



March 27, 2024

To All Concerned

Name of Listed Company	Benesse Holdings, Inc.
Representative	Hitoshi Kobayashi, Representative Director and President, CEO (Code: 9783; Prime Section of the Tokyo Stock Exchange)
Person In Charge	Shinsuke Tsuboi, Managing Executive Officer, CFO, Executive General Manager of Finance and Accounting (Tel +81-42-357-3656)

**Announcement of Abolition of Provisions for the Number of Shares Constituting One Unit of Shares
and Partial Amendment to Articles of Incorporation**

The Company hereby announces that, at a meeting of the Board of Directors held today, the Company resolved to convene an extraordinary general meeting of shareholders (the “EGM”) to be held on April 29, 2024, and to submit proposals to the EGM concerning share consolidation, abolishment of provisions for the number of shares constituting one unit of shares, and a partial amendment to the Articles of Incorporation.

Please note that the ordinary shares of the Company (the “Company Shares”) will fall under the delisting standards of the Tokyo Stock Exchange, Inc. (hereinafter referred to as the “Tokyo Stock Exchange”) during the process of the above procedure. As a result, the Company Shares will be delisted as of May 17, 2024 after being designated as a delisted stock from April 29, 2024 to May 16, 2024. Please note that the Company Shares cannot be traded on the Tokyo Stock Exchange after the delisting.

Particulars

I. Share Consolidation

1. Purpose and Reasons for Share Consolidation

As announced by the Company in “Notice Regarding the Result of the Tender Offer for the Company’s Share Certificates, Etc. by Bloom 1 K.K. and the Change of the Parent Company and Largest Major Shareholder” published

on March 5, 2024, Bloom 1 K.K. (the “Tender Offeror”) has conducted a tender offer (the “Tender Offer”) from January 30, 2024 to March 4, 2024 (the “Tender Offer Period”) to acquire the Company's shares and the American Depositary Receipts (Note 1). As a result, as of March 12, 2024, the commencement date of settlement of the Tender Offer, the Tender Offeror came to own 67,738,016 shares of Company Shares (ownership ratio of voting rights (Note 2): 70.21%).

(Note 1) “American Depositary Receipts” means the American Depositary Receipts representing such American Depositary Shares issued for the Company Shares in the US upon deposit of the Company Shares by Deutsche Bank Trust Company Americas, The Bank of New York Mellon, Citibank, N.A., and Convergenex Depository, Inc (the “Depository Banks”).

(Note 2) The “ownership ratio of voting rights” is calculated by setting as the denominator, the number of voting rights (964,831 shares) pertaining to the number obtained by deducting from the total number of issued shares of the Company as of December 31, 2023 as stated in the “Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 2024 (Japanese standard)” published by the Company (the “Company's Financial Results”) on February 9, 2024 (102,648,129 shares), the number of treasury shares held by the Company (6,164,996 shares) as of the same date in the Company's Financial Results (96,483,133 shares) and rounded to the third decimal place. The same shall apply hereinafter.

As announced by the Company' in “Announcement of Opinion in Support of and Encouragement to Tender in the Tender Offer for the Company's Share Certificates, Etc. by Bloom 1 K.K. as part of an MBO” (hereinafter referred to as the “Opinion Press Release”) published on January 29, 2024, on May 22, 2023, the Company received an initial proposal from the Tender Offeror, Mr. Soichiro Fukutake, Mr. Hideaki Fukutake and EQT AB Group (including affiliates and other related entities, “EQT”, and the Tender Offeror, Soichiro Fukutake, Hideaki Fukutake and EQT are collectively referred to as the “Tender Offeror, Etc.”) for a series of transactions (the “Transactions”) for the purpose of privatizing the Company Shares listed on the Prime Market of the Tokyo Stock Exchange. In response, in late May 2023, in order to ensure the fairness of the Transactions, including the fairness of the tender offer price in the Tender Offer (the “Tender Offer Price”) and the fairness of the terms and procedures of the Transactions, the Company retained Anderson Mori & Tomotsune (“AMT”) as a legal advisor independent from the Company and the Tender Offeror, Etc. and in late May 2023, the Company retained Daiwa Securities Ltd. (“Daiwa Securities”) as a financial advisor and third-party calculation agents independent of the Company and the Tender Offeror, Etc., respectively, and requested Daiwa Securities to calculate the value of the Company Shares.

In addition, among other things, in light of the fact that the Tender Offer is part of the Transactions for a Management Buyout (MBO) (Note 3) and that there is a structural conflicts of interest issue, the Company will deal with these issues by carefully determining the Company's decisions regarding the Transactions, including the Tender Offer, and to eliminate the arbitrariness and conflicts of interest in the decision-making process of the Company's Board of Directors, and to ensure the fairness of the Transactions, as described in “(iii) Measures to Ensure Fairness

of the Transactions and Measures to Avoid Conflicts of Interest” in “3.Basis of Amount of Money Expected to be Delivered to Shareholders as a Result of Rounding Concerning Share Consolidation” below, on June 2, 2023, the Company established a special committee (the “Special Committee”) to consider the proposed Transactions, consisting of four (4) outside Directors and two (2) outside Auditors of the Company's Board of Directors, who are independent of the Tender Offeror, Etc., the Company and the success or failure of the Transactions. For the composition of the Special Committee members and other specific Consultation Matters, please refer to “(I) Establishment of Independent Special Committee at the Company and Obtainment of Reports from the Special Committee” in “(iii) Measures to Ensure Fairness of the Transactions and Measures to Avoid Conflicts of Interest” in “3. Basis of Amount of Money Expected to be Delivered to Shareholders as a Result of Rounding Concerning Share Consolidation” below.

(Note 3) The term “Management Buyout (MBO)” refers to a tender offer where the Tender Offeror is an executive of the target (including tender offers where the Tender Offeror is a person that conducts the tender offer at the request of an executive of the target and shares interests with the executive of the Company) (See Article 441 of the Securities Listing Regulations of the Tokyo Stock Exchange).

After establishing the consideration system described above, the Company took into consideration the outline of the Tender Offer including the purpose of the Transactions, the impact of the Transactions on the Company, the details of the management policy after the Transactions and the current share price trend, etc., and the Company has considered the appropriateness of the Transactions through multiple rounds of discussions and examinations with the Tender Offeror, Etc., while receiving advice from AMT and Daiwa Securities. In the course of the following discussions and considerations, we have reported to the Special Committee from time to time and have taken actions based on the response policy and opinions, instructions, and requests at critical phases in the negotiations, which were confirmed in advance by the Special Committee.

Specifically, the Company accepted the Tender Offeror, Etc.'s due diligence on the Company from late July to late September 2023. During the due diligence period, the Tender Offeror, Etc. conducted interviews with the heads, etc. of each company of the Company, and discussions regarding future business development.

Based on the above, the Company received from Tender Offeror, Etc. the first proposal in writing on September 30, 2023 (the “First Proposal”) regarding the privatization of the Company Shares and the Company's future growth strategy. In the First Proposal, the Company received the proposed Tender Offer Price of JPY 2,300 per Company Shares in the Tender Offer and JPY 2,300 per share of American Depositary Shares represented by the American Depositary Receipts. (JPY 2,300 includes a premium of 25.72% (rounded to two decimal places; the same shall apply hereinafter to the premium on the share price.) on the closing price of JPY 1,829.5 of Company Shares on the Prime Market of the Tokyo Stock Exchange on September 29, 2023, the business day preceding September 30, 2023, when the proposal was made, a premium of 23.13% on the simple average closing price of JPY 1,868 (rounded to the nearest whole number; the same shall apply hereinafter in the calculation of the simple average closing price.) for the past three months to September 29, 2023, a premium of 24.46% on the simple average closing price of JPY 1,848 for the past three months to September 29, 2023, and a premium of 22.86% on the simple average closing price of JPY 1,872 for the past six months to

September 29, 2023.)

In response to the First Proposal, the Company requested Tender Offeror, Etc. to reconsider the Tender Offer Price in the First Proposal on October 10, 2023, on the grounds that, considering the results of the calculation of the value of Company Shares by Daiwa Securities and other factors, the Tender Offer Price in the First Proposal was significantly inadequate from the perspective of encouraging minority shareholders of the Company to tender their shares in the Tender Offer. In addition to that, we have had discussions with the Tender Offeror, Etc. regarding the First Proposal and business strategy on October 13, 2023, and have continued to hold discussions regarding the Company's future business strategy since then.

In response to the Company's request for the Tender Offer Price, the Company received the second proposal in writing from Tender Offeror, Etc. on October 13, 2023 (the "Second Proposal"), setting the Tender Offer Price at JPY 2,430 and the Tender Offer Price per share of American Depositary Shares represented by the American Depositary Receipts at JPY 2,430. (JPY 2,430 includes a premium of 33.41% on the closing price of JPY 1,821.5 of Company Shares on the Prime Market of the Tokyo Stock Exchange on October 12, 2023, the business day preceding October 13, 2023 when the proposal was made, a premium of 31.64% on JPY 1,846 of the simple average closing price for the past one month to October 12, 2023, a premium of 31.64% on the simple average closing price of JPY 1,846 for the past three months to October 12, 2023, and a premium of 30.43% on the simple average closing price of JPY 1,863 for the past six months to October 12, 2023.) In response to the Second Proposal, the Company requested Tender Offeror, Etc. to reconsider the Tender Offer Price in the Second Proposal on October 18, 2023, on the grounds that the Tender Offer Price in the Second Proposal was still significantly inadequate from the perspective of encouraging minority shareholders of the Company to tender their shares in the Tender Offer.

In response to the Company's request for the Tender Offer Price, the Company received the third proposal in writing from Tender Offeror, Etc. on October 23, 2023 (the "Third Proposal"), setting the Tender Offer Price at JPY 2,510 and the Tender Offer Price per share of American Depositary Shares represented by the American Depositary Receipts at JPY 2,510. (JPY 2,510 includes a premium of 41.17% on the closing price of JPY 1,778 of Company Shares on the Prime Market of the Tokyo Stock Exchange on October 20, 2023, the business day preceding October 23, 2023 when the proposal was made, a premium of 37.99% on JPY 1,819 of the simple average closing price for the past one month to October 20, 2023, a premium of 36.34% on the simple average closing price of JPY 1,841 for the past three months to October 20, 2023, and a premium of 35.24% on the simple average closing price of JPY 1,856 for the past six months to October 20, 2023.) In response to the Third Proposal, the Company requested Tender Offeror, Etc. to reconsider the Tender Offer Price in the Third Proposal on October 27, 2023, on the grounds that the Tender Offer Price in the Third Proposal was still inadequate from the perspective of encouraging minority shareholders of the Company to tender their shares in the Tender Offer.

In response to the Company's request for the Tender Offer Price, the Company received the fourth proposal in writing from Tender Offeror, Etc. on October 30, 2023 (the "Fourth Proposal"), setting the Tender Offer Price at JPY 2,590 and the Tender Offer Price per share of American Depositary Shares represented by the American Depositary Receipts at JPY 2,590. (JPY 2,590 includes a premium of 48.00% on the closing price of JPY 1,750 of Company Shares on the Prime Market of the Tokyo Stock Exchange on October 30, 2023, a premium of 44.77% on JPY 1,789

of the simple average closing price for the past one month to October 30, 2023, a premium of 41.22% on the simple average closing price of JPY 1,834 for the past three months to October 30, 2023, and a premium of 40.15% on the simple average closing price of JPY 1,848 for the past six months to October 30, 2023.) In response to the Fourth Proposal, on November 1, 2023, the Company requested Tender Offeror, Etc. to increase the Tender Offer Price per Company Share to JPY 2,600 on the grounds that the Tender Offer Price in the Fourth Proposal was still inadequate from the perspective of fulfilling the Company's accountability and encouraging minority shareholders of the Company to tender their shares in the Tender Offer.

In response to the Company's request for the Tender Offer Price, the Company received a final proposal in writing from Tender Offeror, Etc. on November 1, 2023 (the "Final Proposal"), setting the Tender Offer Price at JPY 2,600 and the Tender Offer Price per share of American Depositary Shares represented by the American Depositary Receipts at JPY 2,600. (JPY 2,600 includes a premium of 45.70% on the closing price of JPY 1,784.5 of Company Shares on the Prime Market of the Tokyo Stock Exchange on October 31, 2023, the business day preceding November 1, 2023 when the proposal was made, a premium of 45.41% on JPY 1,788 of the simple average closing price for the past one month to October 31, 2023, a premium of 41.84% on the simple average closing price of JPY 1,833 for the past three months to October 31, 2023, and a premium of 40.69% on the simple average closing price of JPY 1,848 for the past six months to October 31, 2023.) Upon receipt of the Final Proposal by Tender Offeror, Etc., the Company communicated its acceptance of the Tender Offer Price in the Final Proposal on November 9, 2023. Upon receipt of such acceptance from the Company, the Company received a legally binding final proposal in writing from the Tender Offerors, Etc. on November 9, 2023, setting the Tender Offer Price at JPY 2,600 and the Tender Offer Price per share of American Depositary Shares represented by the American Depositary Receipts at JPY 2,600 (JPY 2,600 includes a premium of 45.13% on the closing price of JPY 1,791.5 of Company Shares on the Prime Market of the Tokyo Stock Exchange on November 9, 2023 when the proposal was made, a premium of 45.90% on JPY 1,782 of the simple average closing price for the past one month to November 9, 2023, a premium of 42.39% on the simple average closing price of JPY 1,826 for the past three months to November 9, 2023, and a premium of 41.23% on the simple average closing price of JPY 1,841 for the past six months to November 9, 2023.).

Furthermore, the Company' received the necessary legal advice from AMT regarding the method and process of decision-making by Company's Board of Directors, including the procedures for the Transactions, and other points to be noted, as well as a report from the Special Committee (the "Report dated November 10, 2023"). (For an overview of the Report and specific activities of the Special Committee, see "(I) Establishment of Independent Special Committee at the Company and Obtainment of Reports from the Special Committee" in "(iii) Measures to Ensure Fairness of the Transactions and Measures to Avoid Conflicts of Interest" in "3. Basis of Amount of Money Expected to be Delivered to Shareholders as a Result of Rounding Concerning Share Consolidation"). Based on the legal advice received from AMT and the share valuation report received from Daiwa Securities as of November 9, 2023 (the "Share Valuation Report"), and with the utmost respect for the contents of the Report dated November 10, 2023, submitted by the Special Committee, the Company carefully discussed and examined the Transactions from the viewpoints of whether the Transactions would enhance the corporate value of the Company, whether the Transactions would be conducted through fair procedures and thus ensure the interests of minority shareholders.

Under the circumstances described above, on November 10, 2023, based on the contents of the Share Valuation Report and legal advice from AMT, the Company's legal advisor, regarding the method and process of decision-making by Company's Board of Directors, including the procedures for the Transactions, and other points to be noted, and with the utmost respect for the contents of the Report dated November 10, 2023 submitted by the Special Committee (For an overview of the Report dated November 10, 2023, please refer to "(I) Establishment of Independent Special Committee at the Company and Obtainment of Reports from the Special Committee" in "(iii) Measures to Ensure Fairness of the Transactions and Measures to Avoid Conflicts of Interest" in "3. Basis of Amount of Money Expected to be Delivered to Shareholders as a Result of Rounding Concerning Share Consolidation" below), the Company carefully discussed and examined the Transactions from the viewpoints of whether the Transactions would enhance corporate value and whether the terms and conditions of the Transactions are reasonable.

As a result, as described below, the Company has concluded that the privatization of the Company Shares through the Transactions, including the Tender Offeror, Etc.'s Tender Offer, will contribute to the enhancement of the Company's corporate value.

As for the recent environment surrounding the Company and the Company group consisting of 39 subsidiaries and 3 affiliated companies (the "Company Group"), there are concerns in the education industry that the market for traditional correspondence education courses targeting mainly the middle class will shrink due to the declining birthrate in Japan and the expected decrease in the student population, as well as the increasing polarization of academic ability along with the diversification of the values of children's learning. Furthermore, with the introduction of university entrance exam reforms and comprehensive entrance examinations, demand for traditional cram schools, individual tutoring, and mock exams is expected to decline, and companies offering new forms of educational services that make full use of digital technology are entering the market. The business environment surrounding the Company's education business is undergoing major structural changes and is expected to continue to change in the future.

In the nursing care industry, the market is certain to expand as the number of people requiring nursing care increases with the growing elderly population. However, we believe that the business environment surrounding the Company Group is rapidly changing due to such factors as the shortage of human resources in the nursing care industry and changing customer needs. In addition, the market is expected to expand not only in the area of facility/home care services, which the Company has been providing for some time, but also in peripheral businesses such as nursing care HR and nursing care meals.

In light of these changes in the business environment, in November 2020, the Company Group has established a five-year medium-term management plan, "Evolution of Core Businesses and Challenge to New Fields" (the "Medium-Term Management Plan") beginning in fiscal year 2021, recognizing the need for sustainable growth through the evolution of our core business and the challenge of entering new areas for new growth. Phase 1 of the Medium-Term Management Plan set the goals of achieving a V-shaped recovery from the impact of COVID in existing areas organically and challenging of entering new areas, and Phase 1, the first two years presented in the Medium-Term Management Plan, ended in March 2023. After summarizing the achievements and issues in Phase 1 of the Medium-Term Management Plan and taking into consideration the various surrounding environments of the

Company once again, in May 2023 we formulated the Transformation Business Plan by brushing up the Medium-Term Management Plan. The Transformation Business Plan aims to achieve sustainable profitable growth through the realization of a profit structure with three pillars of earnings - Core Education, Core Nursing Care and New Fields - through working to solve social issues with a focus on people and transforming the Group and its portfolio structure. We have also formulated a new Group Purpose to serve as a guideline for what kind of group we should aspire to be. In order to realize the Group Purpose, we believe it is necessary to work on portfolio transformation, and as a specific measure to realize portfolio transformation, we have set forth management and corporate transformation, and are working to strengthen the structure and improve productivity, etc.

While we are still working to achieve the Transformation Business Plan, we believe that in order to enhance the medium- to long-term corporate value of the Company in a business environment that is expected to undergo significant changes in the future, it would be beneficial to utilize external management resources in addition to our own management efforts. In addition, while the Company Shares are listed, it is necessary to be aware of the impact of short-term performance fluctuations on the stock market, which means that it is a highly challenging task to simultaneously and quickly implement medium- and long-term management strategies while pursuing short-term performance at the same time.

Under these circumstances, we have concluded that the following synergies can be expected to be generated through the implementation of agile and steady management measures, which will contribute to the realization of the Transformation Business Plan and further enhancement of the Company's corporate value by utilizing EQT's network and know-how in addition to our management resources and know-how, and by privatizing the Company Shares through the Transactions and enabling EQT to invest its management resources in the Company Group,

- (a) Increase operational efficiency and diversify services through digitalization in the education business.

As stated above, we believe that the business environment surrounding the Company Group is rapidly changing due to the entry of new digital competitors into the education industry and the polarization of children's academic abilities as their values of learning become more diverse. We believe that by promoting digitalization and improving operational efficiency in our existing businesses, and by combining the Company's resources with digital technology, we will be able to provide new educational services that meet the needs of our diverse clientele. We believe EQT has the best digital team and network of industry advisors in the private equity fund industry and has experience in improving operational efficiency and creating new businesses through digitalization in the education-related businesses of its previous portfolio companies. By leveraging the know-how of the EQT and collaborating globally with businesses of investees of the EQT, we hope to not only improve the efficiency of our existing business, but also create new educational services that meet the diversifying needs of our clients, while utilizing the data held by the Company.

- (b) Expand and upgrade global business development in the education business.

We believe that it will be able to expand and upgrade its overseas business activities by leveraging the EQT's overseas know-how and network, in addition to the Company's knowledge and brand strength in the top-level education business in Japan and its assessment know-how cultivated in its business for schools. In particular, in the short term, the Company will focus on China, the Company's largest overseas market, and India, which is strategically positioned in the current Transformation Business Plan, to create value, including business alliances with EQT portfolio companies. In the medium term, we are also considering business development in adjacent markets in Asia and expansion into new regions through large-scale M&A.

(c) Active use of M&A

For the medium- to long-term growth of the Company, M&A may be actively utilized in the education and nursing care businesses. EQT specializes in supporting the acquisition of investee companies and can be expected to provide full support by maximizing its knowledge, network, and resources in all steps from deal sourcing, M&A execution support and financing, to post-acquisition integration (PMI: post-merger integration).

(d) Accelerated decision-making as a result of privatization.

In order to implement the above measures in a timely manner in what we believe to be a rapidly changing business environment surrounding the Company Group, as described above, it is essential for the Company to establish a prompt decision-making structure and improve management flexibility. We believe that privatization of Company Shares will enable us to establish a management structure that will allow us to make flexible decisions and increase the speed of business development.

With respect to the Tender Offer Price (2,600 yen), the Company has determined that the Tender Offer Price is reasonable for the reasons described in “(II) Method of Processing in Cases Where There are Fractions of Less than One Share and Amount of Money Expected to be Delivered to Shareholders as a Result of the Processing, and Matters Concerning the Appropriateness of Such Amount” in “(1) Basis of and Reasons for Amount of Money Expected to be Delivered to Shareholders as a Result of Rounding” in “3. Basis of Amount of Money Expected to be Delivered to Shareholders as a Result of Rounding Concerning Share Consolidation” below and provides the Company's shareholders with a reasonable opportunity to sell the Company Shares.

Based on the above, at the meeting of the Company's Board of Directors held on November 10, 2023, the Company decided as the Company's opinion as of November 10, 2023 to express its support of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer, and the holders of the American Depositary Receipt tender their American Depositary Receipt in the Tender Offer after having delivered their American Depositary Receipt to the Depository Bank in advance and having received the Company Shares represented by the American Depositary Receipt if the Tender Offer is commenced.

The Company also resolved at the above meeting that it will request the Special Committee established by the

Company to consider whether there has been any change to the Special Committee's opinion in the Report dated November 10, 2023 submitted to the Company's Board of Directors as of November 10, 2023, and if there hasn't been any change, the Special Committee will make a statement to the Company's Board of Directors to that effect or, if any change has been made to its previous opinion, the Special Committee will state its changed opinion and based on such opinion, the Company will express its opinion on the Tender Offer again at the time of commencement of the Tender Offer.

Subsequently, on January 22, 2024, the Company received a notice from the Tender Offeror, Etc. that (i) the procedures and responses required under the competition laws of China and the Foreign Exchange and Foreign Trade Law in Japan had been completed and the procedures and responses required under the competition laws of Japan is scheduled to be completed during Tender Offer Period and (ii) subject to the fulfillment (or waiver by the Tender Offeror) certain conditions precedent concerning commencement of the Tender Offer (the "Tender Offer Conditions"), the Tender Offer is scheduled to commence on January 30, 2024.

In response, the Company requested the Special Committee to consider whether the opinion in the Report dated November 10, 2023 had changed, and to advise the Company's Board of Directors that if its previous opinion had not changed, it should so state, and if it had changed, it should state its revised opinion. The Special Committee has examined the Consultation Matters mentioned above. As a result of review of the above-mentioned Consultation Matters, the Company confirmed that there were no circumstances that required changes in the content of the Report dated November 10, 2023, taking into consideration the circumstances since November 10, 2023, until January 29, 2024, and on January 29, 2024, submitted the a report (the "Report dated January 29, 2024"; for a summary thereof and the specific activities of the Special Committee, please refer to "(I) Establishment of Independent Special Committee at the Company and Obtainment of Reports from the Special Committee" in "(iii) Measures to Ensure Fairness of the Transactions and Measures to Avoid Conflicts of Interest" in "3. Basis of Amount of Money Expected to be Delivered to Shareholders as a Result of Rounding Concerning Share Consolidation" below.) to the Company's Board of Directors to the effect that there is no change in the previous opinion.

On this basis, while respecting to the fullest extent the contents of the Report dated January 29, 2024 submitted by the Special Committee, and in light of the Company's business conditions and the environment surrounding the Transactions, the Company has once again carefully considered the various terms and conditions of the Tender Offer, and as of January 29, 2024, the Company has determined that there are no factors that would cause the Company to change its opinion regarding the Tender Offer as of November 10, 2023.

At a meeting of the Company's Board of Directors held on January 29, 2024, the directors of the Company (7 out of 8 directors in total, excluding Mr. Hideaki Fukutake) unanimously resolved to express its opinion in support of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer and that the holders of the American Depositary Receipts tender their shares in the Tender Offer after having delivered the American Depositary Receipts to the Depository Bank in advance and having received delivery of the Company Shares represented by the American Depositary Receipts. All four auditors of the Company's Board of Directors were present at the above meeting of the Board of Directors, and all of the auditors present expressed that they had no objection to the adoption of the above resolution.

Although the Transactions have proceeded through this process, as described above, the Tender Offeror was unable to acquire all of the Company Shares (However, this excludes the treasury shares owned by the Company and all of the Company Shares owned by efu Investment Limited (“efu Investment”) and Minamigata Holdings Ltd. (“Minamigata Holdings”) which have agreed not to tender their shares to the Tender Offer (the “Non-Tendered Shares”) and American Depositary Receipts through the Tender Offer. Based on the results of the Tender Offer and upon request from the Tender Offeror, the Company has decided to implement a series of procedures to make the Tender Offeror and Minamigata Holdings, the seventh largest shareholder of the Company, the sole shareholders of the Company (the “Squeeze-Out Procedures”), as announced in the Opinion Press Release. Specifically, subject to shareholder approval at this extraordinary general meeting of shareholders (“EGM”), the Company will implement a reverse stock split of Company Shares (the “Share Consolidation”) as described in “2. Summary of Share Consolidation” below.

It is understood that before the Squeeze-Out Procedures take effect, efu Investment plans to return all of the Company Shares (6,809,500 shares) held in trust with The Master Trust Bank of Japan, Ltd. as the sole settlor and beneficiary, without payment of any special consideration, upon cancellation of the trust. It is also understood that efu Investment plans to lend 14,214,000 shares out of almost all of its Company Shares (14,668,000 shares) to Minamigata Holdings (1,836,000 shares) after receiving the shares.

As a result of the Share Consolidation, the number of Company Shares held by the Company’s shareholders (excluding the Tender Offeror and Minamigata Holdings) will be reduced to fractions of less than one share.

For the details of the Transactions, please refer to the Opinion Press Release and the Tender Offer results press release.

2. Summary of Share Consolidation

Schedule of Share Consolidation(i)

(I) Date of public notice of record date of EGM	February 9, 2024
(II) Record date of EGM	March 13, 2024
(III) Date of resolution of the Board of Directors	March 27, 2024
(IV) Date of EGM	April 29, 2024 (Scheduled)
(V) Date of designation as delisted stock	April 29, 2024 (Scheduled)
(VI) Last Trading Day of Company Shares	May 16, 2024 (Scheduled)
(VII) Delisting date of Company Shares	May 17, 2024 (Scheduled)
(VIII) Effective date of share consolidation	May 21, 2024 (Scheduled)

(ii) Details of Share Consolidation

(I) Type of Shares for Consolidation

Ordinary shares

(II) Ratio of Consolidation

16,050,000 Company Shares will be consolidated into one Company Share.

(III) Total Number of Reduction in Authorized Shares

96,446,378 shares

(IV) Total Number of Authorized Shares before the Share Consolidation Became Effective

96,446,378 shares

(Note) The Company has resolved at the Company's Board of Directors dated March 27, 2024, to cancel 6,201,745 treasury shares of the Company (The total number of treasury shares owned by the Company as of March 22, 2024, which is 6,167,055 shares, plus 34,690 shares with restriction on transfer that the Company will acquire without consideration as treasury shares) effective May 20, 2024. Thus, "Total Number of Authorized Shares before the Share Consolidation Became Effective" stated above is the total number of issued shares of the Company after the cancellation.

(V) Total Number of Authorized Shares after the Share Consolidation Became Effective

6 shares

(VI) Total Number of Authorized Shares as of the Effective Date

24 shares

(VII) Method of Processing in Cases Where There Are Fractions of Less than One Share and Amount of Money Expected to be Delivered to Shareholders as a Result of the Processing

A. Under Which of (i) Article 235, Paragraph 1 of the Companies Act or (ii) Article 234, Paragraph 2 of the Same Act as Applied *Mutatis Mutandis* Pursuant to Article 235, Paragraph 1 or 2 of the Same Act the Processing Will be Implemented; and the Reasons therefor

As set forth in "1. Purpose and Reasons for the Share Consolidation" above, upon the Share Consolidation, the number of Company Shares held by each shareholder of the Company (excluding the Tender Offeror and Minamigata Holdings) will be a fraction of less than one share.

With respect to fractions of less than one share resulting from the Share Consolidation, the Company will sell a number of shares equivalent to the total number (If the total number includes a fraction of less than one share, such fraction will be rounded down), and the proceeds from the sale will be delivered to each shareholder with fractional shares in proportion to the number of fractional shares. With respect to the sale, the Company will obtain permission of the court and sell the shares to the Tender Offeror pursuant to Article 234, Paragraph 2 of the Companies Act (Act No. 86 of 2005; as amended, the same shall apply hereinafter) as applied *mutatis mutandis* pursuant to Article 235, Paragraph 2 of the Companies Act, considering the facts that the Share Consolidation will be conducted as part of the Transactions, the purpose of which is to make the shareholders of the Company only the Tender Offeror and Minamigata Holdings, and that the Company Shares will be delisted as of May 17, 2024, and will be shares having no market price, and thus, the possibility of any purchaser appearing at the auction will be low.

In this case, if the permission of the court is obtained as scheduled, the amount of sale will be set at a price that will result in the delivery to each shareholder of the cash equivalent to the amount obtained by multiplying (i) the number of the Company Shares held by each shareholder listed or recorded on the latest shareholders register of the Company as of May 20, 2024, which is the day immediately preceding the effective date of the Share Consolidation, by (ii) 2,600 yen, which is equivalent to the Tender Offer Price. However, the actual amount to be

delivered may differ from the above amount if the permission of the court is not obtained or adjustments of fractions are necessary for calculation purposes or in other cases.

B. Name of the Prospective Purchaser of the Shares to be Sold

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C. Method for the Prospective Purchaser of the Shares to be Sold to Secure Funds for Payment of the Sale Price; and Appropriateness of the Method

The Tender Offeror expected to fund the acquisition of the Company Shares equivalent to the total amount of fractions resulting from the Share Consolidation by borrowing from Sumitomo Mitsui Banking Corporation (“SMBC”) and Nomura Capital Investment Co., Ltd. (“NCI”). The Company has confirmed the Tender Offeror’s method of securing funds by confirming the Loan Certificate dated January 26, 2024 regarding the borrowing from SMBC and the Loan Certificate dated January 26, 2024 regarding the borrowing from NCI, both of which were submitted as exhibits to the Tender Offer Statement in connection with the Tender Offer, and then, confirming that the Loan Agreements for the relevant borrowings were concluded between the Tender Offeror and SMBC and NCI, respectively. According to the Tender Offeror, no event has occurred or is found to be likely to occur that may cause hindrance to the payment of the sales proceeds of the Company Shares equivalent to the total number of fractions of less than one share resulting from the Share Consolidation.

Based on the foregoing, the Company has determined that the method of the Tender Offeror to secure funds for payment of the price for sale of the Company Shares equal to the total number of fractions less than one share.

D. Expected Timings of Sale and Delivery of the Sales Proceeds to Shareholders

The Company plans to file a petition with the court in early June, 2024, pursuant to Article 234, Paragraph 2 of the Companies Act, as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the same Act, seeking permission for the Company to sell the Company Shares equivalent to the total number of fractions of less than one share resulting from the Share Consolidation and for the Tender Offeror to purchase such Company Shares. While the timing for obtaining such permission may vary depending on the circumstances of the court or other factors, the Company expects to, with the permission of the court, sell such Company Shares by way of purchase by the Tender Offeror around late June, 2024, and then make the necessary preparations to deliver the sales proceeds to the shareholders and then deliver the proceeds to the shareholders around late August to late September, 2024.

The Company has determined, considering the period of time required for a series of procedures for sale from the effective date of the Share Consolidation, that the Company Shares equivalent to the total number of fractions of less than one share resulting from the Share Consolidation will be sold and the sales proceeds will be delivered to the shareholders at each timing, as described above.

3. Basis of Amount of Money Expected to be Delivered to Shareholders as a Result of Rounding Concerning Share

Consolidation

(i) Basis of and Reasons for Amount of Money Expected to be Delivered to Shareholders as a Result of Rounding

(I) If There is a Parent Company, Etc., Matters to be Given Due Consideration so as Not to Harm the Interests of Shareholders Other than Such Parent Company, Etc.

In light of the fact that the Tender Offer is part of the Transactions for a Management Buyout (MBO) and that there is a structural conflicts of interest issue, in order to deal with these issues and to carefully determine the Company's decisions regarding the Transactions, including the Tender Offer, and to eliminate the arbitrariness and conflicts of interest in the decision-making process of the Company's Board of Directors, and to ensure the fairness of the Transactions, the Company and the Tender Offeror have taken the measures described in "(iii) Measures to Ensure Fairness of the Transactions and Measures to Avoid Conflicts of Interest" in "3. Basis of Amount of Money Expected to be Delivered to Shareholders as a Result of Rounding Concerning Share Consolidation" below.

(II) Method of Processing in Cases Where There are Fractions of Less than One Share and Amount of Money Expected to be Delivered to Shareholders as a Result of the Processing, and Matters Concerning the Appropriateness of Such Amount

The amount of money expected to be delivered to shareholders as a result of rounding is expected to be the amount obtained by multiplying the number of the Company Shares held by shareholders stated or recorded in the Company's latest shareholder registry on May 20, 2024, the day immediately preceding the effective date of the Share Consolidation, by 2,600 yen, which is the same amount as the Tender Offer Price, as described in "(VII) Method of Processing in Cases Where There Are Fractions of Less than One Share and Amount of Money Expected to be Delivered to Shareholders as a Result of the Processing" in "(2) Details of Share Consolidation" above. However, the actual amount to be delivered may differ from the above amount if the permission of the court is not obtained or adjustments of fractions are necessary for calculation purposes or in other cases.

The Company's Board of Directors concluded that the Tender Offer Price (JPY 2,600) is: (i) based on the results of the valuation of the Company Shares in the Share Valuation Report described in "(II) Obtainment of Share Valuation Report from the Company's Independent Third-party Calculation Agent" of "(iii) Measures to Ensure Fairness of the Transactions and Measures to Avoid Conflicts of Interest" below, the Tender Offer Price of JPY 2,600 per share is: (a) higher than the results of the market share price method, (b) higher than the results of the valuation using the comparable multiple valuation method, and (c) within the range of the results of the valuation using the discounted cash flow method (the "DCF Method") and above the median price, (ii) in light of the fact that it is priced at a premium of 45.13% against the closing price of JPY 1,791.5 on the Tokyo Stock Exchange Prime Market for the Company Shares on November 9, 2023, the business day prior to November 10, 2023, the date on which the announcement of the scheduled commencement of the Tender Offer was made, 45.90% against the simple average closing price of JPY 1,782 for the past 1 month up to that date, 42.39% against the simple average closing price of JPY 1,826 for the past 3 months up to that date, and 41.23% over the simple average closing price of JPY 1,841 yen for the past 6 months up to that date as well as the median premium (40.11% of the closing price on the business day before the publication date, 40.38% of the simple average closing price for the last month, 45.34% of the simple average closing price for the last three months, and 49.27% of the simple average closing price for the last six months) of the 46 Management Buyouts (MBO) out of

the examples that were published from June 28, 2019 through September 30, 2023 in the Ministry of Economy, Trade and Industry's "Guidelines for Fair M&A: Improving Corporate Value and Securing Shareholder Profit", it can be determined that the Tender Offer Price is a price in which a reasonable premium is attached, and (iii) based on the fact that the measures to ensure the fairness of the Tender Offer described in "(iii) Measures to Ensure Fairness of the Transactions and Measures to Avoid Conflicts of Interest" below have been taken, and the Tender Offer Price has been sufficiently negotiated with the Tender Offeror, Etc. with substantial involvement of the Special Committee, and that the Tender Offer Price has been increased from the price originally offered by the Tender Offer, Etc., and that the price was determined based on the circumstances in which the Company negotiated with the aim of conducting the Transactions under the terms and conditions as favorable as possible for general shareholders, the Company determined at the meeting of the Company's Board of Directors held on November 10, 2023 that the Tender Offer Price is reasonable and provides the Company's shareholders with a reasonable opportunity to sell the Company Shares.

At the meeting of the Company's Board of Directors held on January 29, 2024, the Company, while fully respecting the contents of the report dated January 29, 2024 submitted by the Special Committee, carefully reviewed the terms and conditions of the Tender Offer again in light of the Company's business conditions and the environment surrounding the Transactions, and determined that, as of January 29, 2024, there were no factors that would change its opinion on the Tender Offer as of November 10, 2023.

In addition, at the meeting of the Company's Board of Directors held on January 29, 2024, the Company expressed its opinion in support of the Tender Offer and confirmed that during the period beginning from resolving to recommend to shareholders of the Company to tender in the Tender Offer and the holders of the American Depositary Receipts to, after delivering in advance the American Depositary Receipts to the depositary bank and receiving Company Shares pertaining to the American Depositary Receipts, to tender in the Tender Offer, and up to the time of the resolution of the Board of Directors on March 27, 2024, which decided to call the Extraordinary General Meeting of Shareholders, there were no factors that should change its decision on the Transactions.

Based on the above, the Company determined that the amount of money expected to be delivered to shareholders by rounding is reasonable.

(iii) Disposal of Any Important Asset, Assumption of a Material Obligation, or Any Other Event Which Would Have a Material Impact on the Status of Company Assets That Have Taken Place Regarding the Company After the Last Day of the Most Recent Fiscal Year

A. The Tender Offer

As stated in "1. Purpose and Reasons for Share Consolidation" above, the Tender Offeror implemented the Tender Offer during the Tender Offer Period from January 30, 2024 to March 4, 2024. As a result, the Tender Offeror owns 67,738,016 Company Shares (Ownership ratio of voting rights: 70.21%) as of March 12, 2024, the settlement commencement date of the Tender Offer.

B. Cancellation of Treasury Shares

The Company has decided, by a resolution of the Company's Board of Directors dated March 27, 2024, to cancel 6,201,745 treasury shares of the Company (The total number of treasury shares owned by the Company as of March 22, 2024, which is 6,167,055 shares, plus 34,690 shares with restriction on transfer that the Company will acquire without consideration as treasury shares) effective May 20, 2024. The cancellation of treasury shares is subject to the approval and resolution at the

EGM of the Share Consolidation as originally proposed, and the total number of issued shares of the Company after the cancellation will be 96,446,384 shares.

(ii) Likelihood of Delisting

(I) Delisting

As stated in “1. Purpose and Reasons for Share Consolidation” above, the Company will implement the Share Consolidation and make the Tender Offeror the sole shareholder of the Company subject to the approval of the Company’s shareholders at the EGM. As a result, the Company Shares will be delisted through prescribed procedures in accordance with the delisting standards of the Tokyo Stock Exchange.

As regards the schedule, the Company Shares will be delisted as of May 17, 2024 after being designated as a delisted stock from April 29, 2024 to May 16, 2024. The Company Shares cannot be traded on the Tokyo Stock Exchange after the delisting.

(II) Reasons for Having the Purpose of Delisting

As stated in “1. Purpose and Reasons for Share Consolidation” above, the Company has come to the conclusion that privatization of the Company Shares will, through the Transactions, contribute to the realization of the Transformation Business Plan and further enhancement of the Company’s corporate value.

(III) Effect on Minority Shareholders and Approach to It

As stated in “(I) Establishment of Independent Special Committee at the Company and Obtainment of Reports from the Special Committee” in “(iii) Measures to Ensure Fairness of the Transactions and Measures to Avoid Conflicts of Interest” below, the Company consulted the Special Committee on whether the decision to implement the Transactions is disadvantageous to the minority shareholders of the Company, and received the Report dated November 10, 2023 from the Special Committee of the effect that the decision to implement the Transactions is found not to be disadvantageous to the minority shareholders of the Company. In addition, the Company received the Report dated January 29, 2024 from the Special Committee of the effect that there is no change in the previous opinion in the Report dated November 10, 2023.

(iii) Measures to Ensure Fairness of the Transactions and Measures to Avoid Conflicts of Interest

While the Share Consolidation is conducted as the second procedure in a so-called two-step acquisition, the Company and the Tender Offeror, Etc. have respectively taken the measures set forth in (I) to (VI) below in order to ensure the fairness of the Transactions including the Tender Offer from the viewpoint of ensuring the fairness of the Tender Offer Price, eliminating arbitrariness in the decision-making process leading to the decision to conduct the Tender Offer and avoiding conflicts of interest based on the fact that the Tender Offer is conducted as a part of the Transactions for a so-called management buyout (MBO) and may give rise to a situation of structural conflict of interest. It is understood that the Tender Offeror, Etc. have not set the minimum planned purchase quantity corresponding to the so-called “Majority of Minority” from the idea that, if such minimum planned purchase quantity is set, there is a possibility that the completion of the Tender Offer may become unstable and may not contribute to the benefit of general shareholders of the Company who wish to tender their Company Shares in the Tender Offer. However, the Tender Offeror, Etc. and the Company consider that due consideration is given to the interests the Company’s general shareholders since they have taken the following measures. Furthermore, the measures taken by the Tender Offeror, Etc. in the following descriptions are based on the explanations received from the Tender Offeror, Etc.

(I) Establishment of Independent Special Committee at the Company and Obtainment of Reports from the Special Committee

A. Background of the establishment, etc.

Taking into account that the Tender Offer is implemented as a part of the Transactions for a so-called management buyout (MBO) and there is an issue of structural conflict of interest, in order to be careful about the decision-making of the Company and from the viewpoint of eliminating arbitrariness and the risk of conflicts of interest from, and securing the fairness of the decision-making process of the Company's Board of Directors, on June 2, 2023, the Company has established a Special Committee comprised by members who are independent of any of the Company, the Tender Offeror Etc., and the success or failure of the Transactions (Mr. Mutsuo Iwai (independent outside director), Ms. Yumiko Noda (independent outside director), Mr. Kohey Takashima (independent outside director), Mr. Masaru Onishi (independent outside director), Mr. Eiichi Izumo (independent outside company auditor), and Ms. Miyuki Ishiguro (independent outside company auditor) are appointed as members of the Special Committee.) Members of the Special Committee have not changed since its establishment. Members of the Special Committee shall be paid a fixed amount of compensation as the consideration for his or her duties regardless of the contents of his or her report, and the Company does not adopt a success fee as such consideration.

The Company consulted the Special Committee on (i) whether the purpose of the Transactions including the Tender Offer is considered to be reasonable (including whether the Transactions will contribute to the enhancement of the Company's corporate value), (ii) whether the fairness of the procedures for the Transactions including the Tender Offer is ensured, (iii) whether the appropriateness of the terms and conditions of the Transactions is ensured, (iv) whether the decision to implement the Transactions (including expressing opinion regarding the Tender Offer) is disadvantageous to the minority shareholders of the Company, and (v) whether the Company's Board of Directors should express its opinion in favor of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer and also recommend that the holders of the American Depositary Receipts receive in advance delivery of the Company's ordinary shares concerning their American Depositary Receipts and tender them in the Tender Offer (collectively, "Consultation Matters") and delegated the Special Committee to submit the Report dated November 10, 2023 regarding the Consultation Matters to the Company.

The Company's Board of Directors resolved that the decision of its Board of Directors in connection with the implementation of the Transactions shall be made with the utmost respect for the judgment of the Special Committee based on the abovementioned delegation, and that if the Special Committee judges the terms and conditions of the Transactions to be inappropriate, the Company's Board of Directors will establish a Special Committee on the assumption that it will not approve the Transactions under such terms and conditions. Moreover, the Company's Board of Directors resolved to grant the Special Committee the authorities: (i) to be substantially involved in the process of negotiations conducted by the Company with the Tender Offeror, Etc. on the terms and conditions of the Transactions (including receiving reports on a timely basis from the

Company's officers and employees or the Company's advisors, etc. on the status of their negotiations with the Tender Offeror, Etc., and expressing opinions and providing instructions or requests at the important phase) to secure fairness in the status of negotiations between the Company and the Tender Offeror, (ii) to consider the extent of the measure to ensure fairness that should be taken for the Transactions and to express opinions and make suggestions as necessary, (iii) to approve (including ex post approval) financial or legal advisors of the Company and receive professional advice from such advisors as necessary upon making reports on the Consultation Matters or to appoint the Special Committee's own financial or legal advisors (in this case, the Company will bear the cost therefor) and receive professional advice from such advisors, and (iv) as necessary, to receive information necessary for the consideration and judgment of the Transactions from officers and employees of the Company upon making reports on the Consultation Matters.

B. Background of the consideration

The Special Committee met a total of 18 times for a period between June 9, 2023 and November 10, 2023, and carefully discussed and considered the Consultation Matters. Specifically, the Special Committee first approved on June 9, 2023, the appointment of Daiwa Securities, the Company's financial advisor and third-party calculation agent, and AMT, the Company's legal advisor, after confirming that there were no problems with their independence and expertise. Furthermore, the Special Committee has confirmed that there were no problems with the review system for the Transactions established within the Company (including the scope and duties of its officers and employees involved in the consideration, negotiation and judgment regarding the Transactions) from the perspective of independence and fairness. On that basis, the Special Committee, upon discussing the Consultation Matters, received explanations from the Company on the business environment of the Company, the purpose of the Transactions proposed by the Tender Offeror, Etc., the impact of the Transactions on the Company's business, and other matters, and exchanged questions and answers regarding these points. In addition, the Special Committee asked questions to the Tender Offeror, Etc. about the purpose and background of the Transactions, the management policy after implementation of the Transactions, and other matters, and received a written answer from the Tender Offeror, Etc. The Special Committee received explanations from the Company on the latest operating results and the details of the business plan prepared by the Company for the three fiscal years ending March 31, 2024 through March 31, 2026 (the "Business Plan"), and exchanged questions and answers regarding these points. Furthermore, the Special Committee received explanations on the calculation results of the Company Shares from Daiwa Securities, a third-party calculation agent and exchanged questions and answers. In addition, the Special Committee received on a timely basis explanations from the Company on the status of the negotiations with the Tender Offeror, Etc. regarding the tender offer price, and had a question-and-answer session. Furthermore, the Special Committee received from AMT, its legal advisor, explanations on the details of the measures to be taken to ensure fairness of the procedures of the Transactions as well as the method and process of the decision-making of

the Company's Board of Directors regarding the Transactions and other measures to be taken to avoid conflicts of interest, and had a question-and-answer session regarding these respects.

Furthermore, as stated in "Reason for Share Consolidation" above, since the Special Committee had received a First Proposal in writing from the Tender Offeror, Etc. on September 30, 2023 that the Tender Offer Price per Company Share is to be JPY 2,300 and the Tender Offer Price per American Depositary Receipt is to be JPY 2,300, the Special Committee received reports from the Company on a timely basis regarding the details of every proposal and contact with respect to the price, every time the Company had received it from the Tender Offeror, Etc., and has been substantially involved in the overall consultations and negotiations with the Tender Offeror, Etc. on the terms and conditions of the transactions including the Tender Offer Price through hearing of the Company's opinion which is based on the advice on a financial perspective from Daiwa Securities, the Company's financial advisor, and deliberations and considerations on the content and, at the important phase, expressing opinion on the terms and conditions of the Transactions including the Tender Offer Price. Consequently, on November 1, 2023, the Company received from the Tender Offeror, Etc. the Final Proposal stating that the Tender Offer Price per Company Share is to be JPY 2,600 and the Tender Offer Price per American Depositary Receipt is to be JPY 2,600.

C. Details of the judgment

The Special Committee carefully discussed and considered the Consultation Matters based on the contents of the above-mentioned research, consultations, and consideration, and also based on the explanations given by Daiwa Securities, the Company's financial advisor, at the Company's request and on the contents of the legal advice it had received from AMT, and consequently submitted the Report dated November 10, 2023 with the following contents to the Company's Board of Directors, on November 10, 2023, with the unanimous consent of all members:

- (a) Details of the report
 - (A) It is found that the purpose of the Transactions including the Tender Offer is reasonable (The Transactions will contribute to the enhancement of the Company's corporate value.).
 - (B) It is found that the fairness of the procedures for the Transactions including the Tender Offer is ensured.
 - (C) It is found that appropriateness of the terms and conditions of the Transactions is ensured.
 - (D) Based on (A) to (C) above, it is found that the determination to implement the Transactions (including expressing opinion regarding the Tender Offer) is not disadvantageous to the minority shareholders of the Company.
 - (E) Based on (A) to (D) above, it is reasonable that the Company's Board of Directors express its opinion in favor of the Tender Offer at this time and recommend that the Company's shareholders tender their shares in the Tender Offer and recommend that the holders of the American Depositary Receipts receive delivery of the Company's ordinary shares concerning their American Depositary Receipts in advance and tender their shares in the Tender Offer.

(b) Reasons for the report

- (A) Whether the purpose of the Transactions including the Tender Offer is considered to be reasonable (including whether the Transactions will contribute to the enhancement of the Company's corporate value).

Based on the following points, enhancement of the corporate value envisaged under the Transactions is not found to be unreasonable and no major inconsistency or discrepancy is found between the expectations of the Tender Offeror, Etc. and those of the Company, and it is found that implementation of the Transactions contributes to the solution of the management issues recognized by the Company. Thus, the Transactions including the Tender Offer contribute to the enhancement of the Company's corporate value, and it is found that their purpose is legitimate and reasonable.

- According to the Company, in May 2023, the Company established Transformation Business Plan by brushing up the Medium-Term Management Plan. It is understood that the Transformation Business Plan aims to achieve sustainable growth through the realization of a profit structure with three pillars of earnings - Core Education, Core Nursing Care, and New Fields through working to solve social issues with a focus on people and transforming the Group and its portfolio structure. It is understood that we believe that in order to enhance the medium- to long-term corporate value of the Company in a business environment that is expected to undergo significant changes in the future, it would be beneficial to utilize external management resources in addition to our own management efforts. In addition, while the Company Shares are listed, it is necessary to be aware of the impact of short-term performance fluctuations on the stock market, which means that it is a highly challenging task to simultaneously and quickly implement medium- and long-term management strategies while pursuing short-term performance at the same time. Under these circumstances, it is understood that it will be possible to implement management measures in a agile and steady manner by utilizing EQT's network and know-how, and by privatizing the Company Shares through the Transactions and enabling EQT to invest its management resources in the Company Group. It is understood that the Company has come to the conclusion that the Tender Offer will, through these efforts, contribute to the realization of the Transformation Business Plan and further enhancement of the Company's corporate value. In general terms, the utilization of external management resources and delisting as part of strategies for the resolution of such management issues can be considered to contribute to the enhancement of the Company's corporate value.
- According to the Tender Offeror, Etc., the increases in the Company's corporate value expected by the Tender Offeror, Etc. as a result of the Transactions can be summarized as follows: (i) The Company will continue to provide high-quality services to a wide range of customers in both the education and nursing care businesses as it has been undertaking, and will strengthen its competitiveness and aim to develop and expand new businesses, while enabling it to provide higher value to existing customers, by utilizing the digital knowledge and know-how of the industry

advisors that EQT retains, the provision of human resources utilizing EQT's network, and EQT's experience in portfolio companies; (ii) Over the medium to long term, the Company will also develop education for people with disabilities, minorities, and alternative education and the like, with the aim of realizing a global platform of the Tender Offeror, Etc. that provides "Well-being" to all generations around the world; (iii) In addition to the realization of business expansion through domestic M&As and global expansion through overseas M&As, the Company will focus on its overseas businesses in China, India, and other countries and realize specific business alliances with the companies in EQT's portfolio.

- The Company, through the Transactions, expects to increase its corporate value including the synergies of the following: (i) to promote digitization and improve operational efficiency in the education business, and create new education services tailored to the diversifying needs of customers by utilizing EQT's know-how and also collaborating globally with the businesses of the companies in which EQT invests while also utilizing the data held by the Company; (ii) to utilize EQT's overseas know-how and network to expand and upgrade the overseas business activities in China and India and create value through business alliances with EQT's investee companies, as well as business expansion in adjacent markets in Asia and expansion into new regions through large-scale M&As; and (iii) to be able to expect full support for M&A for the Company's medium to long term growth by utilizing the knowledge, network and resources of EQT which is specialized in supporting acquisitions of investee companies. The details of the above envisaged increase in corporate value have no major inconsistencies or points clearly contrary to objective facts and are generally consistent and reasonable, although concrete measures to realize such increase will need to be worked out in the future.
- According to the Tender Offeror, Etc. and the Company, in order to implement the abovementioned measures in a timely manner in response to the rapid changes in the business environment surrounding the Company Group, it is inevitable for the Company to promptly establish a decision making structure and improve its management flexibility. By privatizing the Company Shares after the implementation of the Transactions, it is understood that the Company will be able to establish a management structure that enables flexible decision making and to raise the speed of business development. While the Company has not denied large-scale M&As with other partners that fit into its strategy, or even de-listing as a further development thereof, the Company stated that the discussions have not progressed since no partner that sympathizes with the Company's business philosophy has appeared. In the course of discussions following the receipt of the proposal from the Tender Offeror, Etc. regarding the Transactions, it is understood that the Company has concluded that the Tender Offeror, Etc. understand the management philosophy of the Company and that EQT has also agreed with such management philosophy. In addition, rather than implementing structural reform while maintaining the listing of the Company Shares, by privatizing the Company Shares, more fundamental investment may be promoted without being required pursuit of return from stock

market. Furthermore, the Company considers that the Tender Offer will contribute to achieving the Transformation Business Plan by utilizing new management resources, etc. such as EQT's network, globalizing the Company's organizational structure, and actively promoting M&A with a sense of speed. In view of the above, it cannot be said that it is unreasonable to judge that the Company aims to enhance its corporate value through the Transactions, utilizing the management resources of EQT and other resources as appropriate, based on the proposal from the Tender Offeror, Etc., on the basis of the understanding and sympathy of the Tender Offeror, Etc. for the Company's management philosophy, and not by other means, such as bold business transformation while maintaining the listing, or de-listing through M&A with other partners.

- According to the Tender Offeror, Etc., (i) even after the Transactions, the Company will continue to employ its current employees as is and improve treatment of employees and expand incentive programs so that employees are rewarded; (ii) although EQT is a foreign fund, it is expected that the Company's officers and employees will continue to conduct business in the field of education and nursing care, and the Company's daily operations and relationships with customers, business partners, and other stakeholders will remain the same as before the Transactions, and the Company expects to continue the brand it has built up until now. Therefore, the Tender Offeror, Etc. do not expect that the implementation of the Transactions will damage the reputation of the brand or services of the Company, and they do not expect any negative impact on the Company's customers or business partners; and (iii) they expect that the domestic school education and nursing care business customers will understand and agree to the fact that EQT, a foreign fund originating from Northern Europe, becomes a major shareholder, if they carefully explain that EQT shares a vision with the founding family, and they consider that the risk that, the value of the school education business and the nursing care business of the Company may be damaged in relation to customers, etc. by EQT becoming a shareholder of the Company through the Transactions, is small. Therefore, there is no particular circumstance considered to be a material impediment to the enhancement of the Company's corporate value through the Transactions.

(B) Whether the fairness of the procedures for the Transactions including the Tender Offer is ensured.

In light of the following points, it is concluded that the fairness of the procedures relating to the Transactions, including the Tender Offer, is ensured because it is found that (i) a situation which is practically equivalent to that of arm's length transaction is secured in the process of forming the terms and conditions of the Transactions, and (ii) substantial fairness measures are adopted and operated effectively from the viewpoint of securing opportunities for general shareholders to make appropriate decisions based on sufficient information. According to the Tender Offeror, Etc., the minimum number of shares to be purchased in the Tender Offer is expected to be the number of voting rights pertaining to the number of shares obtained by deducting the treasury shares the Company owns from the total number of issued shares of the Company multiplied by 2/3, and deducting the number of voting rights

pertaining to the Non-Tendered Shares multiplied by the number of share units (100 shares) of the Company. It is understood that they have not set the minimum planned purchase quantity corresponding to the majority of the Company Shares held by the shareholders of the Company who do not have an interest in the Tender Offeror, Etc., the so-called “Majority of Minority”, from the idea that, if such minimum planned purchase quantity is set, there is a possibility that the completion of the Tender Offer may become unstable and may not contribute to the benefit of general shareholders of the Company who wish to tender their Company Shares in the Tender Offer. However, since the Tender Offeror, Etc. and the Company have taken the following measures, it can be said that sufficient consideration has been given to the interests of the Company’s general shareholders.

- The Company has established a Special Committee consisting of independent outside directors and independent outside company auditors who are independent of the Tender Offeror, Etc., the Company, and the success or failure of the Transactions. Also judging from the timing of establishment, authority, etc. of the Special Committee, it is found that it effectively functions as a fairness measure.
- In the Company, Hideaki Fukutake, a director, will not participate in the resolution to express an opinion on the Tender Offer since he is considered to have a special interest in the Transactions, and it is expected that the resolution will be made by all directors except for Hideaki Fukutake. According to the Company’s press release, the Company’s Board of Directors will, by a unanimous vote of all seven (7) directors participating in the resolution, pass a resolution to express an opinion in support of the Tender Offer and recommend the shareholders and the holders of the American Depositary Receipts to tender their shares, and all four (4) company auditors will express their opinions to the effect that they have no objection to the above resolution. In addition, while the Company has decided to establish the Special Committee and obtain its opinion, considering that the Company’s Board of Directors makes decisions regarding the Transactions with the utmost respect for the Special Committee’s judgment and that it was also resolved that the Company’s Board of Directors will not approve the Transactions if the Special Committee decides that the terms and conditions of the Transactions are not appropriate, arbitrariness in the decision-making of the Company with respect to the Transactions has been eliminated and the fairness, transparency and objectivity of the decision-making process have been secured.
- The Company has received legal advice from AMT, a legal advisor independent of the Tender Offeror, Etc., the Company and the success or failure of the Transactions.
- The Company has obtained from Daiwa Securities, a third-party calculation agent independent of the Tender Offeror, Etc., the Company, and the success or failure of the Transactions, the Share Valuation Report as a material in relation to the share value of the Company Shares.
- Although the purchase period of the Tender Offer is expected to be set at 23 business days, the Tender Offer is a so-called pre-announced tender offer which will allow a relatively long period of time until the commencement of the Tender Offer after the announcement of the series of terms and conditions including the Tender Offer Price. Accordingly, the shareholders of the Company and the holders of

the American Depositary Receipts have been provided with an opportunity to make an appropriate decision regarding the tendering in the Tender Offer. In addition, it is found that counterbidders have been provided with an opportunity to make an acquisition proposal, and the Company and the Tender Offeror, Etc. will not enter into any agreement which would unduly restrict the Company's contact, etc. with counterbidders. Therefore, it is recognized that so-called indirect market checks are made by conducting M&As after the announcement after creating an environment where other potential acquirers can make counterproposals.

- In connection with the Transactions, each press release will include a full disclosure of information such as the details of the authority granted to the Special Committee, the particulars of the Special Committee's deliberations and involvement of the Tender Offeror, Etc. in the negotiation process for the terms and conditions of the transactions, the contents of the Report dated November 10, 2023 and the remuneration structure of the members of the Special Committee, the outline of the Share Valuation Report, and the process and negotiation process leading to the implementation of the Transactions. Thus, it is found that important materials for judgment that contribute to judgment regarding the appropriateness of the terms and conditions of the transactions have been provided to the shareholders, etc. of the Company.
- In the event that the Tender Offeror, Etc. do not acquire all of the Company Shares and the American Depositary Receipts in the Tender Offer, the Tender Offeror, Etc. intend to implement the Squeeze-Out Procedure by way of share consolidation. In light of the fact that, in these procedures, consideration is given to avoid any situation where the shareholders of the Company and the holders of the American Depositary Receipts are expected to be treated unfavorably, it is recognized that consideration has been given to avoid any coerciveness.

(C) Whether the appropriateness of the terms and conditions of the Transactions is ensured.

Based on the following points, the Tender Offer Price is found to be appropriate assuming the appropriateness of the negotiation and scheme of the Transactions, and it is found that the appropriateness of the terms and conditions of the Transactions including the Tender Offer is ensured.

- With respect to the negotiation status of the Tender Offer Price, the Tender Offer Price (JPY 2,600 per share) was based on the initial offer price (JPY 2,300 per share) of the Tender Offeror, Etc. and the results of the provisional share valuation by Daiwa Securities, and also considering a request of the Special Committee for an increase in the purchase price based on the deliberations and discussions at the Special Committee and the Company having conducted negotiations with the Tender Offeror, Etc. while receiving advice from Daiwa Securities, as a result of which the Company obtained from the Tender Offeror, Etc. 4 proposals to increase the purchase price and reached a final agreement. The circumstance of the series of negotiations was shared with and explained to the Special Committee by the Company and Daiwa Securities in a timely manner when a Special Committee meeting was held or by email. As a result, the final Tender Offer Price has been substantially increased from the

price initially quoted by the Tender Offeror, Etc. and it is found that the Company has held negotiations with the intention of effecting the Transactions on terms and conditions as comprehensible and as favorable to the general shareholders as possible. Based on the above, it is presumed that the agreement on the Tender Offer Price in the Transactions was reached as a result of negotiations between the Company and the Tender Offeror, Etc., based on objective and consistent discussions which are substantially equivalent to those at arm's length, and there are no circumstances which raise doubts about the transparency and fairness of the agreement process.

- The Business Plan has been prepared on a standalone basis without assuming the implementation of the Transactions, and since there was no change in the preparation process prior to and after the receipt of the non-legally-binding Initial Statement of Intent dated May 22, 2023, which can be referred to as a serious proposal in respect of the Transactions which proposed that the Company Shares be delisted through the Tender Offer and a series of procedures to make the Tender Offeror and Minamigata Holdings the only shareholders of the Company and delist the Company Shares, which was under review and preparation by the Company, there does not seem to be any fact that the Tender Offeror, Etc. or their related persons were involved in or had influence on the preparation of the Business Plan. Furthermore, although the Company has provided certain explanations to the Tender Offeror, Etc. regarding in the negotiations with them, there is no fact that the Business Plan was established or revised according to the instructions of or considering the intention of the Tender Offeror, Etc. In addition, although the Company provided the Special Committee with an opportunity to explain the basis of the Business Plan and questions and answers were exchanged, there were no circumstances requiring amendment of the Business Plan or any other circumstances raising doubt about the reasonableness of the Business Plan. In view of the foregoing, there is no fact that pressure on the part of the Tender Offeror, Etc. was involved in the process of establishing the Business Plan and the contents thereof is not found to be an unreasonable estimate.
- With regard to the Share Valuation Report, according to the interviews with Daiwa Securities, it was evaluated that there were no unreasonable points concerning the choice of the market price method, the comparable multiple valuation method, and the DCF method, as well as the respective calculation methods and bases. On the basis of the foregoing, the Tender Offer Price of JPY 2,600 per share is found (i) to exceed the result of the calculation using the market price method, (ii) to exceed the result of the calculation using the comparable multiple valuation method, and (iii) to be within the range of the result of the calculation using the DCF method of Daiwa Securities and to exceed the median price. Furthermore, while the Tender Offer Price of JPY 2,600 per share is with a premium of 41.23% to 45.90% against the closing price of the Company Shares on the Tokyo Stock Exchange until November 10, 2023 (The closing price on the preceding business day and the average closing price for the past one (1) month, the past three (3) months, and the past six (6) months on the same day), considering the interviews with Daiwa Securities, it is found that a premium of a level that is comparable to other similar transactions is secured under the Tender Offer.

• The method of conducting a tender offer in the first step and a share consolidation in the second step is the method generally employed in these types of privatization transactions, and, in the second step, it is possible to file an application for pricing to the court after exercising appraisal rights. Since the consideration to be received by the shareholders and the holders of the American Depositary Receipts consists of cash, the method of the Transactions is considered to be desirable in that it is easy to understand the consideration and that the value is highly stable and objective. The method is also particularly preferable to a reorganization such as a share exchange in exchange for shares, etc., from the standpoint of simultaneously fulfilling the request that the Company promptly be made a wholly-owned subsidiary and ensuring an opportunity and time for the general shareholders, etc. to make appropriate judgment based on sufficient information. It is also clarified that upon implementing a share consolidation, the amount to be delivered as consideration to the shareholders of the Company shall be calculated to be equal to the price obtained by multiplying the Tender Offer Price by the number of the Company Shares owned by each shareholder. If any money is to be delivered to the Depository Bank, it is expected that the delivered amount will be the amount calculated by multiplying the Tender Offer Price by the number of the Company Shares owned by the Depository Bank. It is also clarified that, after release of the American Depositary Receipts in accordance with the terms and conditions set forth therein, the Depository Bank shall be entitled to deliver to each holder of American Depositary Receipts an amount of money calculated by deducting from the amount the Depository Bank received converted into U.S. dollars the fees of the Depository Bank and taxes, etc., in accordance with the number of American Depositary Receipts owned by it. Based on the above, it is reasonable that the two-step acquisition method with a tender offer is adopted as the acquisition method and that the purchase price will be in cash.

(D) Whether the decision to implement the Transactions (including expressing opinion regarding the Tender Offer) is disadvantageous to the minority shareholders of the Company

Considering that there is no problem with any of (A) to (C) above, it is found that implementation of the Transactions is not disadvantageous to the minority shareholders of the Company.

(E) Whether the Company's Board of Directors should express its opinion in favor of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer and that the holders of the American Depositary Receipts receive delivery of ordinary shares of the Company concerning their American Depositary Receipts in advance and tender their shares in the Tender Offer

Considering that there is no problem with any of (A) to (D) above, it is reasonable that the Company's Board of Directors express its opinion in favor of the Tender Offer at the time of announcement of commencement of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer and recommend that the holders of the American Depositary Receipts deliver their American Depositary Receipts to the Depository Bank in advance and receive delivery of the

Company Shares concerning their American Depositary Receipts and tender the Company Shares in the Tender Offer.

On January 22, 2024, the Company received a notice from the Tender Offeror, Etc. that (i) the procedures and responses required under the competition laws of China and the Foreign Exchange and Foreign Trade Law in Japan had been completed and the procedures and responses required under the competition laws of Japan is scheduled to be completed during the Tender Offer Period and (ii) subject to the fulfillment (or waiver by the Tender Offeror) of the Tender Offer Conditions, the Tender Offer is scheduled to commence on January 30, 2024.

In response, the Company requested the Special Committee to consider whether the opinion in the Report dated November 10, 2023 had changed, and to advise the Company's Board of Directors that if its previous opinion had not changed, it should so state, and if it had changed, it should state its revised opinion. The Special Committee has confirmed the facts regarding whether or not there have been any material changes in circumstances affecting the Transactions since November 10, 2023. The Special Committee has also examined the Consultation Matters mentioned above by sending the Tender Offeror, Etc. a questionnaire describing questions on matters such as the prospects they have on the consummation of the Tender Offer in light of the situation where the market price of the Company Shares has remained at a level above the Tender Offer Price and whether or not they intend to increase the Tender Offer Price and requesting them to give answers on such questions.

In this regard, the Special Committee has determined that the Tender Offer with a tender offer price of 2,600 yen per share will continue to provide the minority shareholders of the Company with an opportunity to sell the Company Shares at a price with an appropriate premium in consideration of the fact that, although the market price of the Company Shares after the announcement of the Transaction has remained at a level slightly higher than the Tender Offer Price, it is estimated that the price was formed by the influence of various expectations about the Transaction based on the existence of the Transaction such as the counterproposals which have not actually been made at present and the expectation that the Tender Offeror, Etc. will raise the Tender Offer Price in order to consummate the Tender Offer as a result of the increase in the market share price, and the fact that no substantial changes have occurred in the business and performance of the Company in the medium to long term regardless of such trend in share price and the fact that there has been no material change in other events relating to the Company in comparison to the circumstances at the time of the announcement of the Tender Offer, and the fact that the Tender Offer provides all minority shareholders with an opportunity to sell their shares outside the market at the same price without being influenced by share prices or trading volume in the market, in addition to the reason for judging that the appropriateness of the terms and conditions of the Transaction, including the Tender Offer Price, is ensured from the perspective of protecting the interests of the minority shareholders of the Company in the abovementioned Report dated November 10, 2023.

With regard to the calculation of the share value of the Company Shares, in light of the fact that the

Company and Daiwa Securities believe that, after considering the circumstances from November 10, 2023 to January 29, 2024, there were no significant changes to the facts underlying the assumptions that affect the validity of the Share Value Report, the Special Committee determined that the Share Value Report remains valid and that there is no need to change the content of the Report dated November 10, 2023 which are based on the results of the Share Value Report.

After going through such review, the Special Committee confirmed that there were no circumstances that required changes in the content of the Report dated November 10, 2023, taking into consideration the circumstances since November 10, 2023, until January 29, 2024, and on January 29, 2024, submitted the Report dated January 29, 2024 to the Company's Board of Directors to the effect that there is no change in the previous opinion.

(II) Obtainment of Share Valuation Report from the Company's Independent Third-party Calculation Agent

In order to ensure fairness in the process of the decision-making for the Tender Offer Price offered by the Tender Offeror, Etc., the Company requested Daiwa Securities, a financial advisor and a third-party calculation agent independent of the Tender Offeror, Etc., to assess the valuation of the Company Shares and obtained the Share Valuation Report from Daiwa Securities as of November 9, 2023. Daiwa Securities does not fall under the category of related party of the Company or the Tender Offeror, Etc. and does not have any material interests in the Transactions that should be described. The remuneration of Daiwa Securities for the Transactions includes a contingency fee to be paid on the condition such as that the Transactions are completed. Taking into consideration general practice in similar transactions and the merits and demerits of the remuneration system that would impose a reasonable monetary burden on the Company even if the Transactions are not consummated, the Company has determined that the inclusion of a contingency fee to be paid on the condition such as that the Transactions are completed does not negate the independence of Daiwa Securities and has appointed Daiwa Securities as the Company's financial advisor and third-party calculation agent in accordance with the above remuneration system. The Special Committee has also confirmed that Daiwa Securities has no problems with its independence.

After considering the calculation method for the Transactions, Daiwa Securities considered it appropriate to evaluate the value of Company Shares from multiple perspectives based on the assumption that the Company is a going concern, and calculated the per-share value of Company Shares by using the market price method, because Company Shares are listed on the Prime Market of the Tokyo Stock Exchange and a market price exists for them, the comparable multiple valuation method since there are several comparable listed companies that can be compared with the Company and it is possible to analogize the share value by comparing the market value of comparable listed companies, and the discounted cash flow (DCF) method, to reflect the future business activities of the Company in the calculation. The range of per share value of Company Shares calculated by Daiwa Securities based on the above methodology is as follows:

Market price method	JPY 1,782 to JPY 1,841
Comparable multiple valuation method	JPY 1,487 to JPY 1,942
DCF method	JPY 2,121 to JPY 2,965

Under the market price method, the per share value of Company Shares was calculated to range from JPY 1,782 to JPY 1,841 based on the closing price of JPY 1,791.5 of Company Shares on the Prime Market of the Tokyo Stock Exchange on the calculation base date of November 9, JPY 1,782 the simple average closing price of Company Shares for the last one month, JPY 1,826 for the last three months, and JPY 1,841 for the last six months, with the calculation base date set at November 9, 2023.

Under the comparable multiple valuation method, a sum-of-the-parts analysis (“SoTP analysis”) was conducted to evaluate the value of the Company Group’s businesses by classifying them into the education business and the nursing care business. In the education business, Nagase Brothers Inc., Waseda Academy Co., Ltd., SPRIX Inc., Meiko Network Japan Co., Ltd., Step Ltd., Gakkyusha Co., Ltd., and Justsystems Corporation were selected as listed companies engaged in relatively similar businesses. In the nursing care business, Solast Corporation, Saint-Care Holding Corporation, and Charm Care Corporation were selected as listed companies engaged in relatively similar businesses. It is understood that the business value of Company was calculated by adding up the business value of each business using the multiple of EBITDA to business value for both the education business and the nursing care business, and the range of the per share value of Company Shares was calculated to be JPY 1,487 to JPY 1,942.

Under the DCF method, the SoTP analysis was also conducted to evaluate the value of each financial projection for the education business and the nursing care business. Based on the earnings forecasts and investment plans in the Business Plan, the business value of each business was calculated by discounting the free cash flows that Company is expected to generate after the third quarter of the fiscal year ending March 31, 2024 to present value using a certain discount rate for each business. The business value of the Company was calculated by adding up the business value of each business. Based on this calculation, the per share value of Company Shares ranges from JPY 2,121 to JPY 2,965. The discount rates are 6.4% to 7.2% for the education business and 7.6% to 8.2% for the nursing care business. The perpetual growth method is used to calculate the going value for both the education and nursing care businesses, with perpetual growth rates ranging from -0.5% to 0.5% for the education business and from 0.0% to 1.0% for the nursing care business.

The Business Plan, which Daiwa Securities used for the DCF method analysis, includes fiscal years in which a significant increase or decrease in profit is expected compared to the previous fiscal year. Specifically, free cash flows are expected to be temporarily negative in the third and fourth quarters of the fiscal year ending March 31, 2024 due to seasonal fluctuations such as increase in inventories in the education business, but are expected to turn positive in the fiscal year ending March 31, 2025. For the fiscal year ending March 31, 2026, the Company expects an increase in operating income and free cash flows primarily due to an increase in corporate revenue of Udemy in the education business, and an increase in operating income and free cash flows in the nursing care business due to an increase in the number of nursing care facility locations and recovery in

occupancy rates as the effects of the COVID subside. With respect to the value-enhancing measures assumed by the Tender Offeror, Etc. following the completion of the Transactions, the Company does not identify any matters that would allow a quantitative assessment of the possibility of a material impact on the valuation at this time and, therefore, the Company does not include such matters in the following financial projections. Thus, the financial projections in the Business Plan are not necessarily based on the assumption that the Tender Offer will be completed.

The Company's financial projections used in the DCF calculation are as follows. Since the facts set forth in the "Notice Concerning Revision of Consolidated Full-Year Earnings Forecasts" released by the Company on January 29, 2024 could not have been foreseen at the time the Tender Offer was announced, such revisions of the earnings forecast has not been included in the Company's financial projections.

(In JPY million)

Education Business	Year ending March 31, 2024 (six months)	Year ending March 31, 2025	Year ending March 31, 2026
Sales revenue	146,567	295,483	316,705
Operating income	4,124	12,012	16,996
EBITDA	10,286	23,731	28,643
Free cash flows	△6,624	4,506	11,243

(In JPY million)

Nursing Care Business	Year ending March 31, 2024 (six months)	Year ending March 31, 2025	Year ending March 31, 2026
Sales revenue	73,321	152,721	164,789
Operating income	5,910	12,000	15,000
EBITDA	9,840	20,188	23,906
Free cash flows	4,042	3,258	7,502

The Company's Board of Directors believes that there have been no significant changes in the assumptions affecting the validity of the Share Valuation Report in light of the circumstances from the meeting of the Company's Board of Directors held on November 10, 2023 to January 29, 2024, and based on the advice received from Daiwa Securities and AMT, the Share Valuation Report remains valid.

(III) Advice from Independent Law Firm at the Company

In order to ensure the fairness and appropriateness in the decision-making process of the Company's Board of Directors regarding the Tender Offer, the Company has appointed AMT as its legal advisor independent of the Company and the Tender Offeror, Etc., has received necessary legal advice regarding the method and process of decision-making by Company's Board of Directors, including the procedures for the Transactions, and other points to be noted. AMT is not a related party of the Company or the Tender Offeror, Etc. and has no

material interests in the Transactions that should be described. The remuneration of AMT for the Transactions will be, regardless of the success or failure of the Transactions, calculated by multiplying the working hours by the hourly rate for performance of services, and does not include a contingency fee to be paid on the condition such that the Transactions are completed. The Special Committee has also confirmed that there are no problems with the independence of AMT.

(IV) Approval of All Directors of the Company without Conflicts of Interest and Opinion of No Objection of All Company Auditors without Conflicts of Interest

Taking into account the legal advice provided by AMT, the contents of the Share Valuation Report obtained from Daiwa Securities as of November 9, 2023, and with the utmost respect for the contents of the Report dated November 10, 2023 submitted from the Special Committee, the Company carefully discussed as to whether the Company may enhance its corporate value through the Transactions and whether the Transactions implemented through fair procedures ensure the benefits to be enjoyed by the minority shareholders.

Consequently, as stated in “1. Purpose and Reasons for Share Consolidation”, the Company, at the meeting of its Board of Directors held on November 10, 2023, expressed the Company’s opinion at that time in support of the Tender Offer by unanimous vote of the Directors of the Company who participated in the deliberations and the resolution (7 Directors of the Company (all 8 Directors of the Company except Mr. Hideaki Fukutake)), and resolved to recommend that the Company’s shareholders tender their shares in the Tender Offer and the holders of the American Depositary Receipts deliver their American Depositary Receipts to the Depositary Bank in advance and receive delivery of the Company Shares concerning their American Depositary Receipts and tender the Company Shares in the Tender Offer. All 4 company auditors of the Company were present at the said meeting of the Company’s Board of Directors and all the company auditors who were present expressed their opinions that they have no objection to the abovementioned resolution.

Accordingly, the Company also resolved at the above meeting that it will request the Special Committee established by the Company to consider whether or not there has been any change to the Special Committee’s opinion in the Report submitted to the Company’s Board of Directors as of November 10, 2023, and if there hasn’t been any change, that the Special Committee will make a statement to the Company’s Board of Directors to that effect or, if any change has been made to its previous opinion, the Special Committee will state its opinion on the Tender Offer again at the time of commencement of the Tender Offer.

On January 22, 2024, the Company received a notice from the Tender Offeror, Etc. that (i) the procedures and responses required under the competition laws of Japan and China and the Foreign Exchange and Foreign Trade Law in Japan had been completed and the procedures and responses required under the competition laws of Japan is scheduled to be completed during the Tender Offer Period and (ii) subject to the fulfillment (or waiver by the Tender Offeror) of the Tender Offer Conditions, the Tender Offer is scheduled to commence on January 30, 2024.

In response, while respecting to the fullest extent the contents of the Report dated January 29, 2024 submitted by the Special Committee, and in light of the Company’s business conditions and the environment surrounding

the Transactions, the Company has once again carefully considered the various terms and conditions of the Tender Offer, and as of January 29, 2024, the Company has determined that there are no factors that would cause the Company to change its opinion regarding the Tender Offer as of November 10, 2023.

At a meeting of the Company's Board of Directors held on January 29, 2024, the directors of the Company (7 out of 8 directors in total, excluding Mr. Hideaki Fukutake) unanimously resolved to express its opinion in support of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer and that the holders of the American Depositary Receipts tender their shares in the Tender Offer after having delivered the American Depositary Receipts to the Depositary Banks in advance and having received delivery of the Company Shares represented by the American Depositary Receipts.

At the abovementioned meeting of the Company's Board of Directors, among the 8 Directors of the Company, since Mr. Hideaki Fukutake is in a situation of structural conflict of interest with the Company in respect of the Transactions, and, in order to avoid the doubt of conflict of interest, he has not participated in the deliberations and resolution at the abovementioned meeting of the Company's Board of Directors, nor has he participated in any discussions or negotiations with the Tender Offeror, Etc. on the part of the Company in connection with the Transactions. Furthermore, Mr. Yoshinori Matsumoto, the Company's company auditor, who serves on the board of councilors of Fukutake Education and Culture Foundation has not participated in the deliberations and resolutions in connection with the Transactions at the meeting of the board of councilors of Fukutake Education and Culture Foundation nor has he participated in any discussions or negotiations with the Tender Offeror, Etc. on the part of a councilor of Fukutake Education and Culture Foundation.

(V) Measures to Ensure Opportunities for Purchases from Other Purchasers

It is understood that, although the Tender Offeror sets the Tender Offer Period of 23 business days, it considers that opportunities are ensured for the general shareholders of the Company and the holders of the American Depositary Receipts to appropriately judge whether or not to tender their Company Shares in the Tender Offer and for any person other than the Tender Offeror to make a purchase, etc. of the Company Shares since there is a long period of time between the announcement of the scheduled commencement and actual commencement of the Tender Offer. Further, it is understood that the Tender Offeror, Etc. have not made any agreement with the Company that restricts the counterbidders from making contact with the Company such as an agreement including transaction protection clauses that prohibit the Company from making contact with the counterbidders. Therefore, it is understood that the Tender Offeror, Etc. have given consideration to ensure the fairness of the Tender Offer by ensuring opportunities to make a countervailing purchase, etc. together with the abovementioned period before the commencement of Tender Offer.

(VI) Measures to Ensure that the Company's Shareholders Have Opportunity to Make Appropriate Decision as to Whether to Tender Their Shares in the Tender Offer

The Tender Offeror will, (A) during the period of the Tender Offer, request the Company to hold an EGM that includes in its agenda a proposal to conduct the Share Consolidation and, to partially amend the Articles of

Incorporation to abolish the provisions for the number of shares constituting one unit of shares subject to the Share Consolidation becoming effective, and no method will be adopted that does not secure the right to request purchase of shares or the right to request a price determination for the shareholders of the Company and the holders of the American Depositary Receipts, and (B) the amount of money to be paid to the shareholders of the Company upon the Share Consolidation will be calculated so that it will be equal to the Tender Offer Price multiplied by the number of Company Shares owned by each such shareholder. Therefore, it is understood that, the Tender Offeror gives consideration so that there will be no coerciveness by ensuring opportunities for the shareholders of the Company and the holders of the American Depositary Receipts to make appropriate decision as to whether to tender their shares in the Tender Offer.

4. Future Outlook

As a result of the implementation of the Share Consolidation, the Company Shares are scheduled to be delisted as described in “(I) Delisting” in “(ii) Likelihood of Delisting” in “3. Basis of Amount of Money Expected to be Delivered to Shareholders as a Result of Rounding Concerning Share Consolidation”.

The Transactions constitute the so-called management buyout (MBO), and Mr. Hideaki Fukutake plans to continue to manage the Company after the completion of the Transactions, and it is understood that, through the Transactions, he will ultimately own shares of Bloom 2 K.K. (Note 4) (the “Tender Offeror Parent Company”) through efu Investment and indirectly own shares of the Company and thereby promote measures to maximize the corporate value of the Company.

Bezant (HK) Limited (Note 5) (“Bezant (HK)”) has agreed with the Founding Family Group in the shareholders agreement executed on November 10, 2023, that after the Tender Offer, the total number of directors of the Company will be up to seven (7), and that Mr. Hitoshi Kobayashi (Representative Director and President, CEO), Mr. Hideaki Fukutake (Chairman of the Board of Directors), and one outside director to be jointly appointed by Bezant (HK) and the Founding Family Group will be initially appointed as directors. However, the specific timing of the appointment of new directors and the specific candidates have not been determined at this time. It is understood that other matters regarding the management structure of the Company after the Transactions have not been determined at this time and will be discussed with the Company. In addition, it is understood that the Tender Offeror plans to maintain, in principle, the current treatment of the Company’s employees after the Transactions.

It is understood that the Tender Offeror plans to introduce incentive plans such as stock options for the Company’s management and employees after the Transactions. It is understood that although some of the management and employees of the Company own shares of the Company, (i) the specific details of the incentive plan have not been determined as of today, and no agreement has been reached with the management and employees of the Company as to whether or not the incentive plan will be introduced; and (ii) the incentive plan is intended to encourage the Company’s management and employees to have a common goal to improve the corporate value of the Tender Offeror, and is not linked to the number of shares tendered by the Company’s management or employees in the Tender Offer, and therefore, the Tender Offeror believes

that the introduction of incentive plans such as stock options is not tied to the tendering in the Tender Offer and does not contradict with the intent of the regulations on uniformity of the tender offer price (Article 27-2, Paragraph 3 of the Act).

(Note 4) It is understood that Bloom 2 K.K. is incorporated under the laws of Japan and owns all of the issued shares of the Tender Offeror.

(Note 5) It is understood that Bezant (HK) Limited is incorporated under the laws of Hong Kong and owns all of the issued shares of the Tender Offeror Parent Company.

5. Matters Regarding Transactions with Controlling Shareholder

(i) Applicability of Transactions with Controlling Shareholder and Compliance with Guidelines Concerning Minority Shareholders Protection Policy

The Tender Offeror came to fall under a parent company of the Company as of the commencement date of settlement of the Tender Offer (March 12, 2024), and therefore, the transaction for the Share Consolidation falls under the category of a transaction, etc. with a controlling shareholder. In its corporate governance report, the Company has not established “Guidelines on the Policies for the Protection of Minority Shareholders in Cases of Transactions with the Controlling Shareholder”. However, the Company’s policy is that in conducting transactions with a controlling shareholder, it takes measures to ensure the fairness of the content and terms and conditions of the transactions, such as obtaining advice from lawyers and third-party organizations, etc. as necessary, and the Board of Directors makes decisions after careful deliberation and takes appropriate actions so as not to harm the interests of minority shareholders. In implementing the Share Consolidation, as described above in “(iii) Measures to Ensure Fairness of the Transactions and Measures to Avoid Conflicts of Interest” in “3. Basis of Amount of Money Expected to be Delivered to Shareholders as a Result of Rounding Concerning Share Consolidation” above, the Company’s Board of Directors carefully deliberated and examined the Share Valuation Report obtained from Daiwa Securities, legal advice from AMT as legal advisor regarding the method and process of decision-making by Company’s Board of Directors, including the procedures for the Transactions including the Share Consolidation, and other points to be noted, the Report dated November 10, 2023 and the Report dated January 29, 2024 submitted by the Special Committee, and other related materials, and the Company believes that it has taken appropriate actions so as not to harm the interests of minority shareholders, and that it is in compliance with the policy above.

(ii) Matters Concerning Measures to Ensure Fairness and Measures to Avoid Conflicts of Interest

Please refer to “(iii) Measures to Ensure Fairness of the Transactions and Measures to Avoid Conflicts of Interest” in “3. Basis of Amount of Money Expected to be Delivered to Shareholders as a Result of Rounding Concerning Share Consolidation” above.

(iii) Summary of Opinion Received from a Person Who Has No Interest with the Controlling Shareholder Concerning the Transaction Not Being Disadvantageous to Minority Shareholders

The Company has received the Report Dated November 10, 2023 from the Special Committee to the effect that it is found that the decision to implement the Transactions is not disadvantageous to the minority shareholders of the Company. In addition, the Company has received from the Special Committee the Report dated January 29, 2024 to the effect that there is no change in the previous opinion in the Report Dated November 10, 2023. For details, please refer to “(III) Establishment of Independent Special Committee at the Company and Obtainment of Reports from the Special Committee” in “(iii) Measures to Ensure Fairness of the Transactions and Measures to Avoid Conflicts of Interest” in “3. Basis of Amount of Money Expected to be Delivered to Shareholders as a Result of Rounding Concerning Share Consolidation” above.

II. Abolition of Provisions for the Number of Shares Constituting One Unit of Shares

1. Reasons for Abolition

When the Share Consolidation takes effect, the total number of issued shares of the Company will be six (6) shares, and there will be no need to provide the number of shares constituting one unit of shares.

2. Scheduled Date of Abolition

May 21, 2024

3. Conditions for Abolition

The abolition is subject to the approval and resolution at the EGM of the proposal for the Share Consolidation and the proposal for the Partial Amendment of the Articles of Incorporation for the Abolition of Provisions for the Number of Shares Constituting One Unit of Shares (please refer to “Partial Amendment of the Articles of Incorporation” below) as originally proposed and the Share Consolidation becoming effective.

III. Partial Amendment of the Articles of Incorporation

1. Purpose of Amendment of the Articles of Incorporation

- (1) If Proposal 1 “Share Consolidation” is approved as proposed and the Share Consolidation takes effect, the total number of authorized shares of Company Shares will be reduced to 24 shares in accordance with the provisions of Article 182, Paragraph 2 of the Companies Act. To clarify this point, the provisions regarding the total number of authorized shares in “Article 6. Total Number of Authorized Shares to Be Issued” of the Articles of Incorporation are to be amended on the condition that the Share Consolidation takes effect.
- (2) If Proposal 1 “Share Consolidation” is approved as proposed and the Share Consolidation takes effect, the total number of issued shares of the Company will be 6 shares, and there will be no need to determine the trading unit of shares. Therefore, subject to the Share Consolidation taking effect, the entire text of “Article 7. Trading Unit”, “Article 8. Limitation of Rights regarding Shares Constituting Less Than One Trading Unit”, and “Article 9. Requests for Additional Purchase of Shares Constituting Less Than One Trading Unit” of the Articles of Incorporation will be deleted in order to abolish the current provision of 100 shares per trading unit, and the number of articles to be

amended is to be carried forward in accordance with these changes.

- (3) If Proposal 1 is approved as proposed, upon the Share Consolidation, the Company Shares will be delisted and the Tender Offeror and Minamigata Holdings will be the only shareholders of the Company, and the provisions regarding the record date of the AGM and the electronic provision system for the AGM materials will no longer be necessary. Therefore, subject to the Share Consolidation taking effect, the entire text of “Article 13. Record Date of Ordinary General Shareholders' Meetings” and “Article 15. Electronic Provision Measure, etc.” will be deleted, and the number of articles to be amended is to be carried forward in accordance with these changes.

2. Details of Amendment

The details of the amendment are as follows.

(Changes are underlined)

Existing Text	Proposed Amendment
<p>Article 6. Total Number of Authorized Shares to Be Issued</p> <p>The total number of authorized shares to be issued by the Corporation shall be <u>four hundred five million two hundred eighty-two thousand forty (405,282,040)</u>.</p>	<p>Article 6. Total Number of Authorized Shares to Be Issued</p> <p>The total number of authorized shares to be issued by the Corporation shall be <u>twenty-four (24)</u>.</p>
<p><u>Article 7. Trading Unit</u></p> <p><u>The trading unit of the Corporation shall be one hundred (100) shares.</u></p>	<p>[Delete]</p>
<p><u>Article 8. Limitation of Rights regarding Shares Constituting Less Than One Trading Unit</u></p> <p><u>Shareholders of the Corporation may not exercise rights other than the following with respect to their shareholdings constituting less than one trading unit:</u></p> <p>(1) <u>The rights listed in the items of Paragraph 2 of Article 189 of the Companies Act;</u></p> <p>(2) <u>The right to request redemption of shares with put option;</u></p> <p>(3) <u>The right to receive allotment of shares for subscription and allotment of stock acquisition</u></p>	<p>[Delete]</p>

<p><u>rights for subscription in accordance with the number of shares held; and</u></p> <p>(4) <u>The right to make requests provided in Article 9.</u></p>	
<p><u>Article 9. Requests for Additional Purchase of Shares Constituting Less Than One Trading Unit</u></p> <p><u>1 A shareholder of the Corporation may request the Corporation to sell to it the number of shares needed to make its shares constituting less than one trading unit into a trading unit (hereinafter called “Requests for Additional Purchase”); provided, however, that this shall not apply in the case that the Corporation does not hold own shares in the number requested.</u></p> <p><u>2 The timing when Requests for Additional Purchase can be made and the method for making them shall be governed by the Share Handling Regulations adopted by the Board of Directors of the Corporation.</u></p>	[Delete]
<p>Article <u>10</u>. – Article <u>12</u>. (The text of the Articles is omitted.)</p>	Article <u>7</u> . – Article <u>9</u> . (The text of the Articles remains unchanged.)
<p><u>Article 13. Record Date of Ordinary General Shareholders' Meetings</u></p> <p><u>The record date for voting rights at the ordinary general shareholders' meeting of the Corporation shall be March 31 of each year.</u></p>	[Delete]
<p>Article <u>14</u>. (The text of the Article is omitted.)</p>	Article <u>10</u> . (The text of the Article remains unchanged.)
<p><u>Article 15. Electronic Provision Measure, etc.</u></p> <p><u>1 When convening the general shareholders' meeting, the Corporation shall take an electronic provision measure for information that constitutes the contents of reference</u></p>	[Delete]

<p><u>documents related to the general shareholders' meetings.</u></p> <p><u>2 Among matters for which electronic provision</u> <u>measures will be taken, the Corporation may exclude all</u> <u>or part of the matters as set forth in the Ordinance of the</u> <u>Ministry of Justice from written documents to be</u> <u>delivered to shareholders who submit to the Corporation</u> <u>a request for the delivery of written documents by the</u> <u>record date for voting rights.</u></p>	
<p>Article <u>16</u>. – Article <u>34</u>. (The text of the Articles is omitted.)</p>	<p>Article <u>11</u>. – Article <u>29</u>. (The text of the Articles remains unchanged.)</p>

3. Date of Amendment of the Articles of Incorporation

May 21, 2024 (scheduled)

4. Conditions for Amendment of the Articles of Incorporation

The amendment is subject to the approval and resolution at the EGM of the Proposal 1 and the Share Consolidation becoming effective.

End