberating and making decisions, etc.

Specifically, the Independent Committee confirmed that SMBC Nikko, the Target Company's financial advisor, Kataoka & Kobayashi Legal Professional Corporation, the Target Company's legal advisor are not related parties to the Tender Offeror, or the Prospective Tendering Shareholders and do not have a material interest in the Transaction that includes the Tender Offer, and that there are no issues regarding their independence or expertise, and approved their appointment.

In addition, the Independent Committee confirmed that there was no issue regarding the internal framework for considering the Transaction that the Target Company built (including the scope of the Target Company's officers and employees involved in the consideration, negotiation, and decision-making for the Transaction, and their duties) from the perspective of independence and fairness, and approved it. Moreover, the Independent Committee considered the measures to be taken in order to ensure the procedural fairness of the Transaction based on an opinion obtained from Kataoka & Kobayashi Legal Professional Corporation. Further, with respect to the Business Plan that the Target Company prepared for the Transaction, the Independent Committee received explanations from the Target Company regarding the contents of the plan, the material preconditions therefor, the preparation process thereof, and other matters, and then confirmed the reasonableness thereof and approved the plan.

The Independent Committee has received explanations from the Target Company on the nature of its business, the management environment, management issues and management measures currently envisaged in response thereto, the content and assumptions of the Business Plan, the purpose, significance, background, history and synergies of the Transaction in the Target Company and the management policy after the Transaction, and has examined and discussed each of these points. In this context, with regard to the Business Plan presented to the Tender Offeror and used by Plutus as the basis for the calculation of the share value of the Target Company's shares, the Independent Committee confirmed that the Business Plan had been prepared under the leadership of persons independent of Mr. Shigeru Kamiyama and the Tender Offeror without the involvement of Mr. Obata, who is from the Tender Offeror, and also examined the reasonableness of the Business Plan, its key assumptions and the circumstances of its preparation, and approved it. On that basis, as stated in "② Acquisition of a Share Valuation Report and a Fairness Opinion by Target Company from an Independent Third-Party Valuation Agency" above, Plutus has conducted a valuation of the share value of the Target Company Shares on the basis of the Business Plan. The Independent Committee received an explanation from Plutus on the calculation methods used to calculate the value of the Target Company Shares, the reasons for adopting such calculation methods, the details of the calculations made by each calculation method and important assumptions, and asked and answered questions about the details of such calculations.

Furthermore, the Independent Committee received reports on the negotiations between the Target Company and the Tender Offeror from the Target Company and SMBC Nikko from time to time and stated opinions as necessary regarding the Target Company's negotiation policy. Specifically, the Independent Committee received reports from the Target Company and SMBC Nikko each time a proposal for the terms and conditions including Tender Offer Price was submitted by the Tender Offeror to the Target Company, considered them in light of SMBC Nikko's analysis and opinions regarding the policy for negotiations with the Tender Offeror and analysis regarding the premium analysis of similar cases, and Plutus's explanation of its stock valuation results.

In addition, the Independent Committee received several explanations from Kataoka & Kobayashi Legal Professional Corporation regarding the content of the drafts for press releases regarding the Tender Offer that the Target Company planned to publish or submit, and has confirmed that appropriate information disclosure is planned.

(iii) Details of the Decision

Under the circumstances described above, the Independent Committee carefully considered and repeatedly held discussions concerning the Matters for Consultation, and as a result, on April 4, 2024, the Independent Committee, with the unanimous consent of all its members, submitted to the Target Company's board of directors the Report having the content outlined below.

(a) Contents of the Report

(A) Reasonableness is recognized for the purpose of the Transaction.

(B) The terms and conditions of the Transaction are found to be fair and reasonable.

(C) The negotiation process and other procedures leading to the Transaction are found to be fair.

(D) Based on (A) through (C) above, the decision to conduct the Transaction (including the Target Company's board of directors expressing its opinion in favor of the Tender Offer conducted by the Tender Offeror and recommending that the shareholders of the Target Company and holders of Stock Acquisition Rights accept the Tender Offer) is not considered to be disadvantageous to the minority shareholders of the Target Company.

(b) Contents of the report

(A) Reasonableness of the Purpose of the Transaction

In light of the following points, the Independent Committee believes that the Transaction will contribute to the improvement of the Target Company's corporate value and that the purpose of the Transaction is reasonable.

- The Target Company's main business is software development, and considering the nationwide shortage of IT personnel in the software development business, to which the Target Company belongs, the Target Company has not been able to receive enough orders for the aggressive IT investment demands of various companies. In addition, the needs of the Target Company's clients are expanding beyond system development into areas closer to the client's business (problem identification, consulting, etc.) and into areas where the use of alternative services for system development is being considered (business packages, web services, ERP, etc.), and the Target Company needs to respond to these needs of clients. Further, in light of the current situation, the Target Company recognizes necessity to respond to a significant reduction in development costs, taking into consideration the use of generative AI, etc. In such a business environment, the Target Company recognizes management issues that the Target Company (a) entering into areas closer to its clients' businesses such as strengthening its consulting business and areas of consideration for the use of alternative services for system development, strengthening and developing its customer base in public sectors, etc. outside the finance, insurance and transportation sectors, and securing a foundation for growth through reducing development costs by responding to cutting-edge technologies such as generative AI, and (b) securing human resources and partner companies to strengthen the development system, strengthening personnel training, and securing management personnel.

- By implementing the Transaction and realizing a strong business alliance with the Tender Offeror's group, (a) it is reasonably expected that the Target Company will secure a growth base for further growth in the future by entering into areas closer to its clients' businesses (problem identification, consulting, etc.) and areas of consideration for the use of alternative services for system development (business packages, web services, ERP, etc.) as upstream processes, expanding its business opportunities not only in the fields of finance, insurance, and transportation, where the Target Company has long been strong, but also in other fields, such as the public sectors, where the Target Company has not been able to make sufficient inroads so far, increasing its paid-up utilization ratio and sales efficiency through being able to work on long-term, large-scale projects in which the Tender Offeror's group participates more than ever before, and responding to cutting-edge technologies such as generative AI through collaboration with the Tender Offeror's group, and (b) it is reasonably expected that the Target Company strengthening the ability to recruit human resources by becoming a member of the "NTT DATA" group, which has a certain reputation in the labor market related to the system development business, enhancing the education system through provision of the Tender Offeror's group's education and training system, career path realization system, and flexible labor environment, etc., preventing employee turnover, and securing management personnel through the dispatch of directors, etc. from the Tender Offeror's group.
- As a disadvantage of the Transaction, there is a possibility that the Target Company may lose transactions with business partners in fields in competition with the Tender Offeror. However, according to the Target Company, the Target Company is considering minimizing the loss of transactions with existing business partners by coordinating its business areas with the Tender Offeror, and according to the Tender Offeror, even if the Target Company were to lose transactions with such business partners, the Tender Offeror believes that it would be possible to secure sales of the Target Company through cooperation with the Tender Offeror's group. In addition, as a disadvantage associated with the Transaction, there is a possibility that the Target Company, which has been advocating "independence," will experience an increase in turnover due to a decline in motivation among employees who wish to work for the independence, or that job offers will be declined due to unstable recruitment policies. However, according to the Target Company, the Target Company believes that it is possible to avoid prolongation of such a disadvantage by holding careful briefings for employees and job applicants soon. Through interviews with the Target Company and the Tender Offeror, no unreasonable points were found in these explanations, and the Independent Committee believes that each of the possible disadvantages of the Transaction is limited and none of them outweighs the advantages of the Transaction, and that the purpose of the Transaction is not considered to lose its rationality.
- From the viewpoint of maximizing the corporate value of the Target Company, the Transaction with the Tender Offeror to make the Target Company a wholly-owned subsidiary is a reasonable option that has advantages over other realistic means.

(B) Fairness and Appropriateness of Transaction Terms and Conditions

In light of the following points, the fairness and appropriateness of the Tender Offer Price and the Tender Offer Price of Stock Acquisition Rights, subject to the appropriateness of the status of negotiations for the Transaction and the scheme, etc., are recognized and the fairness and appropriateness of the terms and conditions of the Transaction, including the Tender Offer, are secured.

- In the course of negotiations between the Tender Offeror and the Target Company regarding the Tender Offer Price and other matters. SMBC Nikko explained to the Independent Committee the details and analysis of the proposal made by the Tender Offeror each time, and the Independent Committee discussed the response policy and the draft response to such proposal, the Independent Committee expressed its opinions as appropriate, and the response to the Tender Offeror was made after appropriately reflecting the opinions of the Independent Committee. In such negotiation process, the Independent Committee was proactively and substantially involved in the negotiation of the Tender Offer Price and other matters between the Tender Offeror and the Target Company, based on the authority granted to the Independent Committee. As a result of multiple negotiations with the Tender Offeror, the Tender Offer Price was raised to 1,700 yen, 1,800 yen, 1,880 yen, and 1,940 yen per share. There were no circumstances in which the negotiation process for the Tender Offer Price and other matters was distorted by the influence of interested parties, and the situation regarded as an arm's length transaction was secured, and it is possible to recognize the history that sincere negotiations were conducted with the aim of making the Transaction as favorable as possible for the minority shareholders. Considering that sufficient measures to ensure fairness were taken in the Transaction, it can be evaluated that the process of negotiation between the Tender Offeror and the Target Company regarding the terms and conditions of the Transaction ensured a situation where reasonable efforts were made with the aim of conducting the Transaction on terms and conditions as favorable to minority shareholders as possible.

- The Business Plan was prepared without the involvement of any party having an interest in the Prospective Tendering Shareholders, the Tender Offeror or its parent company, and the figures in the Business Plan were prepared after verifying the reasonableness of the possibility of achievement based on the planned figures accumulated from the business units. There is nothing arbitrary about the procedures used to formulate the Business Plan, and no particular unreasonableness can be found. The Business Plan was prepared on a so-called stand-alone basis, which is not premised on the Transaction with the Tender Offeror taking place. The Independent Committee confirmed the contents of the Business Plan through hearings with the Target Company, and it was found that the Business Plan was prepared in a manner that is reasonably feasible for the Target Company is reasonably feasible as it fully factoring in the element of effort at the subject that can reasonably be expected to be feasible, taking into account the current business environment in which the Target Company operates. In addition, there is no indication of being unreasonably conservative. Therefore, there is nothing unreasonable in the contents of the Business Plan from the viewpoint of the interests of minority shareholders of the Target Company.
- According to interviews with Plutus, there is nothing unreasonable about the selection of the market price analysis, the comparable company analysis, and the DCF Analysis, as well as the calculation method and basis for each of these calculations. The Tender Offer Price exceeds (1) the upper limit of the calculation result of the market price analysis, (2) the median of the range of the calculation result of the comparable company analysis, and (3) the median of the range of the calculation result of the DCF Analysis.
- The Target Company has obtained the Fairness Opinion from Plutus, which states that Plutus believes the Tender Offer Price is fair to the Target Company's shareholders from a financial point of view. There is nothing particularly unreasonable in the procedures and contents of the Fairness Opinion, and the appropriateness of the Tender Offer Price is also considered to be supported by this opinion.
- The premium level of the Tender Offer Price is below the average premium level of similar deals. However, the Tender Offer Price is subject to a premium of 34.26%, 35.29%, 39.07%, and 34.26% over the closing price on the record date, the simple average closing price for the most recent one month, the simple average closing price for the most recent three months, and the simple average closing price for the most recent six months, respectively, and is above the upper limit of the calculation result of the market price analysis, within the ranges of the calculation result of the DCF method and the comparable company analysis, above the median of these ranges, and a premium of approximately 22% is attached from the highest price of the Target Company's stock in the past 20 years, which was 1,586 yen (November 26, 2020). Considering these points, it can be evaluated that a reasonable premium level is secured.
- The method of acquisition of the Transaction is one of the methods commonly used to make a listed company a wholly-owned subsidiary, and in any of the procedures in the second step, if the minority shareholders believe that the purchase price is unreasonably low, they may petition the court for a determination of the selling price or for a determination of the price after requesting the purchase of their shares. In addition, when cash is to be delivered to shareholders and holders of Stock Acquisition Rights who did not tender their shares or rights in the Tender Offer, the price will be calculated to be the same as the price they would receive if they had tendered their shares or rights in the Tender Offer. Further, regarding the type of consideration for the acquisition in the Transaction, although it is conceivable that the consideration could be shares of the Tender Offeror, it is preferable that the consideration to be received by the shareholders and the holders of Stock Acquisition Rights be cash rather than shares because the businesses of the Tender Offeror and the Target Company are not necessarily the

same and the cash consideration is easy to understand and its value is highly stable and objective. Considering that the risk of a decline in the price of the Tender Offeror's shares can be avoided as well, the adoption of a two-step acquisition method with a tender offer and cash as consideration for the acquisition is considered reasonable.

- As the Tender Offer Price of the Stock Acquisition Rights is determined based on the Tender Offer Price, in particular, the Tender Offer Price of the Stock Acquisition Rights is obtained by multiplying the number of shares subject to the Stock Acquisition Rights by the difference between the Tender Offer Price and the exercise price of the Stock Acquisition Rights, the Tender Offer is deemed to provide Stock Acquisition Rights holders of the Target Company with a reasonable opportunity to sell their Stock Acquisition Rights.

(C) Fairness of the negotiation process and other procedures leading to the Transaction

In light of the following points, it is considered that (i) the Transaction can be regarded as an arm's length transaction even in substance in the process of determining the terms and conditions of the Transaction, and (ii) fairness measures have been adopted in a manner sufficient for the Transaction from the perspective of securing minority shareholders' opportunity to make an appropriate decision based on sufficient information and is recognized to be effectively operated. Therefore, in conclusion, the Transaction is recognized as giving sufficient consideration to the benefits of minority shareholders of the Target Company through fair procedures, and the negotiation process and other procedures leading to the Transaction can be deemed to be fair.

- The Target Company has established an independent committee consisting of the Prospective Tendering Shareholders, the Tender Offeror and its parent company, and the Target Company's outside directors and audit committee members who are independent of the success or failure of the Transaction, and in view of the timing, authority, and activities of the Independent Committee, the Independent Committee is recognized as effectively functioning as a measure to secure fairness.
- In order to avoid any suspicion of a conflict of interest, the Target Company, as a framework for considering, negotiating, and determining the Transaction from a standpoint independent of the Prospective Tendering Shareholders, the Tender Offeror, and its parent company, established a consideration team consisting of the President and Representative Director and other directors in charge of the sales and manufacturing divisions and executive staff of the administrative division. The said consideration team was formed without including Mr. Shigeru Kamiyama and Mr. Obata, who have an interest in the Transaction, and the Independent Committee was informed that Mr. Shigeru Kamiyama and Mr. Obata did not participate in the discussions and negotiations between the Target Company and the Tender Offeror in order to eliminate any possibility of a conflict of interest. The deliberations and resolutions of the board of directors of the Target Company regarding the Transaction, including the resolution of the board of directors regarding the establishment of the Independent Committee, have been or will be made by the directors of the Target Company, excluding Mr. Shigeru Kamiyama and Mr. Obata. The board of directors of the Target Company established the Independent Committee for the purpose of protecting the benefits of minority shareholders and contributing to securing the fairness and neutrality of the decision-making process, and in establishing the Independent Committee, the board of directors of the Target Company resolved to respect the content of the report from the Independent Committee to the maximum extent in response to the matters for consultation. In addition, the Independent Committee has confirmed that Mr. Shigeru Kamiyama and Mr. Obata were not involved in the process of preparing the Business Plan, which is the basis for the valuation of the Target Company Shares, and that it was prepared under the leadership of a person independent of the Prospective Tendering Shareholders, the Tender Offeror and its parent company. In light of the above, there is nothing doubtful about the fairness of the internal consideration framework and other decision-making processes assumed by the Target Company with respect to the Transaction.
- The Target Company has received legal advice from Kataoka & Kobayashi Legal Professional Corporation, a legal advisor with expertise independent of the Prospective Tendering Shareholders, the Tender Offeror and its parent company, and the success or failure of the Transaction.
- The Target Company has obtained the Target Company Shares Price Computation Document (Plutus) and the Fairness Opinion as materials concerning the value of the Target Company Shares from Plutus, a third-party valuation agency with expertise independent of the Prospective Tendering Shareholders, the Tender Offeror and

its parent company, and the success or failure of the Transaction.

- The Independent Committee received legal advice from Atsumi & Sakai, a legal advisor with expertise independent of the Prospective Tendering Shareholders, the Tender Offeror and its parent company, and the success or failure of the Transaction, as well as from Kataoka & Kobayashi Legal Professional Corporation, a legal advisor appointed by the Target Company, and Plutus, a third-party valuation agency, which The Independent Committee considered reliable.
- In the Tender Offer, the Tender Offer Period is set longer (31 business days) than the minimum period required by law (20 business days), and the Target Company has not entered into any agreement that would restrict a competing takeover bidder from contacting the Target Company, such as an agreement containing a transaction protection clause that would prohibit the Target Company from contacting a competing takeover bidder. Therefore, it is recognized that in the Transaction, a so-called indirect market check is being conducted by implementing the M&A transaction in an environment that creates the possibility for other potential takeover bidders to make counter-proposals after the public announcement.
- The minimum number of shares to be purchased in the Tender Offer will be set so that the number of shares to be purchased exceeds the number corresponding to the so-called Majority of Minority shareholders and it is considered to lead to more emphasis on securing opportunities for general shareholders to make decisions and to contribute to M&A transactions on terms and conditions as favorable as possible to general shareholders, as the approval (tender) of a majority of general shareholders who have no interest in the Tender Offer is required for the Tender Offer to be completed.
- In the Transaction, in the press release regarding the Tender Offer to be announced or submitted by the Target Company, the Target Company will disclose the details of the authority granted to the Independent Committee, the process of consideration by the Independent Committee and its involvement in the process of negotiating the terms and conditions of the transaction with the Tender Offeror, the contents of the Report and the compensation system for members of the Independent Committee, the overview of the Target Company Shares Price Computation Document (Plutus), the Fairness Opinion obtained by the Target Company, the material interests of Plutus, the process leading to the implementation of the Transaction and the negotiations, and the background and purpose of the selection of the Transaction. Therefore, it is recognized that important decision-making materials that contribute to the decision on the appropriateness of the terms and conditions of the Transaction are expected to be provided to the Target Company's shareholders.
- In the Transaction, it is recognized that the practical measures that are desirable to eliminate coercion have been taken.

(D) Whether the decision to implement the Transaction is not disadvantageous to the minority shareholders of the Target Company

The decision by the Target Company to implement the Transaction (including expression of an opinion by the board of directors of the Target Company in favor of the Tender Offer conducted by the Tender Offeror and recommendation to the Target Company's shareholders and the Stock Acquisition Rights holders to tender their shares and stock acquisition rights in the Tender Offer) is not considered to be disadvantageous to the minority shareholders of the Target Company since, as described in (A) above, the Transaction is considered to contribute to the enhancement of the Target Company's corporate value and the purpose of the Transaction is considered to be reasonable, and, as described in (B) above, it is considered that sufficient consideration has been taken to the benefits of the Target Company' shareholders through fair procedures in the Transaction, and, as described in (C) above, the terms of the Transaction are considered to be fair and reasonable.

④ Advice to the Target Company from an Independent Law Firm

According to the Target Company Press Release, in order to ensure the fairness and appropriateness of the process of decision-making with respect to the Transaction, including the Tender Offer by the board of directors of the Target Company, the Target Company appointed Kataoka & Kobayashi Legal Professional Corporation, independent of the Target Company, the Prospective Tendering Shareholders, Tender Offeror, and its parent company, as its legal advisor, and received legal advice concerning the process and method of decision-making by the board of directors of the Target Company with respect to the Transaction including the Tender Offer and other matters to be noted in making decisions. Kataoka & Kobayashi Legal Professional Corporation is not a related party to the Target Company, the Prospective Tendering Shareholders, Tender Offeror, and its parent company, and does not have any material interest in the Tender Offer. The remuneration to Kataoka & Kobayashi Legal Professional Corporation is only calculated at an hourly rate and it does not include any contingent fee subject to public announcement or successful completion of the Transaction or any other conditions.

⑤ Approval of All Directors (including directors who are audit and supervisory committee members) Without Interests

As described in "② Course of Events behind Decision-Making Leading to the Target Company's Agreeing to the Tender Offer; Reasons" in "(2) Background to Decision to Implement the Tender Offer, Objective, Process behind Decision-Making, and Post-Tender Offer Management Policy" the Target Company's board of directors carefully considered and discussed the merits of the Transaction, including the Tender Offer and the appropriateness of the terms and conditions of the Transaction including the Tender Offer Price, taking into consideration the legal advice received from Kataoka & Kobayashi Legal Professional Corporation, the advice received from SMBC Nikko, the advice, the Target Company Shares Price Computation Document (Plutus) and the Fairness Opinion received from Plutus, and with maximum respect for the opinion of the Independent Committee indicated in the Report.

As a result, as described in "② Course of Events behind Decision-Making Leading to the Target Company's Agreeing to the Tender Offer; Reasons" in "(2) Background to Decision to Implement the Tender Offer, Objective, Process behind Decision-Making, and Post-Tender Offer Management Policy" above, the Target Company's board of directors has determined that (i) synergies generated through the Tender Offer, such as improvement of competitiveness through further deepening of strong business alliances and securing IT and management personnel, are expected to enhance the corporate value of the Target Company; and (ii) the Tender Offer Price and Tender Offer Price of the Stock Acquisition Rights are adequate prices that ensure the benefits which general shareholders of the Target Company and the holders of the Stock Acquisition Rights can enjoy, and the Tender Offer provides those of the Target Company with a reasonable opportunity to sell the Target Company Shares and Stock Acquisition Rights, and has unanimously adopted a resolution at its board of directors meeting held on April 5, 2024 as of today, by the 8 directors (whereas the Target Company's board of directors consists of 9 members in total, excluding Mr. Obata) of the Target Company, who participated in the deliberation and resolution to express an opinion supporting the Tender Offer and to recommend that the shareholders of the Target Company and holders of Stock Acquisition Rights tender their shares or rights in the Tender Offer.

Such resolution of the Target Company's board of directors is based on the assumption that the shares of the Target Company are scheduled to be delisted as a result of the Tender Offeror's implementation of the Tender Offer and a series of subsequent procedures.

Among the nine directors of the Target Company, Mr. Obata, who worked for the Tender Offeror, did not participate in the deliberation and resolution at such meeting of the board of directors in light of preventing conflicts of interest, nor did he participate in the review of the Transaction or the discussion or negotiation for the Tender Offer on behalf of the Target Company. Mr. Shigeru Kamiyama served as Chairman of the board of directors until November 30, 2023, and as a director until the close of the Target Company's Annual General Meeting of Shareholders in February 2024, however, he was not involved in any consideration of the Transaction or discussions or negotiations with the Tender Offeror on behalf of the Target Company, including involvement in the establishment of the Independent Committee.

⑥ Advice to the Independent Committee from an Independent Law Firm

As described in "(i) Background to the Establishment etc." in "③ Establishment of the Independent Committee at Target Company; Obtaining of Report from the Independent Committee" the Independent Committee appointed Atsumi & Sakai as its own legal advisor and secretariat of the Independent Committee on November 13, 2023, and received legal advice, including advice on measures to be taken to ensure the fairness of the procedures in the Transaction, various procedures of the Transaction, and the method and process of deliberation by the Independent Committee regarding the Transaction.

Atsumi & Sakai is not a related party to the Target Company, the Prospective Tendering Shareholders, Tender Offeror, and its parent company, and does not have any material interest in the Tender Offer. The remuneration to Atsumi & Sakai is only calculated at an hourly rate and it does not include any contingent fee subject to public announcement or successful completion of the Transaction or any other conditions.

(4) Post-Tender Offer Reorganization etc. Policy (Matters relating to Two-Step Acquisition)

As stated in "(1) Overview of the Tender Offer" above, the Tender Offeror, as one of its purposes, implements the Tender Offer with a view to turning the Target Company into its wholly-owned subsidiary, and thus, if the Tender Offeror is unable to acquire all of the Target Company Shares and the Stock Acquisition Rights through the Tender Offer, the Tender Offeror intends to implement the following Squeeze-out Procedures after the successful completion of the Tender Offer:

① Demand for Shares Cash-Out

If, upon the successful completion of the Tender Offer, the total number of voting rights owned by the Tender Offeror is 90% or more of the voting rights of all shareholders of the Target Company and the Tender Offeror becomes a special controlling shareholder as set forth in Article 179, Paragraph 1 of the Companies Act, the Tender Offeror plans to request all of the Target Company's shareholders (excluding, however, the Tender Offeror and the Target Company) ("Selling Shareholders") and the holders of the Stock Acquisition Rights ("Selling Holders") to sell all of the Target Company Shares ("Demand for Shares Cash Out") and the Stock Acquisition Rights ("Demand for Rights Cash Out" together with the "Demand for Shares Cash Out", "Demand for Shares, etc. Cash Out") they own pursuant to the provisions of Part II, Chapter II, Section 4-2 of the Companies Act, promptly after the completion of the settlement of the Tender Offer. In the Demand for Shares Cash Out, the Tender Offeror plans to set forth that the amount equivalent to the Tender Offer Price will be delivered to the Selling Shareholders as the price per Target Company Share. In the Demand for Rights Cash Out, the Tender Offeror plans to set forth that, in consideration for each Stock Acquisition Right, a cash amount equal to the Tender Offer Price of the Stock Acquisition Rights will be delivered to the Selling Holders. In such case, the Tender Offeror plans to so notify the Target Company and request the Target Company to approve the Demand for Shares, etc. Cash Out. If the Target Company approves the Demand for Shares, etc. Cash Out by resolution of its board of directors, the Tender Offeror will acquire, as of the acquisition date set forth in the Demand for Shares, etc. Cash-Out, all of the Target Company Shares owned by all Selling Shareholders and Stock Acquisition Rights owned by all Selling Holders without individual approvals by the Selling Shareholders or Selling Holders in accordance with the procedures set forth in the relevant laws and regulations. In such event, the Tender Offeror plans to deliver the amount equivalent to the Tender Offer Price to each of such Selling Shareholders as the price per Target Company Share owned by each of the Selling Shareholders and deliver the amount equivalent to the Tender Offer Price of the Stock Acquisition Rights to each of such Selling Holders as the price per Stock Acquisition Right owned by each of the Selling Holders. According to the Target Company Press Release, if the Target Company receives a Demand for Shares, etc. Cash Out and a notice of matters in each item of Article 179-2(1) of the Companies Act from the Tender Offeror, the Target Company plans to approve such Demand for Shares, etc. Cash-Out.

Any shareholder of the Target Company or holder of Stock Acquisition Rights may file a petition with a court seeking determination of the sale price of the Target Company Shares or Stock Acquisition Rights owned by it, pursuant to the provisions of Article 179-8 of the Companies Act and other relevant laws or regulations, as provisions of the Companies Act intended to protect the rights of minority shareholders with respect to the Demand for Shares, etc. Cash Out. In the case where such petition is filed, the sale price of the Target Company Shares or Stock Acquisition Rights will be finally determined by the court.

② Share Consolidation

If, after the successful completion of the Tender Offer, the total number of voting rights owned by the Tender Offeror is less than 90% of the voting rights of all shareholders of the Target Company, the Tender Offeror plans, promptly after the completion of the settlement of the Tender Offer, to request the Target Company to hold an extraordinary shareholders meeting ("Extraordinary General Shareholders Meeting") that will resolve proposals including: (a) a proposal regarding consolidation of the Target Company Shares ("Share Consolidation") pursuant to Article 180 of the Companies Act, and (b) a proposal regarding a partial amendment to the articles of incorporation, subject to the Share Consolidation becoming effective, for the purpose of abolishing the provision regarding the number of shares constituting one unit of stock. The Tender Offeror plans to vote in favor of each of the above-mentioned proposals at the Extraordinary General Shareholders Meeting. As of today, the Extraordinary

General Shareholders Meeting is scheduled for late August, 2024.

If the proposal regarding the Share Consolidation is approved at the Extraordinary General Shareholders Meeting, as of the effective date of the Share Consolidation, the number of the Target Company Shares owned by the shareholders of the Target Company will be changed in proportion to the ratio for the Share Consolidation approved at the Extraordinary General Shareholders Meeting. In the case where any fraction of share less than one share arises as a result of the Share Consolidation, the amount of cash to be obtained by selling the Target Company Shares in the amount equivalent to the aggregate of such fractions of shares (any fraction of shares less than one share in the aggregate will be rounded off; hereinafter the same) to the Target Company or the Tender Offeror will be delivered to the shareholders of the Target Company with respect to whom such fractions have arisen in accordance with the procedures set forth in Article 235 of the Companies Act and other relevant laws or regulations. With respect to the sale price of the Target Company Shares in the amount equivalent to the aggregate of such fractions of shares, the Tender Offeror plans to request the Target Company to determine such price so that the amount of money to be delivered to each of the Target Company's shareholders who did not tender their shares in the Tender Offer (excluding, however, the Tender Offeror and the Target Company) as a result of such sale will be equal to the amount obtained by multiplying (a) the Tender Offer Price by (b) the number of the Target Company Shares held by such shareholder, and file a petition with a court for permission for such voluntary sale. While the ratio of consolidation of the Target Company Shares is not determined as of today, the Tender Offeror plans to request that the Target Company determine such ratio so that the number of Target Company Shares held by each shareholder of the Target Company (other than the Tender Offeror and the Target Company) who did not tender its shares in the Tender Offer will become a fraction less than one share in order for the Tender Offeror to own all Target Company Shares and the Stock Acquisition Rights. According to the Target Company Press Release, the Target Company intends to comply with such request from the Tender Offeror if the Tender Offer is successfully completed.

If any fraction of share less than one share arises as a result of the Share Consolidation, any shareholder of the Target Company (excluding, however, the Tender Offeror and the Target Company) may require the Target Company to purchase all fractions of shares held by such shareholder at a fair price and file a petition with a court seeking determination of the price of the Target Company Shares owned by it, pursuant to the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws or regulations, as provisions of the Companies Act intended to protect the rights of minority shareholders with respect to the Share Consolidation.

As described above, since the number of Target Company Shares held by each shareholder of the Target Company who did not tender its shares in the Tender Offer (other than the Tender Offeror and the Target Company) will become a fraction less than one share as a result of the Share Consolidation, any shareholder opposing to the Share Consolidation (other than the Tender Offeror and the Target Company) will be entitled to file a petition as described above. If such petition is filed, the purchase price of the Target Company Shares will be finally determined by a court.

It is not intended by the Tender Offer to solicit an affirmative vote by the Target Company's shareholders at the Extraordinary General Shareholders Meeting.

The procedures for the Demand for Shares, etc. Cash Out and the Share Consolidation described above may take longer than anticipated or may be changed due to the amendment or enforcement of the relevant laws and regulations, or the interpretation by the authorities on the relevant laws and regulations. However, even in such cases, the Tender Offeror intends to adopt measures to eventually pay cash to the shareholders of the Target Company who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Target Company) and cause the amount of cash to be paid to each of the shareholders to be equal to the amount obtained by multiplying the Tender Offer Price by the number of the Target Company Shares owned by such shareholder.

The restricted stocks of the Target Company granted to the directors and employees of the Target Company as compensation in the form of restricted stocks (the "Restricted Stocks") shall be subject to the following conditions. The allotment agreement for the Restricted Stocks provides that (a) if, during the transfer restriction period, any matter concerning the share consolidation prescribed in Article 180 of the Companies Act is approved at the Target Company's shareholders meeting or any matter concerning a request for the sale of shares, etc. prescribed in Article 179 of the Companies Act is approved at the Board of Directors meeting of the Target Company (provided, however, that the effective date of the share consolidation set forth in Article

180, Paragraph 2, Item 2 of the Companies Act or the date of acquisition of the Target Company's shares, etc. by the special controlling shareholder set forth in Article 179-2, Paragraph 1, Item 5 of the Companies Act ("Squeeze-Out Effective Date") falls on a date prior to the expiration of the Transfer Restriction Period), the Target Company may, upon a resolution of the board of directors of the Target Company as of the date of such approval, cancel the restriction on transfer with respect to all of the Restricted Stocks held by the directors and employees, as of the business day immediately preceding the Squeeze-Out Effective Date; and (b) in the case provided for in (a) above, the Target Company shall, as of the business day immediately preceding the Squeeze-Out Effective Date, acquire without consideration all of the Restricted Stocks for which the transfer restrictions have not been cancelled as of such business day. In the squeeze-out procedures, in accordance with the provisions of (a) of the allotment agreement above, the Restricted Stocks whose transfer restrictions have been cancelled as of the business day immediately preceding the Squeeze-Out Effective Date will be subject to the Share Sale Request or the Share Consolidation.

If, after the consummation of the Tender Offer, the total number of voting rights of the Target Company held by the Tender Offeror is less than 90% of the total voting rights of all shareholders of the Target Company, and if the Tender Offeror is unable to acquire all of the Stock Acquisition Rights in the Tender Offer and the Stock Acquisition Rights remain unexercised, the Tender Offeror plans to request that the Target Company take or implement procedures reasonably necessary to execute the Transaction, such as acquiring and cancelling the Stock Acquisition Rights or recommending that the Stock Acquisition Rights holders waive their Stock Acquisition Rights. The Target Company intends to cooperate with the Tender Offeror if it receives such request. In the event that cash is to be delivered to the Stock Acquisition Right holders who did not tender their Stock Acquisition Rights in the Tender Offer as a result of the implementation of such procedures, the price will be calculated by multiplying the Tender Offer Price of the Stock Acquisition Rights by the number of Stock Acquisition Rights of the Target Company held by such Stock Acquisition Right holders.

Specific procedures and the schedule thereof in the case above will be promptly announced by the Target Company once they are determined through mutual discussions between the Tender Offeror and the Target Company. Shareholders of the Target Company and holders of Stock Acquisition Rights should consult with tax accounts or other advisors at their own responsibility regarding tax implications in relation to the tender of shares in the Tender Offer or any of the procedures described above.

(5) Prospect of and Reasons for Delisting

As of today, the Target Company Shares are listed on the Prime Market of the Tokyo Stock Exchange. However, since the Tender Offeror has not set a maximum number of Share Certificates to be purchased in the Tender Offer, depending on the result of the Tender Offer, the Target Company Shares may be delisted pursuant to the procedures prescribed by the Tokyo Stock Exchange in accordance with the Tokyo Stock Exchange's criteria for delisting. In addition, even if the Target Company Shares do not fall under such criteria at the time of the completion of the Tender Offer, if the Tender Offeror implements the Squeeze-out Procedures described in "(4) Post-Tender Offer Reorganization etc. Policy (Matters relating to Two-Step Acquisition)" after the Tender Offer is completed, the Target Company Shares will fall under the Tokyo Stock Exchange's criteria for delisting and will be delisted pursuant to the prescribed procedures. The Target Company Shares will no longer be traded on the Prime Market of the Tokyo Stock Exchange after the delisting.

The reason the Tender Offeror aims at delisting is as described in "② Course of Events behind Decision-Making Leading to the Target Company's Agreeing to the Tender Offer; Reasons" in "(2) Background to Decision to Implement the Tender Offer, Objective, Process behind Decision-Making, and Post-Tender Offer Management Policy)" above.

(6) Matters Relating to Important Agreements Regarding the Tender Offer

As described in "(1) Overview of the Tender Offer" and "(2) Background to Decision to Implement the Tender Offer, Objective, Process behind Decision-Making, and Post-Tender Offer Management Policy," the Tender Offeror has, in implementing the Tender Offer, executed the Tender Offer Agreement with the Prospective Tendering Shareholders as of today.

In the Tender Offer Agreement, the Prospective Tendering Shareholders have agreed to tender all of the shares of the Target Company held by Mr. Shigeru Kamiyama (number of shares held: 2,953,600 shares; shareholding ratio: 16.73%) and those held by SASUYAMA Limited Liability Company (number of shares held: 1,200,000 shares; shareholding ratio: 6.80%) in the Tender

Offer. Except for the Tender Offer Agreement, there is no contract or separate agreement between the Tender Offeror and the tendering shareholders. The outline of the Tender Offer Agreement is as follows.

① The Tender Agreement with Mr. Shigeru Kamiyama

If the Tender Offeror commences the Tender Offer, Mr. Shigeru Kamiyama shall tender all of the shares of the Target Company held by him in the Tender Offer, and shall not cancel the agreement regarding the purchase of the tendered shares that would be concluded as a result of his tender. The tender by Mr. Shigeru Kamiyama is subject to the condition that (a) the Tender Offer has been commenced and has not been withdrawn; (b) the representations and warranties (Note 1) by the Tender Offeror under the Tender Offer Agreement are true and correct in all material respects; (c) all obligations of the Tender Offeror to be performed or observed by the date of tender under the Tender Offer Agreement (Note 2) have been performed or observed in all material respects; (d) the resolution of the Target Company's board of directors expressing its opinion in favor of the Tender Offer and recommending that the shareholders of the Target Company tender their shares in the Tender Offer has been duly and validly passed, announced, and has not been changed or withdrawn; (e) no petition, lawsuit, or proceeding is pending before any judicial or administrative agency, etc., seeking to restrain or prohibit Mr. Shigeru Kamiyama from tendering his shares in the Tender Offer, and no order of cease and desist has been issued by the Fair Trade Commission; and (f) there are no material facts concerning the Target Company that have not been publicly announced, and there are no facts related to the Tender Offer concerning the Target Company that have not been publicly announced (except for any case where the tender by Mr. Shigeru Kamiyama does not violate any laws or regulations, etc.). However, Mr. Shigeru Kamiyama may, at his discretion, waive any of these preconditions. In addition, Mr. Shigeru Kamiyama (a) shall not take any action with respect to the tendered shares that would materially conflict with the Tender Offer or interfere with the execution of the Tender Offer; (b) shall grant a comprehensive proxy to the Tender Offeror or a person designated by the Tender Offeror, or exercise voting rights in accordance with the instructions of the Tender Offeror for the Target Company's shareholders' meeting whose record date is on or before the settlement commencement date, with respect to the exercise of voting rights and all other rights with respect to the tendered shares, if and when he holds voting rights with respect to the tendered shares purchased from him on the settlement commencement date; and in addition, (c) until the expiration of two years from the commencement date of settlement of the Tender Offer, he is obligated to (c) refrain from competing with the Target Company's business; (d) until the expiration of two years from the execution of the Tender Offer Agreement, he is refrain from soliciting the Target Company's directors and employees and (e) cooperate with the Tender Offeror to the extent reasonable to ensure that the above preconditions set forth in the Tender Offer Agreement are satisfied.

② The Tender Agreement with SASUYAMA Limited Liability Company

If the Tender Offeror commences the Tender Offer, SASUYAMA Limited Liability Company shall tender all of the shares of the Target Company held by SASUYAMA Limited Liability Company in the Tender Offer, and shall not cancel the agreement regarding the purchase of the tendered shares that would be concluded as a result of his tender. The tender by SASUYAMA Limited Liability Company is subject to the conditions that (a) the Tender Offer has been commenced and has not been withdrawn; (b) the representations and warranties (Note 1) by the Tender Offeror under the Tender Offer Agreement are true and correct in all material respects; (c) all obligations of the Tender Offeror to be performed or observed by the date of tender under the Tender Offer Agreement Note 2) have been performed or observed in all material respects; (d) the resolution of the Target Company's board of directors expressing its opinion in favor of the Tender Offer and recommending that the shareholders of the Target Company tender their shares in the Tender Offer has been duly and validly passed, announced, and has not been changed or withdrawn; (e) no petition, lawsuit, or proceeding is pending before any judicial or administrative agency, etc., seeking to restrain or prohibit SASUYAMA Limited Liability Company from tendering his shares in the Tender Offer, and no order of cease and desist has been issued by the Fair Trade Commission; and (f) there are no material facts concerning the Target Company that have not been publicly announced, and there are no facts related to the Tender Offer concerning the Target Company that have not been publicly announced (except for any case where the tender by SASUYAMA Limited Liability Company does not violate any laws or regulations, etc.). However, SASUYAMA Limited Liability Company may, at his discretion, waive any of these preconditions. In addition, SASUYAMA Limited Liability Company (a) shall not take any action with respect to the tendered shares that would materially conflict with the Tender Offer or interfere with the execution of the

Tender Offer; (b) shall grant a comprehensive proxy to the Tender Offeror or a person designated by the Tender Offeror, or exercise voting rights in accordance with the instructions of the Tender Offeror for the Target Company's shareholders' meeting whose record date is on or before the settlement commencement date, with respect to the exercise of voting rights and all other rights with respect to the tendered shares, if and when SASUYAMA Limited Liability Company holds voting rights with respect to the tendered shares purchased from SASUYAMA Limited Liability Company on the settlement commencement date; and in addition, (c) until the expiration of two years from the commencement date of settlement of the Tender Offer, SASUYAMA Limited Liability Company is obligated to (c) refrain from competing with the Target Company's business; (d) until the expiration of two years from the execution of the Tender Offer Agreement, it is refrain from soliciting the Target Company's directors and employees and (e) cooperate with the Tender Offeror to the extent reasonable to ensure that the above preconditions set forth in the Tender Offer Agreement are satisfied.

(Note 1) In the Tender Offer Agreement, the Tender Offeror represents and warrants (a) the due incorporation and valid existence of the Tender Offeror, (b) the lawful and valid execution of the Tender Offer Agreement by the Tender Offeror, (c) the enforceability of the Tender Offer Agreement, (d) the procurement and compliance with any permits and approvals required for the execution of the Tender Offer Agreement by the Tender Offeror, (e) the non-existence of any violation of law or regulation with respect to the execution and performance of the Tender Offer Agreement by the Tender Offeror, and (f) the non-existence of any relationship between any anti-social forces.

(Note 2) Under the Tender Offer Agreement, the Tender Offeror is obligated to perform or comply with the following obligations by the date of tender: (a) in addition to the obligation to commence the Tender Offer, (b) to cooperate with Mr. Kamiyama and Sasayama Ltd. to a reasonable extent to ensure that the preconditions set forth in the Tender Offer Agreement are satisfied.

2. Overview of Tender Offer

(1) Overview of the Target Company

①	Name	JASTEC Co.,Ltd.	
②	Location	5-23, Takanawa 3-chome, Minato-ku, Tokyo	
③	Title and Name of Representative	President and Representative Director, Hidetoshi Muranaka	
④	Description of Business	Software technology development and sales, and related business	
⑤	Share Capital	2,239 million yen (as of November 30, 2023)	
⑥	Date of Incorporation	July 16, 1971	
⑦	Major Shareholders and Shareholding Ratios (as of November 30, 2023) (Note)	Shigeru Kamiyama	17.18%
		The Master Trust Bank of Japan, Ltd. (trust account)	7.85%
		SASUYAMA Limited Liability Company	6.98%
		employee stock ownership association of JASTEC	6.65%
		Hikari Tsushin, Inc.	3.68%
		Tokio Marine & Nichido Fire Insurance Co., Ltd.	3.45%
		Dai-ichi Life Holdings, Inc. (Custody Bank of Japan, Ltd.)	3.19%
		Nippon Life Insurance Company (The Master Trust Bank of Japan, Ltd.)	2.34%
		Custody Bank of Japan, Ltd. (trust account)	2.10%
		The Nomura Trust and Banking Co., Ltd. (investment account)	1.88%
⑧	Relationship between the Tender Offeror and the Target Company		
	Capital Relationship	Not applicable	
	Personnel Relationship	As of today, one of the nine directors of the Target Company is from the Tender Offeror.	
	Business Relationship	The Target Company has business relationships with the Tender Offeror and its five affiliated companies in relation to system development.	
	Status as a Related Party	Not applicable	

(Note) "⑦ Major Shareholders and Shareholding Ratios (as of November 30, 2023)" is based on "Status of Major Shareholder(s)" described in the 53rd Annual Securities Report submitted by the Target Company on February 28, 2024.

(2) Schedule, etc.

① Schedule

Date of Resolution of the board of directors	April 5, 2024 (Friday)
Date of Public Notice of Commencement of Tender Offer	April 8, 2024 (Monday) The Tender Offeror will give electronic public notice and then post in the Nihon Keizai Shimbun that such public notice has been made. (Electronic public notice address: https://disclosure2.edinet-fsa.go.jp/)
Date of Submission of the Tender Offer Registration Statement	April 8, 2024 (Monday)

② Initial Period of Purchase as of the Time of Submission of the Tender Offer Statement

From April 8, 2024 (Monday) to May 23, 2024 (Thursday) (31 business days)

③ Possibility of an Extension of the Tender Offer Period Based on Request by the Target Company

Not applicable.

(3) Type of Shares, etc. subject to Tender Offer

① common stock

② stock acquisition rights(the stock acquisition rights in (i) and (ii) below are collectively referred to as "Stock Acquisition Rights")

(i) The 17th series of stock acquisition rights issued pursuant to the resolution of the board of directors of the Target Company held on March 23, 2018 (exercise period: from April 1, 2020 to March 31, 2025) ("17th Stock Acquisition Rights")

(ii) The 18th series of stock acquisition rights issued pursuant to the resolution of the board of directors of the Target Company held on March 28, 2019 (exercise period: from April 1, 2021 to March 31, 2026) ("18th Stock Acquisition Rights")

(4) Tender Offer Price

① Common stock: 1,940 yen per share

② 17th Stock Acquisition Rights: 63,300 yen per unit

18th Stock Acquisition Right: 94,400 yen per unit

(5) Grounds for Computation of Tender Offer Price

① Basis of Computation

(i) common stock

In determining the Tender Offer Price, the Tender Offeror engaged Daiwa, a financial advisor as a third-party valuation agency independent of the Tender Offeror, NTT DATA Group Corporation, which is the wholly owning parent company of the Tender Offeror, the Target Company and the Prospective Tendering Shareholders, to calculate the share value of the Target Company Shares for the purpose of ensuring the fairness of the Tender Offer Price. Daiwa is not a related party to the Tender Offeror, the Target Company or the Prospective Tendering Shareholders, and does not have any material interests in the Tender Offer.

Daiwa considered several methods of calculation to determine which method to adopt for the calculation of the share value of the Target Company Shares. Based on the premise that the Target Company is a going concern and based on the belief that the value of the Target Company Shares should be evaluated from various perspectives, Daiwa calculated the share value of the Target Company Shares by using, as the calculation methods, (i) the market price analysis taking into account the trends in the market price of the Target Company's stock, (ii) the comparable company analysis given that there are several listed companies comparable to the Target Company and analogical inference of the share value of the Target Company Shares is possible through this approach, and (iii) the DCF Analysis taking into account the details of the business results and prospects of the Target Company, and the Tender Offeror has obtained the Share Valuation Report (Daiwa) from Daiwa as of April 4, 2024. The Tender Offeror has not obtained from Daiwa an opinion on the fairness of the Tender Offer Price (a fairness opinion), since the Tender Offeror believes that sufficient consideration has been given to the interests of minority shareholders of the Target Company in light of the other measures to ensure the fairness of the Tender Offer Price and the measures to avoid conflicts of interest, each implemented in connection with the Transaction.

According to the Share Valuation Report (Daiwa), the methods adopted and the per share value of the Target Company Share as calculated based on each such method are as follows:

Market Price Analysis: From 1,395 yen to 1,445 yen
Comparable Listed Company Analysis: From 1,939 yen to 2,263 yen
DCF Analysis: From 1,814 yen to 2,008 yen

With respect to the market price analysis, the range of 1,395 yen to 1,445 yen per Target Company Share was derived by setting the record date at April 4, 2024, the business day immediately preceding the announcement date of the Tender Offer, and using the valuation per Target Company Share quoted on the Prime Market of the Tokyo Stock Exchange based on the closing price on the record date (1,445 yen) (rounded off to the nearest whole yen; the same applies below to the simple moving averages of closing share prices), the simple moving average closing prices over the most recent one-month period (from March 5, 2024 to April 4, 2024) (1,434 yen), the most recent three-month period (from January 5, 2024 to April 4, 2024) (1,395 yen), and the most recent six-month period (from October 5, 2023 to April 4, 2024) (1,445 yen).

With respect to the comparable company analysis, the range of 1,939 yen to 2,263 yen per Target Company Share was derived by selecting I－NET Corp., ID Holdings Corporation, CORE CORPORATION and Ad-Sol Nissin Corporation as publicly listed companies which had similar characteristics with the Target Company, and applying the EBITDA multiple.

With respect to the DCF Analysis, the range of 1,814 yen to 2,008 yen per Target Company Share was derived upon analyzing the Target Company's corporate value and share value by discounting the free cash flow that the Target Company is expected to generate in the fiscal year ending November 2024 and thereafter (based on the Target Company's estimated future earnings from the fiscal year ending November 2024 through the fiscal year ending November 2028, as adjusted by the Tender Offeror, on the basis of various factors, such as the revenue forecast and investment plan based on the Business Plan prepared by the Target Company, the result of due diligence conducted by the Tender Offeror between late November 2023 and mid January 2024, the synergy effects that may be realized by virtue of the consummation of the Transaction, and financial information, etc. disclosed by the Target Company in its annual reports, financial statements or on its website) to the current value by using a certain discount rate. The Business Plan used by Daiwa in its DCF Analysis does not include any fiscal year in which a large increase or decrease in income is expected. Also, the Business Plan was not prepared assuming the implementation of the Tender Offer, since neither the prospective purchaser nor the scheme of the transaction was uncertain at the time the Target Company prepared the Business Plan.

The Tender Offeror finally fixed the Tender Offer Price at 1,940 yen per share and the 17th Stock Acquisition Right Price at 63,300 yen and the 18th Stock Acquisition Right Price at 94,400 yen by resolution of its board of directors held today, comprehensively taking into consideration the fact that such price exceeds the upper limit of the range of valuations based on the market price analysis and the comparable company analysis indicated in the Share Valuation Report (Daiwa) obtained from Daiwa as of April 4 2024, and also is within the range of valuations based on the DCF Analysis, the result of due diligence on the Target Company conducted by the Tender Offeror between late November 2023 and mid-January 2024, the advantages to the business of the Target Company arising from the Transaction, including business expansion and enhanced engineering capabilities, whether or not the board of directors of the Target Company will support the Tender Offer, the prospect of tenders in response to the Tender Offer, and the outcome of discussions and negotiations with the Prospective Tendering Shareholders.

The Tender Offer Price of 1,940 yen per share represents (a) a premium of 34.26% on 1,445 yen, which is the closing price of the Target Company Shares on the Prime Market of the Tokyo Stock Exchange on April 4, 2024, the business day immediately preceding the announcement date of the Tender Offer; (b) a premium of 35.29% on 1,434 yen, which is the simple moving average closing price of the Target Company Shares for the most recent one-month period (from March 5, 2024 to April 4, 2024); (c) a premium of 39.07% on 1,395 yen, which is the simple moving average closing price of the Target

Company Shares for the most recent three-month period (from January 5, 2024 to April 4, 2024); and (d) a premium of 34.26% on 1,445 yen, which is the simple moving average closing price of the Target Company Shares for the most recent six-month period (from October 5, 2023 to April 4, 2024).

(ii) Stock Acquisition Rights

The 17th and 18th Stock Acquisition Rights, which are collectively the Stock Acquisition Rights, are below the Tender Offer Price (1,940 yen) by the exercise price per one Target Company Share (17th Stock Acquisition Rights: 1,307 yen; 18th Stock Acquisition Rights: 996 yen) as of today. Therefore, the Tender Offeror determined (i) the tender offer price for the 17th Stock Acquisition Rights as 63,300 yen, the amount obtained by multiplying 633 yen, which is the difference between the Tender Offer Price of 1,940 yen and the exercise price per share of the Stock Acquisition Rights of 1,307 yen per share of the Target Company, by 100, which is the number of Target Company shares to be issued for each of the relevant Stock Acquisition Rights, and (ii) the tender offer price for the 18th Stock Acquisition Rights as 94,400 yen, the amount obtained by multiplying 944 yen, which is the difference between the Tender Offer Price of 1,940 yen and the exercise price per share of the Stock Acquisition Rights of 996 yen per share of the Target Company, by 100, which is the number of Target Company shares to be issued for each of the relevant Stock Acquisition Rights.

The Tender Offeror has not obtained a valuation report from a third-party valuation institution, as the Tender Offeror has based its determination of the Stock Acquisition Right Price upon the Tender Offer Price.

② Course of Computation

(Circumstances of the Decisions on the Tender Offer Price)

As described in "① Background Leading to Decision to Implement the Tender Offer, Objective, and Course of Events Behind Decision-Making" in "(2) Background to Decision to Implement the Tender Offer, Objective, Process behind Decision-Making, and Post-Tender Offer Management Policy" in "1. Purpose of the Purchase etc.", the Tender Offeror conducted due diligence from late November 2023 to mid-January 2024 to ensure the feasibility of the Tender Offer and, concurrently, continued to discuss and consider the terms and conditions of the Tender Offer with the Target Company.

With respect to the Tender Offer Price, the Tender Offeror comprehensively considered the results of the due diligence conducted from late November 2023 to late January 2024, as well as the evaluation and analysis on the Target Company Shares by Daiwa, and on March 5, 2024, the Tender Offeror informed the Target Company that it would consider setting the Tender Offer Price at 1,700 yen and the Stock Acquisition Right Price at the difference between the Tender Offer Price and the exercise price of each Stock Acquisition Rights multiplied by the number of Target Company Shares to be issued upon exercise of each Stock Acquisition Rights, which would be 39,300 yen per the 17th Stock Acquisition Rights and 70,400 yen per the 18th Stock Acquisition Rights. Such a tender offer prices a premium of 23.82% on the closing price of the Target Company Shares on the date of such proposal (March 5, 2024), a premium of 25.74% on the simple average closing price for the past one month, a premium of 21.69% on the simple average closing price for the past three months and a premium of 17.08% on the simple average closing price for the past six months. However, on the 7th of the same month, the Tender Offeror received a request from the Target Company to increase the Tender Offer Price on the grounds that the Tender Offer Price is not considered to be a sufficient price at which a reasonable portion of the value expected to be realized in the future through the implementation of the Transaction is appropriately distributed to the Target Company's shareholders. In response, on the 14th of the same month, the Tender Offeror made a re-proposal to the Target Company to set the tender offer price at 1,800 yen, the Stock Acquisition Rights Price at 49,300 yen per the 17th Stock Acquisition Rights and 80,400 yen per the 18th Stock Acquisition Rights. Such tender offer price is a premium of 25.96% on the closing price of the Target Company Shares on the date of such proposal (March 14, 2024), a premium of 30.34% on the simple average closing price for the past one month, a premium of 29.78% on the simple average closing price for the past three months and a premium of 24.22% on the simple average closing price for the past six months. However, on the 18th of the same month, the Tender Offeror was again requested by the Target Company to increase the tender offer price, on the grounds that such tender offer price is not a sufficient price at which a reasonable portion of the value expected to be realized in the future through the Transaction is appropriately distributed to the Target Company's shareholders, and that such tender offer price has not yet reached a sufficient level in light of the premium level in similar tender offer cases. In response, on the 26th of the same month, the Tender Offeror made a re-proposal to the Target Company to set the tender offer price at 1,880 yen, the Stock Acquisition Right Price at 57,300 yen per the 17th Stock Acquisition Rights and 88,400 yen per the 18th Stock Acquisition Rights. Such tender offer price is a premium of 30.28% on the closing price of the Target Company Shares on the date of such proposal (March 26, 2024), a premium of 32.86% on the simple average closing price for the past one month, a premium of 35.15% on the simple average closing price for the past three months and a premium of 29.92% on the simple average closing price for the past six months. However, on the 27th of the same month, the Tender Offeror was again requested by the Target Company to increase the Tender Offer Price, on the grounds that the tender offer price is still considered to be insufficient considering the premium level in similar tender offer cases. In response, on April 2, 2024, the Tender Offeror made a re-proposal to the Target Company to set the tender offer price at 1,940 yen, the Stock Acquisition Right Price at 63,300 yen per the 17th Stock Acquisition Rights and 94,400 yen per the 18th Stock Acquisition Rights, and communicated to the Target Company that the said proposal was the final proposal. Such tender offer price is a premium of 34.44% on the closing price of the Target Company Shares on the date of such proposal (April 2, 2024), a premium of 35.57% on the simple average closing price for the past one month, a premium of 39.17% on the simple average closing price for the past three months and a premium of 34.26% on the simple average closing price for the past six months. As a result, the Tender Offeror received a response from the Target Company on the 4th of the same month, that it would accept the proposal and reached agreement to set the Tender Offer Price at 1,940 yen, the Stock Acquisition Right Price at 63,300 yen per the 17th Stock Acquisition Rights and 94,400 yen per the 18th Stock Acquisition Rights.

(i) Name of the Third Party from Which an Opinion Was Obtained in Connection with Valuation

To determine the Tender Offer Price, the Tender Offeror obtained and referred to the Share Valuation Report (Daiwa) from Daiwa, which is a financial advisor and third-party valuation agency independent of the Tender Offeror, NTT DATA Group Corporation, which is the wholly owning parent company of the Tender Offeror, the Target Company and the Prospective Tendering Shareholders. Daiwa is not a related party of the Tender Offeror, the Target Company or the Prospective Tendering Shareholders, and has no material interest in the Transaction. Moreover, in light of other measures to ensure fairness of the Tender Offer Price and measures to avoid conflicts of interest taken for the Transaction, the Tender Offeror believes that the interests of the Target Company's minority shareholders have been sufficiently considered, and therefore, it did not obtain an opinion on the fairness of the Tender Offer Price (fairness opinion) from Daiwa.

(ii) Summary of the Opinion

As described in "① Basis of Computation" above, Daiwa calculated the share value of the Target Company Shares using the market price analysis, the comparable company analysis and the DCF Analysis, and the range of stock price per Target Company Share as calculated based on each such method is as follows:

Market Price Analysis: From 1,395 yen to 1,445 yen
Comparable Company Analysis: From 1,939 yen to 2,263 yen
DCF Analysis: From 1,814 yen to 2,008 yen

(iii) Reason for Determination of the Tender Offer Price Based on the Opinion

The Tender Offeror finally fixed the Tender Offer Price at 1,940 yen, the Stock Acquisition Right Price at 63,300 yen per the 17th Stock Acquisition Rights and 94,400 yen per the 18th Stock Acquisition Rights yen per share by resolution of its board of directors held today, comprehensively taking into consideration the fact that such price exceeds the upper limit of the range of valuations based on the market price analysis and the comparable company analysis indicated in the Share Valuation Report (Daiwa) obtained from Daiwa as of April 4, 2024, and also is within the range of valuations based on the DCF Analysis, the result of due diligence on the Target Company conducted by the Tender Offeror between late November 2023 and mid-January 2024, the advantages to the business of the Target Company arising from the Transaction, including business expansion and enhanced engineering capabilities, whether or not the board of directors of the Target Company will support the Tender Offer, the prospect of tenders in response to the Tender Offer, and the outcome of discussions and negotiations with the Target Company.

(6) Number of Share Certificates to Be Purchased

Number of Share Certificates to Be Purchased	Minimum Number of Share Certificates to Be Purchased	Maximum Number of Share Certificates to Be Purchased
17,652,744 (shares)	11,768,500 (shares)	— (shares)

(Note 1) If the total number of Tendered Share Certificates (including the number of shares to be issued upon exercise of the Stock Acquisition Rights; the same applies hereinafter) falls below the minimum number of shares to be purchased (11,768,500 shares), none of the Tendered Share Certificates will be purchased. If the total number of Tendered Share Certificates is equal to or exceeds the minimum number of shares to be purchased (11,768,500 shares), all of the Tendered Share Certificates will be purchased.

(Note 2) Since no maximum number of shares to be purchased has been established with respect to the Tender Offer, the number of shares to be purchased is indicated as 17,652,744 shares, which is the maximum number of Target Company Shares to be purchased by the Tender Offeror in the Tender Offer. This maximum number represents the Total Number of Target Company Shares After Adjustment for Diluted Shares (17,652,744 shares).

(Note 3) Shares less than one share unit are also subject to the Tender Offer. In cases where holders of shares less than one share unit demand that the Target Company purchase their shares that are less than one share unit pursuant to the Companies Act, the Target Company may purchase its own shares during the period of the Tender Offer (“Tender Offer Period”) according to the procedures set forth by the relevant laws and regulations.

(Note 4) None of the treasury shares held by the Target Company are planned to be acquired through the Tender Offer.

(Note 5) The Stock Acquisition Rights may be exercised by the end of the Tender Offer Period, and the Target Company Shares to be issued or transferred upon such exercise are also subject to the Tender Offer.

(7) Changes in the Share Certificate Shareholding Ratio after the Purchase

Number of Voting Rights attached to Share Certificates held by the Tender Offeror before the Purchase	0 Voting Rights	(Share Certificate Shareholding Ratio before the Purchase 0.00%)
Number of Voting Rights attached to Share Certificates held by Specially Related Parties before the Purchase	0 Voting Rights	(Share Certificate Shareholding Ratio before the Purchase 0.00%)
Number of Voting Rights attached to Share Certificates held by the Tender Offeror after the Purchase	176,527 Voting Rights	(Share Certificate Shareholding Ratio after the Purchase 100.00%)
Number of Voting Rights attached to Share Certificates held by Specially Related Parties after the Purchase	0 Voting Rights	(Share Certificate Shareholding Ratio after the Purchase 0.00%)
Number of Voting Rights of All Shareholders of the Target Company	176,527 Voting Rights	

(Note 1) The “Number of Voting Rights attached to Share Certificates held by the Tender Offeror after the Purchase” is the number of voting rights (176,527 voting rights) attached to the number of shares to be purchased in the Tender Offer (17,652,744 shares).

(Note 2) The “Number of Voting Rights attached to Share Certificates held by Specially Related Parties” is the total number of voting rights represented by shares held by each Specially Related Party (provided that each party that is excluded from the Specially Related Parties pursuant to Article 3, Paragraph 2, Item 1 of the Ordinance in calculating the Share Certificate Shareholding Ratio under the items of Article 27-2, Paragraph 1 of the FIEA (“Small Lot Holders”) is not included).

(Note 3) “Number of Voting Rights of All Shareholders of the Target Company” is the number of voting rights (on the assumption that 1 share unit is 100 shares) of all shareholders as of November 30, 2023, as described in the Annual Securities Report for the fiscal year ended November 2023 that was submitted by the Target Company on February 28, 2024. However, shares that are less than one share unit and shares of the Target Company to be issued upon exercise of the Stock Acquisition Rights are also subject to the Tender Offer, and accordingly, the "Shareholding Ratio before the purchase" and the "share certificate shareholding ratio after the purchase" are calculated using the number of voting rights (176,527 voting rights) attached to the Total Number of Target Company Shares After Adjustment for Diluted Shares the denominator.

(Note 4) The "Shareholding Ratio before the purchase" and the "share certificate shareholding ratio after the purchase" are rounded to the nearest hundredth (0.01) percentage point.

(8) Payment for Purchase 34,246,323,360 yen

(Note) "Payment for Purchase" is the amount obtained by multiplying the number of shares to be purchased in the Tender Offer (17,652,744 shares) by the Tender Offer Price (1,940 yen) per share.

(9) Method of Settlement

① Name and Address of the Head Office of Financial Instruments Business Operator or Banks Responsible for the Settlement of Purchase

Daiwa Securities Co. Ltd. 9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

② Settlement Commencement Date

May 30, 2024 (Thursday)

③ Method of Settlement

A notice of purchase through the Tender Offer shall be mailed to the address or location of each of the Tendering Shareholders (or to the address of the standing proxy in the case of foreign shareholders) without delay after the expiration of the Tender Offer Period.

Purchase price will be paid in cash. The purchase price for the Share Certificates that have been purchased will, as designated by the Tendering Shareholders, be remitted by the Tender Offer Agent to the places designated by the Tendering Shareholders (or the standing proxy in the case of foreign shareholders) (remittance fees may be charged) or be paid to the accounts of the Tendering Shareholders used by the Tender Offer Agent to accept the tender, without delay on or after the settlement commencement date.

④ Method of Returning Share Certificates

In the event that all of the Tendered Share Certificates are not purchased pursuant to the conditions described in "① Conditions Set Forth in Each Item of Article 27-13, Paragraph 4 of the FIEA and the Description Thereof" and "② Conditions of Withdrawal of the Tender Offer and Details Thereof; Methods of Disclosure of Withdrawal of Tender Offer" in "(10) Other Conditions and Methods of Purchase, etc." below, the Share Certificates required to be returned will be returned without delay from the second business day after the last day of the Tender Offer Period (or from the day of withdrawal in the event of withdrawal of the Tender Offer) by restoring the record of the shares that must be returned in the accounts of the Tendering Shareholders established with the Tender Offer Agent to the state that existed at the time the shares were tendered.

(10) Other Conditions and Methods of Purchase

① Conditions Set Forth in Each Item of Article 27-13, Paragraph 4 of the FIEA and the Description Thereof

If the total number of Tendered Share Certificates falls below the minimum number of shares to be purchased (11,768,500 shares), none of the Tendered Share Certificates will be purchased. If the total number of the Tendered Shares Certificates is equal to or exceeds the minimum number of shares to be purchased (11,768,500 shares), all of the Tendered Share Certificates will be purchased.

② Conditions of Withdrawal of the Tender Offer and Details Thereof; Method of Disclosure of Withdrawal of the Tender Offer

The Tender Offer may be withdrawn upon the occurrence of any of the events listed in Sub-items (a) through (j) and Sub-items (m) through (s) of Article 14, Paragraph 1, Item 1 and Sub-items (a) through (h) and (j) of Article 14, Paragraph 1, Item 3; and items 3 through 6 of Article 14, Paragraph 2 of the Enforcement Order. Further, the "matters equivalent to the matters listed in Sub-items (a) through (i)" as set out in Sub-item (j) of Item 3 of Article 14, Paragraph 1 of the Enforcement Order signify any cases where it is found that a statutory disclosure document submitted in the past by the Target Company contains a false statement about a material matter or an omission of a material matter required to be stated.

Should the Tender Offeror intend to withdraw the Tender Offer, the Tender Offeror will issue electronic public notice thereof and make an announcement to that effect in the Nihon Keizai Shimbun; provided, however, that if it is difficult to issue such notice by the last day of the Tender Offer Period, the Tender Offeror will make an public announcement in the manner as set forth in Article 20 of the Ordinance and issue the public notice immediately thereafter.

③ Conditions of Reduction of Purchase Price and Details Thereof; and Method of Disclosure of Reduction

Pursuant to the provisions of Article 27-6, Paragraph 1, Item 1 of the FIEA, if the Target Company takes any action set forth in Article 13, Paragraph 1 of the Enforcement Order during the Tender Offer Period, the Tender Offeror may reduce the purchase price pursuant to the standards set forth in Article 19, Paragraph 1 of the Ordinance.

Should the Tender Offeror intend to reduce the purchase price, the Tender Offeror will issue electronic public notice thereof and make an announcement to that effect in the Nihon Keizai Shimbun; provided, however, that if it is difficult to issue such notice by the last day of the Tender Offer Period, the Tender Offeror will make an announcement in the manner as set forth in Article 20 of the Ordinance and issue the public notice immediately thereafter. If the purchase price is reduced, the Tender Offeror will purchase the Tendered Share Certificates tendered on or prior to the date of such public notice at the reduced purchase price.

④ Matters Concerning Tendering Shareholders' Right of Cancellation of Contract

The Tendering Shareholders may cancel a contract pertaining to the Tender Offer at any time during the Tender Offer Period. In order to cancel the contract, a Tendering Shareholder must deliver (by hand) or mail (by post) the Cancellation Documents (an acceptance slip for the tender application and a written request for the cancellation of the contract pertaining to the Tender Offer) to the head office or a branch office in Japan of the Tender Offer Agent that accepted the tender from such Tendering Shareholder, by 4:00 p.m. on the last day of the Tender Offer Period. Please note that, if cancellation is made by the postal mail services, the Tendering Shareholders cannot cancel the contract unless the Cancellation Documents have reached the relevant office by 4:00 p.m. on the last day of the Tender Offer Period.

The Tender Offeror will not make any claim for damages or a penalty payment against the Tendering Shareholders due to the cancellation of their contracts. In addition, the Tender Offeror will bear the cost of returning the Tendered Share Certificates to the Tendering Shareholders. If cancellation of the contract is requested, the Tendered Share Certificates will be returned by the method described in "④ Method of Returning Share Certificates" of "(9) Method of Settlement" above promptly following completion of the cancellation procedures.

⑤ Method of Disclosure if the Terms and Conditions, etc. of the Tender Offer are Changed

The Tender Offeror may change the terms and conditions or other details of the Tender Offer during the Tender Offer Period, unless prohibited by Article 27-6, Paragraph 1 of the FIEA and Article 13 of the Enforcement Order.

Should any terms etc. of purchase be changed, the Tender Offeror will issue electronic public notice of the details of such change and make an announcement to that effect in the Nihon Keizai Shimbun; provided, however, that if it is difficult to issue such public notice by the last day of the Tender Offer Period, the Tender Offeror will make an announcement in the manner as set forth in Article 20 of the Ordinance and issue the public notice immediately thereafter. If any terms of purchase have been changed, the purchase of the Tendered Share Certificates tendered on or prior to the date of such public notice will also be made in accordance with the changed terms and conditions, etc.

⑥ Methods of Disclosure if an Amendment is Filed

If the Tender Offeror files an amendment with the Director-General of the Kanto Local Finance Bureau (except as provided in the proviso of Article 27-8, Paragraph 11 of the FIEA), the Tender Offeror will immediately make a public announcement of the details thereof to the extent relevant to the public notice of the commencement of the Tender Offer, in accordance with the method set forth in Article 20 of the Ordinance. The Tender Offeror will also immediately amend the Tender Offer Explanatory Statement and deliver the amended Tender Offer Explanatory Statement to the Tendering Shareholders who have received the original Tender Offer Explanatory Statement. However, if the amendments are limited in scope, the Tender Offeror will make the amendments by preparing and delivering to the Tendering Shareholders a document stating the reason for the amendments, the matters amended, and the details thereof.

⑦ Methods of Disclosure of Results of the Tender Offer

The Tender Offeror will make a public announcement regarding the results of the Tender Offer in accordance with the methods stipulated in Article 9-4 of the Enforcement Order and Article 30-2 of the Ordinance on the day immediately following the last day of the Tender Offer Period.

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

April 8, 2024 (Monday)

(12) Tender Offer Agent

Daiwa Securities Co. Ltd. 9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

3. Policies after Tender Offer and Future Prospects

Please refer to "(2) Background to Decision to Implement the Tender Offer, Objective, Process behind Decision-Making, and Post-Tender Offer Management Policy," "(4) Post-Tender Offer Reorganization etc. Policy (Matters relating to Two-Step Acquisition," and "(5) Prospect of and Reasons for Delisting" in "1. Purpose of the Purchase etc." above.

4. Other Information

(1) Existence and Details of Agreements between the Tender Offeror and the Target Company or its Officers

① Existence and Details of Agreements between the Tender Offeror and the Target Company

According to the Target Company Press Release, the Target Company resolved at a meeting of its board of directors held today to express an opinion supporting the Tender Offer and to recommend that shareholders and of the Target Company the Stock Acquisition Rights' holders tender their shares or Stock Acquisition Rights.

For the details of the process of decision-making by the Target Company, please refer to "② Course of Events behind Decision-Making Leading to the Target Company's Agreeing to the Tender Offer; Reasons" in "(2) Background Leading to Decision to Implement the Tender Offer, Objective, and Course of Events Behind Decision-Making; Post-Tender Offer Management Policy" in "1. Purpose of the Purchase etc." above.

② Background Leading to Decision to Implement the Tender Offer, Objective, and Course of Events Behind Decision-Making; Post-Tender Offer Management Policy

Please refer to "(2) Background Leading to Decision to Implement the Tender Offer, Objective, and Course of Events Behind Decision-Making; Post-Tender Offer Management Policy" in "1. Purpose of the Purchase etc." above.

③ Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer

Please refer to "(3) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer" in "1. Purpose of the Purchase etc." above.

④ Existence and Details of Agreements between the Tender Offeror and the Officers of the Target Company

Not applicable.

(2) Other Information Deemed Necessary for Investors to Determine Whether to Accept the Tender Offer or Not

① Announcement of Summary of Financial Results (Japanese GAAP) for the First Quarter of the Fiscal Year Ending November 2024 (Non-Consolidated)

The Target Company announced a summary of its quarterly financial results for the first quarter of the fiscal year as of today. The outline of such announced financial result for the first quarter is as stated below. According to the Target Company, the figures in the outline below have not been reviewed by an auditing firm in accordance with Article 193-2, Paragraph 1 of the FIEA. The outline below is an excerpt from the information disclosed by the Target Company. For details, please refer to the quarterly financial results so announced.

(i) Profit & Loss

Fiscal Period	Fiscal Period Ended November 2024 (First Quarter Cumulative Period)
Net sales	5,339,166 thousand yen
Cost of sales	4,232,900 thousand yen
Selling, general and administrative expenses	341,877 thousand yen
Non-operating income	16,476 thousand yen
Non-operating expenses	1,029 thousand yen
Net income for the quarter	531,102 thousand yen

(ii) Per Share Information

Fiscal Period	Fiscal Period Ended November 2024 (First Quarter Cumulative Period)
Net income per share for the quarter	30.88 yen
Diluted net income per share for the quarter	30.72 yen
Amount of cash dividends per share	—

② Announcement of "Notice of Revision of Year-End Dividend Forecast for Fiscal Year Ending November 2024 (No Dividend)"

The Target Company resolved at a meeting of its the board of directors held today to revise its dividend forecasts for the fiscal year ending November 2024, which the Target Company announced in the Summary of Financial Results (Japanese GAAP) for the First Quarter of the Fiscal Year Ending November 2024 (Non-Consolidated) dated January 15, 2024, subject to the successful completion of the Tender Offer. For details, please refer to the "Notice of Revision of Year-End Dividend Forecast for Fiscal Year Ending November 2024 (No Dividend)" announced by the Target Company as of today.

End of Document

Regulation on Solicitation

This press release is to announce the Tender Offer to the public and has not been prepared for the purpose of soliciting the sale of shares. If shareholders wish to make an offer to sell their shares, they should first 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 an offer to buy, any securities. In addition, neither this press release (nor any part of it) nor the fact of its distribution shall form the basis of any agreement regarding the Tender Offer, nor shall it be relied on in connection with executing any such agreement.

Forward-Looking Statements

This press release contains projections and forward-looking statements concerning the future plans and strategies of NTT DATA Group Corporation, the Tender Offeror and JASEC in the case where the Tender Offeror acquires JASTEC's shares. This press release may contain expressions concerning future prospects, including those relating to the future business of NTT DATA Group Corporation, the Tender Offeror, JASEC and other companies and entities. Such expressions are based on the current business prospects of NTT DATA Group Corporation and the Tender Offeror, and the actual results may differ materially from such prospects due to a variety of risks and uncertainties. In relation to the information in this press release, the Tender Offeror does not assume any obligation to update or modify the expressions that concern future prospects in order to reflect actual performance and other circumstances and developments, changes to the conditions, or other related factors.

U.S. Regulation

The Tender Offer will not be conducted, directly or indirectly, in or targeted at the United States, nor through the U.S. postal mail services or other interstate or international commercial methods or means (including, but not limited to, telephone, telex, facsimile, e-mail, and Internet communication), nor through any stock exchange facilities in the United States. No tender in the Tender Offer may be made through any of the aforementioned methods or means, through those stock exchange facilities, or from the United States. In addition, neither the press release related to the Tender Offer nor other relevant documents will, or may, be sent or distributed in, to, or from the United States by the postal mail services or other means. No tender in the Tender Offer that violates, directly or indirectly, any of the aforementioned restrictions will be accepted.

Other Countries

Some countries or regions may impose restrictions on the announcement, issuance, or distribution of this press release. In such cases, please take note of such restrictions and comply with them. In countries or regions where the implementation of the Tender Offer is illegal, receipt of this press release or a translation thereof shall not constitute a solicitation of an offer to sell or an offer to purchase share certificates, etc. related to the Tender Offer and shall be deemed to be a distribution of materials for informative purposes only.