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May 1, 2024

To whom it may concern

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Notice Regarding Commencement of Tender Offer for the Shares of Chilled & Frozen Logistics Holdings Co., Ltd. (Code: 9099)

AZ-COM MARUWA Holdings Inc. (the “Tender Offeror”) hereby gives notice that at its Board of Directors meeting held May 1, 2024, it resolved to acquire ordinary shares of Chilled & Frozen Logistics Holdings Co., Ltd. (Stock code: 9099; listed on the Tokyo Stock Exchange (“TSE”) Prime Market; “Target”) (“Target Shares”) through a tender offer (“Tender Offer”) under the Financial Instruments and Exchange Act (Law No. 25 of 1948, as amended; “FIEA”).

1. Purpose of Purchase etc.

(1) Tender Offer Overview

As announced in the Notice Regarding Plans to Commence Tender Offer for the Shares of Chilled & Frozen Logistics Holdings Co., Ltd. (Code: 9099) dated March 21, 2024 (“March 21, 2024 Press Release”), at its Board of Directors meeting held March 21, 2024, the Tender Offeror decided, as part of the series of transactions for the purpose of making Target a wholly-owned subsidiary of the Tender Offeror (the “Transaction”), subject to the condition that conditions ① and ② below (condition precedent ① is referred to as “Tender Offer Condition Precedent ①, condition precedent ② is referred to as “Tender Offer Condition Precedent ②; Tender Offer Condition Precedent ① and Tender Offer Condition Precedent ② are referred to collectively as “Tender Offer Conditions Precedent”) are all satisfied or waived by the Tender Offeror (however, the only condition that may be waived by the Tender Offeror is Tender Offer Condition Precedent ②; hereinafter the same), to carry out the Tender Offer for all Target Shares listed on the Tokyo Stock Exchange Prime Market (other than those already owned by the Tender Offeror and Target’s treasury shares).

① That all procedures under domestic and foreign competition law and foreign investment regulations necessary to execute the Transaction (“Permission Procedures”) are all completed or the Tender Offeror determines that it is reasonably expected that they will be completed by the final day of the purchase etc. period for the Tender Offer (“Tender Offer Period”).

② (a) That no event has arisen that would allow withdrawal of the tender offer under FIEA, Article 27-11, Paragraph 1, proviso, and (b) that the organ responsible for making decisions on the execution of operations of the Target has not made the decision to distribute surplus, having a day prior to the day of commencement of the settlement for the Tender Offer ("Settlement Commencement Date") as the reference date, or acquire its own shares, having a day prior to the Settlement Commencement Date as the acquisition date (excluding market purchases on the TSE and acquisition of own shares by using off-auction own share repurchase trading (ToSTNet-3) having an upper limit of 3,400,000 Target Shares, during the period from November 17, 2023, to September 30, 2024, as resolved by Target at its Board of Directors meeting on November 16, 2023 (as set forth in Target's press release dated March 28, 2024, entitled "Notice Concerning the Temporary Suspension on the Acquisition of Treasury Shares and the Status of the Acquisition of Treasury Shares (Acquisition of Treasury Shares Under the Provisions of the Articles of Incorporation Pursuant to the Provisions of Article 459, Paragraph 1 of the Companies Act)," comprehensively considering factors such as the fact that, following the release of the March 21, 2024 Press Release, the pricing process for the Target Shares has become different from that under normal circumstances, Target has temporarily suspended the acquisition of own shares since March 28, 2024).

The Tender Offeror made a diligent investigation based on public information available regarding the specific nature of the Permission Procedures of Condition Precedent ①, and on this basis has concluded that in executing the Transaction, it will be necessary to obtain permissions under the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Law No. 54 of 1947, as amended) ("Antimonopoly Act"), and procedures under the competition law and foreign investment regulations of other countries will not be necessary. With respect to its acquisition of the Target Shares through the Tender Offer ("Share Acquisition"), the Tender Offeror on March 29, 2024, submitted notification of its plans for the Share Acquisition that is to be given in advance to the Japan Fair Trade Commission ("JFTC") under Article 10, Paragraph 2 of the Antimonopoly Act ("Advance Notification"), and it was accepted by the JFTC on the same day; the Tender Offeror then received a notice dated April 25, 2024, to the effect that the JFTC would not issue an order for measures necessary to eliminate the acquisition of shares of other companies that would substantially restrict competition in a particular field of trade under Article 17-2, Paragraph 1 of said Act, and as of April 25, 2024, the waiting period of 30 days (which may be shortened in some cases) in principle from the date of acceptance of the Advance Notification during which the Share Acquisition is not allowed under Article 10, Paragraph 8 of said Act expired; thus the Tender Offeror has confirmed that, as of April 25, 2024, the Tender Offer Condition Precedent ① was satisfied, and on May 1, 2024, confirmed Target press releases and other disclosed information, and confirmed that no reason existed hindering satisfaction of that the Tender Offer Condition Precedent ② (note that the Tender Offeror has not waived the Tender Offer Condition Precedent ②). Accordingly, the Tender Offeror at its Board of Directors meeting held May 1, 2024, decided to commence the Tender Offer starting May 2, 2024. As announced in the March 21, 2024 Press Release, the purchase price in the Tender Offer ("Tender Offer Price") is set at 3,000 yen per share; regarding the Tender Offer Period, as discussed below, the March 21, 2024 Press Release indicates that this is 20 business days, but this has been changed to 31 business days.

The Tender Offeror had its first meeting with Target on April 3, 2024, subsequently had two exchanges of "List of Inquiries" and "Responses", and on April 24, 2024, had a meeting with the special committee that Target established on April 1, 2024, for the purpose of consideration of the Transaction ("Special Committee"), where it gave explanations regarding matters that the Special Committee wished to confirm (grounds for calculation of the synergy effects arising for the Target Group from the Transaction, etc.), and engaged in other continuous discussions. However, on April 24, Tender Offeror received a request letter in the joint name of Target and the Special Committee, which requested a postponement of the commencement of the Tender Offer until at least the end of May, to ensure a sufficient period for such matters as a market check, and, in the event that the Tender Offeror did not agree to postpone the commencement of the Tender Offer, and it was judged that it was necessary to perform a sufficient market check and secure the interests of Target and its shareholders, to the extent necessary for such purpose, it would consider the implementation of a response policy and countermeasures against the Tender Offer. Because this request came in the joint name of Target and the Special Committee, the Tender Offeror again gave sincere consideration to its response, but because even if the commencement of the Tender Offer was not delayed, not only would there not be any harm to the interests of Target's shareholders, but it was precisely providing Target's shareholders with an opportunity to sell their Target shares at an early stage that would be in the best interests of Target's shareholders, and for this reason, the Tender Offeror judged that at that point in time the commencement of the Tender Offer should not be delayed and decided on a policy of not complying with such request, and determining that it would be difficult to obtain Target's support for the Transaction by the early March 2024 Tender Offer commencement that the Tender Offeror had been planning, the Tender Offeror decided at its Board of Directors meeting held on May 1, 2024, to commence the Tender Offer even without receiving Target's support for the Transaction. Meanwhile, according to the March 21, 2024 Press Release, the Tender Offer Period is set at 20 business days, and it was expected that in that case the Tender Offer Period would expire on May 31, 2024, but given that Target and the Special Committee were requesting at least until the end of May 2024 as an opportunity for a market check, the Tender Offeror decided to extend the Tender Offer Period until June 17, 2024 (31 business days), in order to enable Target shareholders to compare that Proposal against any counterproposal that is released by around the end of May. For details regarding the course of events up to the Tender Offeror's May 1, 2024 decision to commence the Tender Offer, please refer to "(2) The Background, Objective and Decision-Making Process Leading to the Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy, ① The Background, Objective and Decision-Making Process Leading to the Decision to Implement the Tender Offer, IV. Course of Events Following Release of the March 21, 2024 Press Release".

As of this day, the Tender Offeror owns 24,296 Target Shares (Shareholding ratio (Note 1): 0.11%), and the Tender Offeror's representative director, Masaru Wasami owns 728,400 Target Shares (Shareholding ratio: 3.36%).

The Tender Offeror plans, in the Tender Offer, to set the lower limit of the number of shares planned for purchase at 10,811,204 shares (Shareholding ratio: 49.89%) (Note 2), and (i) if the number of share certificates etc. tendered in the Tender Offer ("Tendered Share Certificates etc.") does not reach 10,811,204 shares, the Tender Offeror will not carry out the purchase etc. of all Tendered Share Certificates etc., but (ii) if the number of Tendered Share Certificates etc. does reach 10,811,204 shares (Note 8), the Tender Offeror will promptly give a public announcement to such effect, and extend the Tender Offer Period so that there are 10 business days left in the Tender Offer Period, counting from the business day following the date of such announcement (however, if the number of Tendered Share Certificates reaches the lower limit of the number of shares planned for purchase within 21 business days of the start of the Tender Offer Period, there will be no extension of the Tender Offer Period, as there will be at least 10 business days left in the Tender Offer Period, counting from the business day following the date of such announcement). This arrangement is intended to separate the manifestation of intent regarding whether to support or oppose the Transaction from the manifestation of intent of whether to tender shares in the Tender Offer. This will eliminate coercion, and the Tender Offeror believes that it will also provide an opportunity for even more shareholders of Target to tender their shares. Meanwhile, because its objective in the Tender Offer is to acquire all Target Shares (other than those owned by the Tender Offeror and Target's own shares) and make Target a wholly-owned subsidiary of the Tender Offeror, Tender Offeror has set no maximum number of shares planned for purchase, and if the total number of Tendered Share Certificates etc. is equal to or greater than the lower limit of the number of shares planned for purchase (10,811,204 shares), the Tender Offeror will make purchase etc. of all Tendered Share Certificates etc.

Note 1: "Shareholding ratio" means the ratio with respect to the total number of outstanding Target-issued shares as of March 31, 2024, as set forth in the Own Share Buyback Status Report that Target submitted on April 8, 2024 ("Target Own Share Buyback Status Report") (25,690,766 shares) less the number of Target own shares as of the same date as set forth in the Target Own Share Buyback Status Report (4,019,772 shares) (meaning a total of 21,670,994 shares) (rounded off to the second decimal place; the same applies hereinafter with respect to shareholding ratios). The same applies hereinafter unless otherwise noted.

Note 2: The lower limit on the number of shares planned for purchase is calculated as below. First, take the total number of outstanding Target Shares as of March 31, 2024, as set forth in the Target Own Share Buyback Status Report (25,690,766 shares), and subtract the number of Target treasury shares as of the same date as set forth in the same report (4,019,772 shares), resulting in 21,670,994 shares. The number of voting rights associated with these shares is 216,709, under which the majority (Note 3) is 108,355 votes. Then, multiply the majority votes by the number of shares in one voting right unit (100 shares), resulting in 10,835,500 shares. Last, subtract from this number, the Target Shares that the Tender Offeror owns (24,296 shares), resulting in 10,811,204 shares.

Note 3: The Guidelines for Fair M&A Transactions: Enhancing Corporate Value and Securing Shareholders' Interests ("Fair M&A Guidelines") released by the Ministry of Economy, Trade and Industry on June 28, 2019, makes the point that "one trend of Japan's capital markets in recent years is the increasing scale of passive index funds (Note 4); among these are investors that, in principle, regardless of whether the transaction conditions are appropriate or not, will not tender their shares in tender offers." There are some passive index funds that own Target Shares that, in principle, regardless of whether the transaction conditions are appropriate or not, will not tender their shares in tender offers, but, looking at past examples, will exercise their voting rights in favor of proposals for share consolidation at the subsequent general shareholder meeting to consider the squeeze-out procedures. Given the state of shareholders ("State of Target Shareholders") as indicated in the 8th term securities report that Target submitted on June 29, 2023 ("Target Securities Report"), it appears that there are at least a certain number of Target Shares owned by this kind of passive index fund. For this reason, prior to the release of the March 21, 2024 Press Release, the Tender Offeror asked its financial advisor Mizuho Securities ("Mizuho Securities") to provide estimates, based on public information and the information of information vendors that provide data provision services regarding financial markets etc., regarding the number of Target Shares expected to be owned by passive index funds and the number of Target Shares expected to be tendered in the Tender Offer, assuming the premium level of the Tender Offer Price. Further, there is also a certain number of Target Shareholders that own Target Shares in cross-shareholding arrangements or for similar purposes. If Target's Board of Directors expresses an opinion not in favor of the Tender Offer, these shareholders would uphold such opinion and thus not tender their shares. For this reason, the Tender Offeror asked Mizuho Securities, in addition to the request above, to consider shareholder attributes and estimate how shares that would not be expected to be tendered if Target expressed such an opinion would be voted at an Extraordinary General Shareholders Meeting (defined below in "(5) Post-Tender Offer Reorganization Policy (Matters Relating to Two-Step Acquisition)"; hereinafter the same) while having on its agenda the Share Consolidation (defined below in "(5) Post-Tender Offer Reorganization Policy (Matters Relating to Two-Step Acquisition)"; hereinafter the same) taking into account the fact that the Tender Offeror came to own Target Shares representing a shareholding ratio of greater than 50.00% (that is, a case where the Tender Offeror has become the parent company of Target). This resulted in a trial calculation regarding Target Shares, in which it cannot be said with certainty at the present time whether they would be tendered, but they would be expected to be voted in favor of a Share Consolidation proposal. While precise predictions are difficult, it is expected that the number of Target Shares owned by passive index funds (expressed as a shareholding ratio (Note 9), 10.16%) (Note 5) *plus* the number of Target Shares owned by Target's employee shareholding association (4.00%) and the number of Target Shares owned by shareholding associations of transaction partners (3.77%) (Note 6) would reach a total of roughly 17.93% if expressed as a shareholding ratio. Accordingly, the trial calculations showed that even if after the Tender Offer is successfully executed the number of Target Shares owned by the Tender Offeror is close to the lower limit of the number of shares planned for purchase, it was predicted that the resolution for the Share Consolidation would receive enough votes for approval.

For this reason, even if after the Tender Offer is successfully completed, the number of Target Shares owned by the Tender Offeror is the minimum number of shares planned for purchase (roughly 50.00% plus), because the number of Target Shares that are expected to be exercised in favor of the Share Consolidation proposal, expressed as a shareholding ratio, is expected to reach roughly 67.93%, even if at the Extraordinary General Shareholders Meeting the voting rights exercise rate is 100%, it is still expected that the two-thirds requirement for passing special resolutions will be exceeded. Further, it is estimated that the level of Target Shares expected to be voted in favor of the Share Consolidation resolution (roughly 67.93%) will easily surpass the level equivalent to the number of owned shares actually necessary for the Share Consolidation resolution to pass, which is approximately 60.23%, obtained by multiplying (x), the maximum voting rights exercise rate at the past five ordinary general shareholder meetings of Target (roughly 90.35%) (Note 7), by (y) two-thirds, which is the voting ratio required for the passage of special resolutions at general shareholder meetings. Thus, the Tender Offeror received the opinion that even when estimated conservatively, it is expected that requirements for passing the Share Consolidation resolution will be met. In the light of this opinion, the Tender Offeror, because its purpose in implementing the Tender Offer is to make Target a wholly-owned subsidiary, decided on a lower limit of number of shares planned for purchase at a level where the passage of the Share Consolidation resolution can be reasonably expected, and the probability of a successful Tender Offer is maximized.

Subsequently, given that the Tender Offeror obtained from Target on April 11, 2024, a complete Target shareholder register with a reference date of March 31, 2024, and that a certain period of time had passed since the release of the March 21, 2024 Press Release, again asked Mizuho Securities to provide estimates regarding the number of Target Shares owned by passive index funds and, if Target expresses an opinion not in favor of the Tender Offer, how shareholders would vote, taking into their attributes. The Tender Offeror then received the following opinion on April 18, 2024: with respect to Target Shares expected to be voted in favor of the Share Consolidation resolution, even though it is uncertain whether such shares will be tendered in the Tender Offer, and while providing precise estimates is difficult, it is expected that the number of Target Shares owned by passive index funds (expressed as a shareholding ratio, approximately 10.50%) *plus* the number of Target Shares owned by Target's employee shareholding association (expressed as a shareholding ratio, approximately 3.98%) and the number of Target Shares owned by shareholding associations of transaction partners (expressed as a shareholding ratio, approximately 3.84%) would reach a total of approximately 18.32% when expressed as a shareholding ratio, and accordingly, no change has been made since the trial calculations that even if following successful execution of the Tender Offer, the number of Target Shares owned by the Tender Offeror is close to the lower limit of the number of shares planned for purchase, it was predicted that the resolution for the Share Consolidation would receive enough votes for approval.

For this reason, even if, following successful completion of the Tender Offer, the number of Target Shares owned by the Tender Offeror is the minimum number of shares planned for purchase (approximately slightly more than 50.00%), the number of Target Shares expected to be exercised in favor of the Share Consolidation proposal, expressed as a shareholding ratio, is expected to reach approximately 68.32%, and therefore, even if at the Extraordinary Shareholders Meeting the voting rights exercise rate is 100%, it is still expected that the two-thirds requirement for passing special resolutions will be exceeded, further, it is estimated that the level of Target Shares expected to be voted in favor of the Share Consolidation resolution (approximately 67.93%) will easily surpass the level equivalent to the number of owned shares thought to be actually necessary for the Share Consolidation resolution to pass, which is approximately 60.23% (obtained by multiplying (x), the highest voting rights exercise rate at the past five ordinary general shareholder meetings of Target (approximately 90.35%) by (y) two-thirds, the voting ratio required for the passage of special resolutions at general shareholder meetings) and therefore, even when estimated conservatively, it is expected that requirements for passing the Share Consolidation resolution will be met. Moreover, the Tender Offeror also received the following opinion: while some shareholders that hold Target Shares for cross-shareholding or similar reasons are expected to show support for such opinion of Target's Board of Directors and not tender their shares in the Tender Offer, in the same manner as the shareholding associations of transaction partners, as discussed below in "(2) The Background, Objective and Decision-Making Process Leading to the Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy, ① The Background, Objective and Decision-Making Process Leading to the Decision to Implement the Tender Offer", after the Tender Offeror becomes the new parent company of Target, not only will the Transaction contribute to the enhancement of the corporate value of Target through the creation of synergy between the Tender Offeror Group and the Target Group, including complementarity in business areas between the Tender Offeror Group and the Target Group, and the strengthening of functions of both the Tender Offeror Group and the Target Group, but Target's main customers, the food wholesalers, will be able to enjoy benefits such as a reduction in logistics costs and improved profitability, given that it is a bona fide proposal that also gives weight to the interests of transaction partners, generally, it can be expected that Target's Board of Directors will show a certain understanding regarding the managerial policy of its new parent company, the Tender Offeror, and adopt for its business management a policy that matches that of its Parent Company, and in light of these circumstances, a certain level of support can be expected in addition to the combined number of Target Shares held by passive index funds, Target's employee shareholding association and shareholding associations of transaction partners (approximately 18.32%).

Note 4: A "passive index fund" is a fund that aims to secure a growth rate at the market average, with assets managed with a goal of linking investment results with share price index and other indexes that serve as market benchmarks for stocks and other investment assets.

Note 5: The Tender Offeror has received the following opinion from Mizuho Securities, and the Tender Offeror agrees with this opinion. Specifically, while there are, among the passive index funds that own Target Shares, some that in the past voted against share consolidation resolutions of other companies that had the goal of squeezing out minority shareholders, on the grounds that the economic conditions were insufficient and the transaction would not benefit general shareholders, the Tender Offer Price (3,000 yen per share) (i) represents a 47.06% (rounded off to the second decimal place; hereinafter the same in premium ratio calculations) premium over the closing price for Target Shares on the TSE Prime Market on March 19, 2024, the Business Day prior to the date of announcement of the plan to commence the Tender Offer (2,040 yen), a 57.89% premium over the simple average closing price for the one month immediately prior to such date (1,900 yen (rounded off to the nearest whole number; hereinafter the same for simple average closing prices)), a 75.03% premium over the simple average closing price for the three months immediately prior to such date (1,714 yen), and a 92.55% premium over the simple average closing price for the six months immediately prior to such date (1,558 yen); as discussed below in "Tender Offer Price", the premium contained in the Tender Offer Price significantly exceeds the median value for granted premiums (by 42%, 41%, 42%, and 47% (rounded off to the nearest whole number), respectively, over the closing price on the business day prior to the date of announcement, and the closing price simple average over the last one month, three months, and six months prior to such date) in the 77 cases of tender offers taking place (excluding the Tokyo PRO Market; "Precedent Cases") between June 28, 2019, which is the date of release of the "Fair M&A Guidelines", and February 29, 2024, where a person other than the issuer or a parent company will make the target company a wholly-owned subsidiary and the target company is at that time a listed domestic company in which the tender offeror (including its specially-related persons) has a shareholding ratio of the target company's shares of less than 33.34% prior to commencement of the tender offer (it should be noted that the above analysis excludes tender offers targeting REITs, unsuccessful tender offers, two-step acquisition or so-called discount tender offers, and tender offers where prior to commencement there were changes in share price through anti-takeover measures or the like); (ii) the highest price Target Shares have reached since the company's listing is 2,204 yen on January 12, 2021, and as of March 19, 2024, the business day prior to March 21, 2024, when the March 21, 2024 Press Release was released, the share price had never surpassed the Tender Offer Price; and (iii) Target's PBR (price-book value ratio) as of March 19, 2024, was less than 1.00 and the Tender Offer Price as of that day was at a level 1.4 times the PBR. Given this, (for details, see "2. Overview of Purchase etc.", "(4) Grounds for Calculation of Purchase etc.", "① Basis for Calculation" below), the Tender Offeror has received the opinion that because the above economic-based objections do not apply, all passive index funds owning Target Shares are expected to support the Share Consolidation resolution.

Note 6: The Tender Offeror believes that the Transaction constitutes a bona fide offer that not only complies with the Guidelines for Corporate Takeovers: Enhancing Corporate Value and Securing Shareholders' Interests ("Takeover Guidelines") released August 31, 2023, by METI and will contribute to enhancing Target's corporate value, but also is attractive to Target's shareholders and transaction partners, and therefore, the Tender Offeror believes that business operating company shareholders and many other shareholders will support and tender their shares in the Tender Offer. Given the current state of Target's shareholders, because there are a certain number of shareholders that are holding Target Shares for cross-shareholding or similar reasons, even if the Tender Offer is successful, it is possible that the shareholding ratio of the Tender Offeror will be 50% or greater, but less than two-thirds. As discussed below, in addition to passive index funds, it is expected that some shareholders that hold Target Shares for cross-shareholding or similar reasons will vote in favor of the Share Consolidation proposal at the Extraordinary General Shareholders Meeting.

Specifically, the Tender Offeror has received the following opinion from its financial advisor Mizuho Securities as follows, and the Tender Offeror agrees with this opinion: (i) regarding Target Shares owned by

Target's employee shareholding association, the current Target employees who contributed the funds for acquisition of the relevant shares can be considered the substantial shareholders, and given their relationship of being employees of Target, it is hard to believe that they would act in a manner contrary to decisions of Target. Hence, it can be expected that if Target's Board of Directors expresses an opinion not in favor of the Tender Offer, these shares will not be tendered, in line with the decision of such opinion. Similarly, because Target Shares held by Target's transaction partners are held for cross-sharing or similar reasons, just as with the shares held by the employee shareholding association, it can be expected that if Target expresses an opinion that does not support the Tender Offer, these shares will not be tendered, in line with the opinion of Target's Board of Directors. (ii) Meanwhile, supposing a situation where Target's Board of Directors does not express support for the Tender Offer, but the Tender Offer is successful and the Tender Offeror becomes the new parent company of Target, as discussed below in "2) The Background, Objective and Decision-Making Process Leading to the Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy", ① The Background, Objective and Decision-Making Process Leading to the Decision to Implement the Tender Offer", not only will the Transaction contribute to the enhancement of Target's corporate value through the creation of synergy between the Tender Offeror Group and the Target Group, including complementarity in business areas between the Tender Offeror Group and the Target Group, and the strengthening of functions of both the Tender Offeror Group and the Target Group, but with the participation of the Target Group in the Tender Offeror Group, it will be possible to educate personnel through personnel exchanges between the two firms, and corporate growth can be achieved through the collaboration of differing corporate cultures, and this will lead to diverse career formation and personal growth for employees and an improvement of their treatment, leading to greater happiness for employees and their families, and the supply chain overall will be able to enjoy the cost benefits of a more efficient logistics network, meaning that Target's major customers, the food wholesalers, will be able to enjoy a reduction in logistics costs and improved productivity in light of this, because this is a sincere proposal that gives weight to the interests of the employees and transaction partners as important Target stakeholders, generally it can be expected that Target's Board of Directors will show a certain understanding towards the managerial policies etc. of the Tender Offeror, the new parent company, and will operate business in line with the policies of the parent company. Given this change in circumstances, it is expected that even shareholders such as those in (i) above that do not tender their shares in line with the opinion of the current Target Board of Directors will in principle support the Share Consolidation resolution at the Extraordinary General Shareholders Meeting.

Note 7: According to the Target Securities Reports, the number of voting rights as of the reference date of Target's 8th ordinary general shareholder meeting held on June 28, 2023, was 245,584, but according to the extraordinary report that Target submitted on June 30, 2023, the average number of votes cast over all proposals was 221,690, meaning that the exercised voting rights constituted 90.27% of the total number of voting rights. If the same calculations are made for the voting rights exercise rate of previous fiscal years, then for the 7th ordinary general shareholder meeting, this was roughly 77.28%; for the 6th ordinary general shareholder meeting, this was roughly 90.35%, for the 5th ordinary general shareholder meeting, this was roughly 85.29%, and for the 4th ordinary general shareholder meeting, this was roughly 90.05%. This means that the maximum voting rights exercise rate over the past five years was 90.35%. When considering the number of voting rights necessary for passage of the Share Consolidation resolution, the rate for Target's most recent general shareholders meeting can serve as a point of reference, but because the argument can be made that the data of a single year is not necessarily a sufficient range for reference, the maximum voting rights exercise rate over the past five years was used to make the range for reference more conservative.

Note 8: Regarding the specific method of confirmation, the Tender Offeror plans, with 3:30 p.m. (Japan standard time; hereinafter the same in this note) as the reference time, on every business day during the Tender Offer Period (also during an extended Tender Offer Period if, using the method set forth in this note, it is confirmed that the total number of Tendered Share Certificates etc. has reached the lower limit of the number of shares planned for purchase (10,811,204 shares) and the Tender Offer Period has been extended), to cause the Tender Offer Agent to (i) tally the number of shares that have actually been tendered to the Tender Offer Agent's securities account by such reference time and (ii) report to Tender Offeror by 5:00 p.m. on the same day. If the total number of Tendered Share Certificates etc. as of such time has reached the lower limit of the number of shares planned for purchase (10,811,204 shares), based on such report, the Tender Offeror plans to make a public announcement to such effect either on the same day or on the next business day. However, in a case where it cannot be confirmed that the total number of Tendered Share Certificates etc. has reached the lower limit of the number of shares planned for purchase by the reference time on the business day prior to the final day of the Tender Offer Period, then on the final day of the Tender Offer Period, and if at 3:00 p.m. on the final day of the Tender Offer Period (the deadline for tendering shares in the Tender Offer), the total number of Tendered Share Certificates etc. has reached the lower limit of the number of shares planned for purchase (10,811,204 shares), the Tender Offeror plans to make a public announcement to such effect on such day.

Note 9: The shareholding ratio for the number of Target Shares held by passive index funds, Target's employee shareholding association and shareholding associations of transaction partners prior to the release of the March 21, 2024 Press Release means the ratio with respect to the total number of Target-issued shares as of February 29, 2024 (as set forth in the Target Own Share Buyback Status Report submitted by Target on March 5, 2024; 25,690,766 shares) *less* the number of Target treasury shares as of the same date (as set forth in such Target Own Share Buyback Status Report; 3,945,672 shares) (meaning a total of 21,745,094 shares).

Further, among the cases where the Tender Offer ends successfully but the Tender Offeror remains unable to acquire all Target Shares (other than those owned by the Tender Offeror and Target's treasury shares), the Tender Offeror will not change its policy of making Target a wholly-owned subsidiary, planning to implement squeeze-out procedures ("Squeeze-Out Procedures"), in each and every scenario, as discussed below in "(5) Post-Tender Offer Reorganization Policy (Matters Relating to Two-Step Acquisition)." This is true even in a case where, as a result of the Tender Offer, (i) the Tender Offeror comes to own Target Shares representing 90% or more of the total number of voting rights of Target Shareholders, (ii) the Tender Offeror comes to own Target Shares representing two-thirds or more but less than 90% of the total number of voting rights of Target Shareholders, or (iii) the Tender Offeror fails to own two-thirds or more of the total number of voting rights of Target Shareholders. Additionally, in cases of (ii) and (iii) above, the Tender Offeror also intends to convene an Extraordinary General Shareholders Meeting. As discussed above in Note 3, Note 5 and Note 6, even in a case of (iii) above, the Tender Offeror expects that the voting requirements for passage of the resolution for Share Consolidation at the Extraordinary General Shareholders Meeting will be met.

However, in the case of (iii) above, there is a possibility that the Share Consolidation proposal will be rejected at the Extraordinary General Shareholders Meeting. Even in that case, however, because the ultimate purpose of the Tender Offer is to acquire all Target Shares (other than those owned by the Tender Offeror and Target's treasury shares), the Tender Offeror will make additional acquisition of Target Shares until reaching the number of shares representing two-thirds of the voting rights at the next scheduled general shareholders meeting, and then will request that a general shareholders meeting be convened (regarding the time required for such additional acquisition and subsequent approval of the Share Consolidation by the general shareholders meeting, because this depends in part on market conditions and other factors, it is difficult at the current time to specify a specific timeframe, but currently this is planned to be Target's ordinary general shareholders meeting scheduled for June 2025; the Tender Offeror will give notice when the specific expected timing becomes clear). For the methods of additional acquisition, the Tender Offeror intends to use market trades, a tender offer, off-market trading other than tender offers (to the extent allowed by FIEA). If the Tender Offer is successful, then regardless of when the result is expected to be achieved, there will be no change to the policy of making Target a wholly-owned subsidiary.

The consideration that the Tender Offeror will pay shareholders in the above will be a price that, compared with the Tender Offer Price, will be economically equivalent to shareholders selling shares in such additional acquisition (that is, provided that Target does not consolidate or split shares or otherwise engage in conduct requiring adjustment of share price, the same price per share as the Tender Offer Price).

(2) The Background, Objective and Decision-Making Process Leading to the Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy

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

I. Tender Offeror Group

The Tender Offeror was founded in 1970 by Masaru Wasami, the current President and Representative Director, using one truck, and in August 1973, was incorporated as Yugen Kaisha Maruwa Unyu Kikan for the purpose of consignment truck transportation. Subsequently, it underwent an organizational change to a stock company in October 1978, through which its trade name was changed to Maruwa Unyu Kikan Co., Ltd., and in October 2022, a pure holding company system was introduced, under which the trade name was changed to AZ-COM MARUWA Holdings Inc. Its shares were listed on the second section of TSE in April 2014, designated as an issue on the first section of TSE in April 2015, and then listed on the TSE prime market in April 2022, when TSE market segments were reclassified.

During that period of time, pursuant to the management philosophy of, "Pursuant to the customer first policy, aim to be Number One in the third party logistics ("3PL") (Note 1), and contribute to communal welfare and a bountiful society", the Tender Offeror Group (which means as of the time of this document, the Tender Offeror, 20 consolidated subsidiaries and four non-consolidated subsidiaries (one of which is dormant), collectively; hereinafter the same applies in this "Tender Offeror Group" section) was engaging primarily in the third-party logistics business with the logistics center business as a core business, striving to expand business focusing on, e-commerce ("EC") and ambient-temperature logistics mainly for the retail business, food logistics, and medicine and medical logistics, and in recent years, with Japan experiencing an increasing number of natural disasters, has focused on establishing "BCP logistics" as the fourth pillar of business that enables a stable supply of foodstuffs etc. in times of disaster. In addition, through efforts of developing "human resources", learning cutting-edge knowledge and technologies, creating original logistics designs (optimizing logistics), and engaging in research and development, as a professional logistics group capable of supporting customers' businesses from all angles, the group is confident of its contribution to the "development of local community" and the "creation of a bountiful society". As a future vision, aiming to be Number One in the 3PL industry, it will expand "to 1 trillion yen in sales" and "100,000 employees", and also strive to achieve "seven highs" – "high quality human resources", "high quality", "high growth", "high revenue", "high wage", "high dividend" and "high share price" – so that corporate profit will extend to the benefit of every individual employee.

Note 1: "Third party logistics ("3PL")" means, on behalf of shippers, planning the most efficient logistics strategies and proposing the establishment of a logistics system, and assuming and implementing such efforts as a whole.

Furthermore, to realize the future vision, the Tender Offeror has had numerous discussions with the management teams of many logistics companies and has executed M&As for the purpose of enhancing mutual corporate value. Companies participating in the Tender Offeror Group appear to be taking advantage of synergy effects and steadily growing, utilizing each other's strengths and know-how.

As one example, Japan Logistics Development Co., Ltd. (an EC logistics center and distribution process operator), which became a wholly-owned subsidiary of the Tender Offeror in August 2020, built the Tsuchiura New Center in cooperation with the Tender Offeror to secure center capacity to handle increasing volume, and achieved an increase in sales (+18.5% compared against the term immediately preceding the M&A).

Additionally, PHYZ Holdings Inc., which became a consolidated subsidiary of the Tender Offeror in March 2022, is currently listed on the TSE standard market and operating logistics centers for EC operators such as Amazon Japan GK. PHYZ Holdings Inc. received new orders after joining the Tender Offeror Group, and increased its sales in the term ended March 2023 by 31% compared to the preceding term and the operating profit by 98% compared to the preceding term. Said company is also sharing with the entire Tender Offeror Group its "human resources hiring power", which is the strength of said company that grew out of the temporary staffing business, and its "logistics center operation know-how for EC operators", which said company has accumulated namely by operating the logistics center for Amazon Japan GK. Therefore, the Tender Offeror Group's "human resource hiring power" and "EC center operation know-how" have been enhanced more than ever. It should be noted that said company's share price in the TSE standard market is 1,145 yen as of April 30, 2024, which is 78.63 % (rounded off to the second decimal place) higher than 641 yen, which was the share price at the time when the Tender Offeror made the tender offer to said company (March 22, 2022), and suggests that the stock market is highly evaluating said company.

The logistics industry to which the Tender Offeror Group and the Target Group (meaning Target, 15 consolidated subsidiaries and two affiliate companies as of March 31, 2023; the same applies to descriptions of "Target Group") belong is considered to be facing industry-wide critical issues such as handling the 2024 Logistics Problem (Note 2), and other management-related challenges such as shortages of human resources and operating vehicles, and soaring purchase prices and raw material prices due to reasons such as increasing geopolitical risks and the weak yen.

Note 2: "2024 Logistics Problem" means the shortage of drivers and other various problems that are expected to occur in conjunction with the application of the maximum overtime work hour limit of 960 hours per year to the vehicle operating business under the Act on the Arrangement of Related Acts to Promote Work Style Reform in April 2024.

In the food logistics industry in particular, demand for frozen foodstuffs is dramatically increasing as people's sense of value is diversifying and the quality of such products is improving, ; in addition, prices, especially those of food products, continue to rise. Therefore, the Tender Offeror expects that the market for the food cold chain industry in particular will keep moderately expanding, and at the same time, that challenges common to all companies such as increasing needs regarding inventory to address increases in frozen foodstuffs and coordinate with BCP, increases in the number of items to control, and pressure from cosigner companies to reduce logistics costs. The Tender Offeror also believes that because there are many competitors engaging in food logistics, especially food cold chain logistics, and fierce price competition is ongoing, it has no other option but to accept orders at low prices, and the tight revenue environment continues as costs keep increasing due to soaring labor costs resulting from labor shortages and the 2024 Logistics Problem, and soaring fuel costs resulting from energy issues.

In order to solve the problems of the entire food logistics industry, which has a significant impact on people's lives, the Tender Offeror considers it important that not only each logistics company continuously makes management efforts and participates in competition, but also, related companies work together and provide cooperation to transform the business structure. After reaffirming the importance of food logistics in the wake of COVID-19, the earthquake and other disasters, the Tender Offeror believes that establishing a sustainable and stable food logistics network is a socially meaningful activity, and that it is possible to establish such a sustainable and stable logistics network by expanding the corporate scale and normalizing the relationships with shippers so that increases in labor costs, fuel costs and others can be appropriately reflected in prices, as well as by providing further added value to shippers through the establishment of a logistics network covering from upstream to downstream. The Tender Offeror also believes that it is possible to meet social expectations through seamless logistics and efficient management by optimizing limited management resources for transformation to a robust management structure. As a result, the corporate value will be enhanced in the medium-to-long term, and business operations will be realized and meet the expectations of all stakeholders.

II. Target Group

According to the Target Securities Report, the Target Group consists of Target, 15 consolidated subsidiaries and two affiliates as of March 31, 2023. In October 2015, Target became a wholly-owning parent company through the joint share transfer of Meito Transportation Co., Ltd. ("Meito Transportation") and Hutech norin Co., Ltd. ("Hutech norin"), which are now wholly-owned subsidiaries of Target. Target Shares were listed on the first section of TSE when Target was incorporated in October 2015, and subsequently listed on the TSE prime market in April 2022, when TSE market segments were reclassified.

The "Execution of the Memorandum of Understanding Concerning Management Integration through Establishment of A Joint Holding Company (Share Transfer) between Meito Transportation Co., Ltd. and Hutech norin Co., Ltd." released by Meito Transportation and Hutech norin on February 10, 2015, explains the background of the joint share transfer between Meito Transportation and Hutech norin as follows. Both companies were leaders in food logistics in Japan as logistics operators specializing in cold food, and they took advantage of each other's strengths in the transportation business and the warehouse business; with Meito

Transportation's specialty being in chilled food and Hutech norin's specialty being in frozen food. But as manufacturers, wholesalers and retailers increasingly reorganized in various forms in the foodstuffs industry, leading to business scale expansion and oligopolies, the business environment surrounding both companies are dramatically changing. The cold food industry is expecting steady growth, and so both companies were under pressure to keep up with the further expansion of business scale and geographical areas, and to realize high logistics quality to secure "the security and safety of food" at a higher speed than before. Therefore, both companies determined that it was essential to establish a strong tie, improve customer service and strengthen the business foundation through expansion of business areas, and to become a comprehensive logistics information company that would lead constantly changing food logistics with advanced temperature control technologies. With the common recognition that joint share transfer is the best option for all stakeholders to enhance the corporate value in the medium-to-long term by winning high evaluations from customers and becoming a partner of choice for customers, Meito Transportation and Hutech norin are striving to secure the status of a leading company in the food cold chain industry through integration of both companies' strongholds and provision of detailed services.

According to the Third Medium-Term Management Plan for three years released by Target on May 10, 2022, covering the period from the term ended March 2023 through the term ending March 2025, and according to the press release concerning the revision of the Third Medium-Term Management Plan released by Target on June 16, 2023, the Target Group has the following "What We Aim to Become" and "Basic Strategy".

"What We Aim to Become"	"Establishment of a comprehensive logistics information company with low-temperature business as its core to lead the globally changing food logistics" ～become a logistics company highly evaluated and chosen by customers for its advanced temperature control～ (1) Expand the business scale, enter into new business areas, and secure the status as a leading company in the food cold chain industry by making the best use of logistics quality supported by in-house operations utilizing its own facilities and vehicles and many years of experience as a food cold chain pioneer, and creating a "new" logistics system; (2) Become a logistics company that continues to make a leap forward by realizing logistics-related added value, further improving logistics quality, and enhancing corporate value; (3) Become a logistics company where employees have future hopes, and enthusiastically dedicate themselves to work; and (4) Become a logistics company that fulfills its social responsibility and gains support from any and all stakeholders.
"Basic Strategy"	(1) Build a Sustainable Logistics Business • Promote a logistics business that protects the food lifeline and contributes to a bountiful society; • Build an environmentally friendly logistics base to help achieve a decarbonized society; and • Emphasize diversity, and create a pleasant workplace environment that gives

	meaning to all employees. (2) Enhance Corporate Value through Strategic Financing • Actively optimize the equity-debt balance and take other measures, and maintain an ROE of 8% or greater; • For better capital efficiency, appropriately allocate funds, and make investments conscious of capita cost; and • Enhance the share value by providing better returns to shareholders and further improving communication with shareholders. (3) Intensify the functions of existing businesses including the cooperative transportation business as its core, and strengthen the revenue foundation • Promote the resilience of the profit structure of the cooperative transportation business by restructuring the network and developing new functions; • Build new cooperative transportation businesses beyond the framework of traditional business models corresponding to the classifications, such as 'shipper/customer' or 'temperature zone', and capture business opportunities; and • Reorganize and strengthen existing business models to meet customer and market needs. (4) Promote investment in growth fields • Enter into EC-related logistics and inject management resources in growing markets; • Expand new business areas using temperature control technologies; and • Make investments in overseas businesses with expected stable growth while raising the sensitivity to country risks.
"Additional Measures"	• As sustainability-related measures, make investments in improving productivity through development and the deployment of new technologies contributing to environmental measures, and labor-saving and workforce reduction; • Accelerate growth by promoting investments in growth fields (overseas, EC, medicine etc.), and by collaborating with other companies; and • Further strengthen revenue power and expand businesses utilizing M&A and other means that help make the existing businesses robust.

"Measures toward Realizing Management that is Conscious of Capital Cost and Share Price", which was released by Target on March 15, 2024, sets forth as follows an analysis and evaluation of current conditions regarding capital cost and return on equity, policies aimed at improvement and goals, and specific initiatives to achieve the foregoing, in order to achieve sustainable grown and enhance corporate value over the medium-to-long term.

"Evaluation of Current Conditions"	· After the merger ROE trended at roughly 8.0% but recently has remained low. · The low net profit margin is thought to be one cause of this.
"Policies for Improvement"	· Based on the basic strategies and financial strategies set forth in the Third Medium-Term Management Plan, formulate and implement a sustainable growth strategy,

	and achieve ROE of at least 8.0% through both business and financial approaches; ・ Seek sustainable growth by setting long-term targets that are focused on top-line growth; ・ By actively having communications with stakeholders, and explaining in a timely, easy-to-understand manner its initiatives and growth strategies, proactively engage in constructive dialogue with shareholders, which should lead to enhancements in shareholder value and corporate value.
"Specific Initiatives"	(1) Achieving a resilient revenue base and sustainable growth through further investment ・ Greater resilience in the "cold chain logistics business" through selection and concentration; ・ Expand investment in development of new technologies and environmental countermeasures; ・ Achieving human capital management through expanded investment in human resources. (2) More efficient management from a financial approach ・ Enhanced shareholder value and corporate value through an optimized capital composition; ・ Stronger measures for shareholder returns. (3) By actively communicating with stakeholders, promote constructive dialogue with shareholders ・ More accurate and objective communications regarding company efforts and growth strategies and stakeholder engagement through a more robust IR framework. (4) Strengthened governance and enhancement of corporate value through a more robust internal framework ・ Enhancement of corporate value through a group-wide committee

As consumption of chilled and frozen food steadily increases, looking at the market value of the Tender Offeror's shares and that of Target Shares through March 19, 2024, the business day prior to March 21, 2024 (when the March 21, 2024 Press Release was released), the aggregate market value of the Tender Offeror's shares as of March 19, 2024 (roughly 188 billion yen) (Note 3), increased 4.8 times from the aggregate market value of the Tender Offeror's shares as of October 1, 2015 (approximately 39.0 billion yen) (Note 4). Meanwhile, the aggregate market value of Target Shares hit a peak of approximately 55.0 billion yen on January 12, 2021, and subsequently was on the decline, but as the share price began rising in mid-November of 2023, the aggregate market value approached its high, which was recorded on January 12, 2021, reaching 44 billion yen (Note 6) on March 19, 2024 (Figure 1). As indicated in the November 16, 2023, "Notice Concerning Acquisition of Treasury Share and Share Repurchase through Off-Auction Own Share Repurchase Trading System (ToSTNeT-3)" released by Target, Target announced that it would buy back own shares by using off-auction own share repurchase trading (ToSTNet-3) having an upper limit of 3,400,000 Target Shares (representing 13.2% of total issued shares as of such time *less* treasury shares), during the period from November 17, 2023, to September 30, 2024 (as set forth in Target's press release dated March 28, 2024, titled “Notice Concerning the Temporary Suspension on the Acquisition of Treasury Shares and the Status of the Acquisition of Treasury Shares (Acquisition of Treasury Shares Under the Provisions of the Articles of Incorporation Pursuant to the Provisions of Article 459, Paragraph 1 of the Companies Act),” comprehensively considering factors such as the fact that, following the release of the March 21, 2024 Press Release, the pricing process for the Target Shares had become different from that under normal circumstances, Target has temporarily suspended the acquisition of treasury shares since March 28, 2024).The price of Target Shares has been rising since mid-November 2023, and this period mostly overlaps with the announced share buyback period; a calculation based on the number of bought back shares indicated in the “State of Buyback of Own Shares” and the “Report on State of Buyback of Own Shares” released by Target on later dates indicates that the total number of shares acquired through purchase in the market from November 20, 2023, until February 29, 2024 (excluding the number of own shares acquired through ToSTNeT-3), was 259,800, accounting for more than 16% of the market trading volume for the same period. Moreover, given that since the announcement relating to such buyback of shares until the release on March 15, 2024, of “Measures toward Realizing Management that is Conscious of Capital Cost and Share Price”, Target made no disclosures of any new business strategies, the Tender Offeror presumes that the rise in Target’s share price from mid-November 2023 until March 21, 2024 mostly resulted from the impact of the buyback of its own shares and does not reflect that Target’s strategy and growth potential are highly evaluated or anticipated by the stock market. If we look at share price-linked indicators, Target’s price-book ratio (PBR) as of March 19, 2024, was below 1.0, the return on equity (ROE) for the March 2023 term was, as is noted in “Measures toward Realizing Management that is Conscious of Capital Cost and Share Price”, was 6.7%, which is below the level of 8% indicated to be the minimum ROE that a corporation should commit to, as indicated in “ ‘Competitiveness and Incentives towards Sustainable Growth (Building a Desirable Relationship between Corporations and Investors’ Project (Ito Report)” released by the Ministry of Economy, Trade and Industry in August 2014. What is requested under “Measures toward Realizing Management that is Conscious of Capital Cost and Share Price” released by the Tokyo Stock Exchange on March 31, 2023, is as follows: “Roughly half of the companies listed on the Prime Market and roughly 60% of the companies listed on the Standard Market have an ROE of less than 8% and a PBR of less than 1.0, and thus from the perspective of capital profitability and growth, there are issues”; in light of these circumstances, “in order to realize sustainable growth and medium-to-long-term enhancement of corporate value”, it is not “buyback of own shares or increased dividends alone or other transient measures that are expected”, but rather “what is expected is thorough initiatives for achieving return on capital that continuously exceeds capital cost and attaining sustained growth”. Target has, as discussed above, used share buybacks to improve PBR and ROE. Meanwhile, in order to achieve enhancement in medium-to-long-term corporate value and further improvement in share price-linked indicators resulting therefrom, it is critical to propose and implement a proactive and thorough business strategy as discussed in the “Measures toward Realizing Management that is Conscious of Capital Cost and Share Price” that Target released on March 15, 2024, and precisely by realizing this Target will be able to achieve “What We Aim to Become” –“a logistics company that, by realizing logistics-related added value and further improving logistics quality, continues to leap forward in the enhancement of corporate value”, and will be able to meet the expectations of shareholders and the requirements of the Tokyo Stock Exchange.

Note 3: Calculated using the Tender Offer's total number of issued shares as of December 31, 2023 (137,984,520 shares), as set forth in the "March 2024 Term Consolidated 3rd Quarter Earnings Report (based on Japan GAAP)" released by Tender Offeror on February 5, 2024 less Tender Offeror's treasury shares as of the same day (3,094,844 shares)

Note 4: Calculated using the total number of Tender Offeror's issued shares after share split as of September 30, 2015, as set forth in the "March 2016 Term Consolidated 2nd Quarter Earnings Report (based on Japan GAAP)" released by Tender Offeror on November 2, 2015 (16,032,840 shares; as of such date, Tender Offeror possessed no treasury shares)

Note 5: Calculated using Target's total number of issued shares as of December 31, 2020 (25,690,766 shares), as set forth in the "March 2021 Term Consolidated 3rd Quarter Earnings Report (based on Japan GAAP)" released by Target on February 8, 2021 less Target's treasury shares as of the same day (656,432 shares)

Note 6: Calculated using Target's total number of issued shares as of February 29, 2024 (25,690,766 shares), as set forth in Target's Own Share Buyback Report (which Target submitted on March 5, 2024) *less* Target's treasury shares as of the same day (3,945,672 shares)

Figure 1. Trends in the aggregate market value of the Tender Offeror and Target (prepared by the Tender Offeror using SPEEDA)

As mentioned above, the Tender Offeror believes that the logistics industry to which the Tender Offeror Group and the Target Group belong is facing industry-wide critical issues such as addressing the 2024 Logistics Problem and other management-related challenges such as shortage of human resources and operating vehicles, and soaring purchase prices and raw material prices due to reasons such as increasing geopolitical risks and the weak yen.

On October 17, 2022, the Tender Offeror sent to Target a proposal for collaboration in business strategy and the business integration of Target and the Tender Offeror for the purpose of enhancing the corporate value of both firms ("Business Integration"; such proposal, "Business Integration Proposal"), and subsequently carried out discussions with Target regarding the Business Integration Proposal. During discussions on the Business Integration Proposal held with Target, the Tender Offeror made a proposal to Target to take advantage of the strengths of the Target Group and the Tender Offeror Group, and to work together for a new logistics system such as the food logistics center construction project ("AZ-COM Matsubushi" Project) in Matsubushi-machi, Saitama-ken, which was decided on by the Tender Offeror on April 21, 2023. However, Target did not seem to be giving serious consideration to the proposal, as it had not presented or discussed beforehand any of the points of concern, and turned down the proposal on October 5, 2023, on the grounds that "the proposal is contrary to the prior direction of business expansion", and "the decentralization of the logistics base may cause inefficiency in the transportation network", among other reasons. The Tender Offeror feels that this kind of attitude of Target is in fact contrary to the spirit of Target's "What We Aim to Become" as set forth by the Target Group at the time of incorporation, namely a company that expands the business scale, enters into new business areas, and secure the status of a leading company in the food cold chain industry by creating a "new" logistics system. The Tender Offeror believes that in order to survive and thrive in the harsh business environment discussed above, realizing and becoming "What We Aim to Become" is precisely what is called for.

Under such an awareness it is the Tender Offeror's belief that it would be difficult for Target, operating its business by itself, to achieve the consolidated operating revenue of 118.7 billion yen and the consolidated operating profit of 4.7 billion yen for the term ending March 2025, and the consolidated operating revenue of 122.4 billion yen and the consolidated operating profit of 5.7 billion yen for the term ending March 2026 as indicated in the "Revised Medium-Term Management Plan" released by Target on June 16, 2023.

Specifically, the Second Medium-Term Management Plan for the three years from the term ended March 2020 through the term ended March 2022 released by Target on May 8, 2019 included consolidated operating revenue of 130.0 billion yen and consolidated recurring profit of 6.5 billion yen as reference values for the term ending March 2025, expecting that multiple new facilities would be completed in that plan period and be in full operation in that term, However, in the subsequent Third Medium-Term Management Plan for three years from the term ended March 2023 through the term ending March 2025 released by Target on May 10, 2022, the target for the term ending March 2025 was revised downward from the reference values released on May 8, 2019 to a consolidated operating revenue of 118.8 billion yen and a consolidated operating profit of 5.5 billion yen. Additionally, as mentioned above, on June 16, 2023, merely one year after the Third Medium-Term Management Plan was published, it was revised, and the target for the term ending March 2025 was revised downward to a consolidated operating revenue of 118.7 billion yen and a consolidated operating profit of 4.7 billion yen.

The Tender Offeror believes that the figures for consolidated sales for the term ending March 2025 and other figures based on the full operation of the new facilities in the Second Medium-Term Management Plan published by Target on May 8, 2019, have good grounds, but subsequently, in the Third Medium-Term Management Plan published by Target on May 10, 2022, and the "Revised Medium-Term Management Plan" published by Target on June 16, 2023, all the target numbers were revised downward. Regarding the Third Medium-Term Management Plan, merely one year after its release, all the target numbers were revised downward, and the Tender Offeror believes that Target does not adequately understand the business environment.

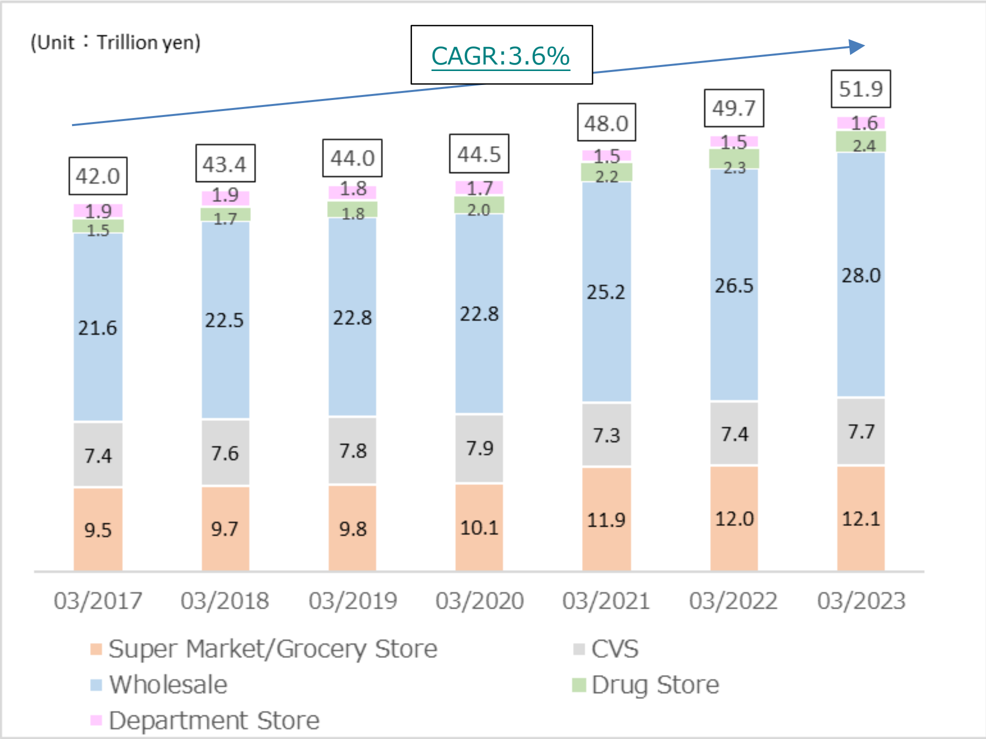
While the annual average growth rate of Target's consolidated sales since Target was incorporated remains at 1.5%, the annual average growth rate of consolidated sales of competitors operating the food cold chain business is around 3% (Figure 2), and the annual average growth rate of foodstuffs sales by store type from the term ended March 2017 through the term ended March 2023 exceeds 3%, according to the "Current Survey of Commerce" published by the Ministry of Economy, Trade and Industry (Figure 3). Thus, the annual average growth rate of Target's consolidated sales was lower than both the annual average growth rate of consolidated sales of competitors and the average growth rate in the market.

Figure 2. Comparison of annual average growth rates of consolidated sales (The Tender Offeror prepared the following table on the basis of the accounting documents of the 10 top companies that have made accounting data available and are determined to have cold chain logistics as a core business in sales in the cold chain logistics market in the "2023 Current Status and Future Outlook of the Cold Chain Logistics Market" published by Yano Research Institute Ltd., as well as SPEEDA. K.R.S. Corporation closes its books at the end of November, and thus, the following table shows numbers for the term ending at the end of each November. Regarding F-LINE Co., Ltd. and Muroo Co., Ltd., nonconsolidated sales numbers indicated in public information are used.)

(Unit:100 Million Yen)	FY03/2017	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022	FY03/2023	CAGR (2017vs2023)	CAGR (2017vs2022)
Chilled & Frozen Logistics Holdings Co., Ltd.	1,038	1,042	1,076	1,107	1,104	1,109	1,134	1.5%	1.3%
Nichirei Logistics Group Inc.	1,869	1,951	2,010	2,065	2,123	2,245	2,442	4.6%	3.7%
Nichirei Logistics Group Inc. (Except Overseas sales)	1,549	1,598	1,627	1,689	1,758	1,786	1,805	2.6%	2.9%
K.R.S. Corporation	1,597	1,692	1,722	1,712	1,760	1,796	1,846	2.4%	2.4%
F-LINE	604	608	605	898	855	828	823	5.3%	6.5%
Muroo Co.,Ltd.	471	591	624	662	693	670	674	6.1%	7.3%
Runtec Corporation	463	487	525	564	543	569	608	4.7%	4.2%
AZ-COM MARUWA Holdings Inc.	672	744	856	983	1,121	1,330	1,778	17.6%	14.6%
AZ-COM MARUWA Holdings Inc.(Cold Chain Food Logistics Business)	314	332	362	394	448	444	n.a	-	7.2%

Figure 3. Food sales by store type (prepared by the Tender Offeror on the basis of the "Current Survey of

Commerce" published by the Ministry of Economy, Trade and Industry)



Given the above, the Tender Offeror observes that there are limits to what Target, operating its business by itself, can do, while addressing the 2024 Logistics Problem and other management challenges, shortage of human resources and operating vehicles, soaring purchase and raw material prices against a backdrop of such factors as increasing geopolitical risks and a weak yen, and other assorted challenges the logistics industry is facing-to realize the full potential it possesses, attain the policies toward and goals for improvement of capital cost and share price set forth in the "Measures toward Realizing Management that is Conscious of Capital Cost and Share Price", which was released by Target on March 15, 2024, become "What We Aim to Become" and realize the "Basic Strategy" set forth by the Target Group in its Medium-Term Management Plan, and thus enhance corporate value over the medium-to-long term, beyond what it has done so far.

III. The Objective and Decision-Making Process Leading to the Tender Offeror's Decision to Implement the Tender Offer

In October 2022, after considering what is needed for the Tender Offeror Group to demonstrate its strong presence in the cold chain logistics market and establish a sustainable logistics system in view of the current cold chain logistics industry as explained above, the Tender Offeror concluded that Business Integration with the Target Group would be one step forward to create added value in the entire cold chain logistics market, through which great synergy effects with the Tender Offeror Group can be expected.

The consolidated sales and consolidated operating profit of the Tender Offeror have an average annual growth rate of more than 10%, and consolidated sales for the term ended March 2023 grew by 30% over the prior term. Regarding the Tender Offeror's consolidated sales relating to the cold chain logistics operated by Target Group, although the annual average growth rate of the Tender Offeror's consolidated sales was 7.2% for the term ended at the end of March 2017 through the term ended at the end of March 2022, the annual average growth rate of Target's consolidated sales for the same period remained 1.3%. Thus, the annual average growth rate of the Tender Offeror Group’s cold chain logistics-related business exceeded that of the Target Group, demonstrating its high business operational capabilities. In addition to organic growth, the Tender Offeror Group is expanding its business utilizing M&A, and operating its business while respecting the autonomy of companies, which joined the Tender Offeror Group to generate synergy effects. As mentioned above, all companies which joined the Tender Offeror Group have expanded business after M&A. The Tender Offeror Group envisions that through Business Integration between the Target Group and the Tender Offeror Group having the business operation power evidenced by its performance, as with the past M&As executed by the Tender Offeror under the long-term vision to “Achieve the Consolidated Sales of 1 Trillion Yen”, and the goal of “Aim to Be Number One in the Domestic Cold Chain Logistics Market”, by having the Target Group take advantage of the business operation know-how, sales power, human resources and any other resources accumulated by the Tender Offeror Group while respecting the autonomy of the Target Group, it can be expected that the business areas of the Tender Offer and of the Target Group will complement each other, business efforts will be supported, and functions will be strengthened. Thus, it is possible to realize the potential in the Target Group’s cold chain logistics business and to achieve greater growth than ever before, and this will also help solve the assorted problems faced by the logistics industry, which are also societal problems.

The following synergy effects between the Tender Offeror Group and the Target Group are expected, and through those effects, “What We Aim to Become” and “Basic Strategy” stipulated by the Target Group in its medium-term management plan will be promoted, and the corporate value of Target and the entire Target Group will be enhanced.

(A) Complementarity in business areas between the Tender Offeror Group and the Target Group

a. Strengthening of logistics network (cooperative transportation)

By connecting the nationwide cold chain logistics network of the Target Group with the Tender Offeror Group’s bases and the Tender Offeror’s logistics network “AZ-COM MARUWA Support Network” (as of December 31, 2023, there are 1,895 member companies nationwide), it is possible to establish an even more robust nationwide network, which will directly contribute to enhancement of the Target Group’s top line, and by additionally promoting more efficient center operation and other efforts toward new joint transportation, the entire Tender Offeror Group (including the Target Group) can strengthen its revenue power.

b. Economies of scale

If the Target Group joins the Tender Offeror Group, the Tender Offeror Group (including the Target Group) will be ranked third in the cold chain logistics market share (Figure 4). The Tender Offeror Group (including the Target Group) expects to enjoy economies of scale such as reduction of vehicle and fuel purchase costs, recruitment of human resources and improvement of quality of equipment and DX/IT investments.

Figure 4. 2022 cold chain logistics market shares by operator (prepared by the Tender Offeror on the basis of the “2023 Current Status and Future Outlook of the Cold Chain Logistics Market” published by Yano Research Institute Ltd.)

(Unit : Billion、%)

企業名	Related Sales	market share
Nichirei Logistics Group Inc.	180.5	10.2
YAMATO HOLDINGS CO., LTD.	178.0	10.0
K.R.S. Corporation	122.0	6.9
Chilled & Frozen Logistics Holdings Co., Ltd.	112.0	6.3
Runtec Corporation	60.5	3.4
SBS Holdings, Inc.	55.0	3.1
Muroo Co.,Ltd.	54.0	3.0
F-LINE	53.0	3.0
AZ-COM MARUWA Holdings Inc.	50.0	2.8

Total Related Sales
162 Billion Yen
Market Share 9.1%

c. Expansion of EC-related logistics business

Viewing EC-related logistics as a growing field, the Target Group has been investing management resources there. The Target Group has such strengths in cold chain logistics as transport and delivery capability and temperature control technologies, and by utilizing the Tender Offeror Group's EC-related logistics business foundation and know-how, the expansion of the Target Group's EC-related logistics business centering on cold food will be more rapidly realized.

d. Cooperation in the direct-from-farm value chain

The Tender Offeror Group is providing fresh and value-added foodstuffs to consumers, and is also actively promoting the "direct-from-farm value chain" in which it is serving as a bridge connecting foodstuffs buyers of supermarkets and farm producers across the country, and it helps generate business opportunities for the farm producers to support their business by providing the buyers with opportunities to visit farmlands and directly observe how produce is cultivated and produced. As part of these efforts, the Tender Offeror Group has partnered with Kumamoto Daido Seika Co., Ltd., which is a produce wholesaler and is operating a wholesale market in Kyushu, and ANA Cargo Inc. for the purpose of promoting a modal shift, and continues to increase the number of business partners. The Tender Offeror Group believes that in food logistics, the absolute temperature control of the Target Group's cold chain logistics will add more value and cooperation in the direct-from-farm value chain will provide a new revenue opportunity to the Target Group, and mutual synergy effects in a large scale can be expected.

e. Building a logistics network in the supply chain from upstream to downstream

If the Target Group, which is an independent cold chain logistics company and is considered to have many good customers, mainly manufacturers and wholesalers, joins the Tender Offeror Group, which is a 3PL operator specialized in the retail business, it will become possible to execute logistics operations of the entire supply chain in a comprehensive fashion. Specifically, by mutually utilizing the food logistics center "AZ-COM MATSUBUSHI" (a BCP warehouse and logistics facility, with a site area of 35,200 *tsubo*, capable of handling the three temperature ranges of frozen, chilled, and dry and enabling the goods of both retail and foodstuffs manufacturers to be stored and be inventory-managed in the same center), which the Tender Offeror Group is currently constructing (operations scheduled to start in April 2025) and which will be one of Japan’s largest such centers, to carry out transport and delivery, including *yokomochi* (Note 7), with the lowest energy use possible, thus realizing efficient transport and delivery and sharing those cost merits across the supply chain; it is anticipated that this will bring about great customer satisfaction and a resilient profit structure.

Note 7: “*Yokomochi*” means the transport of freight between or within plants, outlets, branches or other internal locations.

f. Joint development of BCP logistics support business

As the fourth pillar of business, the Tender Offeror Group is rolling out the BCP logistics assistance business, which helps establish a nationwide logistics support network in times of disaster. When the Noto Peninsula Earthquake hit on January 1, 2024, the Tender Offeror Group’s BCP network responded to requests from municipalities and companies immediately after the earthquake occurred, and in the following day, executed the transport and delivery of relief goods, fuel and others to the affected area, and supported the BCP logistics. Backed by such performance and trust, as of April 30, 2024, the group has disaster assistance agreements with 67 regional governments (25 prefectures, and 42 municipalities) and four retailers and foodstuffs manufacturers, and two general incorporated associations and NPOs.

If the Target Group’s cold food transportation capacity is added to the Tender Offeror Group’s nationwide logistics assistance and stockpiling services in times of disaster, and sustainable transportation infrastructure, it is anticipated that a higher quality lifeline can be secured, which will be an even greater contribution to society. In particular, utilizing the transport and delivery capacity for the logistics between the Target Group and its manufacturers and wholesalers in the Tender Offeror Group’s BCP logistics has great social significance, which is aligned with the goal to “Promote a Logistics Business that Protects the Food Lifeline and Contributes to a Bountiful Society” which is one of the elements to “Build a Sustainable Logistics Business” pursuant to the Target Group’s “Basic Strategy”, and it will be possible to address across business categories the challenges that Japan faces of strengthening the resilience of the entire society at times of emergency and disaster.

g. Building an effective sales structure

The Tender Offeror Group excels at proposing a system to add more value to customers’ businesses, and finding new customers, and it is anticipated that by combining the Tender Offeror Group’s sales power and the Target Group’s field capabilities, the sales organization can be reinforced. If unified sales activities are rolled out in the entire value chain instead of the Target Group and the Tender Offeror Group separately and fragmentally approaching manufacturers, wholesalers, retailers and other customers, an overwhelmingly effective sales structure is expected to be built. It is strongly believed that by capturing transport and delivery demand through building an effective sales structure, the Target Group’s top line will be improved.

h. Developing the overseas business

Regarding overseas business, which is one of the elements to “Promote Investment in Growth Fields” pursuant to the Target Group’s “Basic Strategy”, it is anticipated that through utilizing Tender Offeror Group’s know-how and management resources, such as supporting the expansion of the Target Group to Kamigumi Co., Ltd.’s overseas locations under the capital and business partnership agreement executed between the Tender Offeror Group and Kamigumi Co., Ltd. in September 2022, and the roll-out of the Target Group’s overseas business will be further promoted.

i. Promoting a modal shift

As part of the goal to “Build an Environmentally Friendly Logistics Base to Help Achieve a Decarbonized Society” which is one of the elements to “Build a Sustainable Logistics Business” pursuant to the Target Group’s “Basic Strategy”, the Target Group is promoting a modal shift by adding transportation by ship. As countermeasures against the 2024 Logistics Problem, environmental issues and others, the Tender Offeror Group has been providing logistics services in addition to trucks, namely, transportation by rail with Maruwa Tsuun Co., Ltd., which is a group company, transportation by ship with Kamigumi Co., Ltd., which is a capital and business partner, and transportation by air with ANA Cargo Inc., which is a business partner. Thus, it is expected to be possible for the Target Group to promote a modal shift to cover all of ground, sea and air transportations.

(B) Improvement of the Functions of the Tender Offeror Group and the Target Group

a. Human Resources hiring and training

Addressing the 2024 Logistics Problem is a concern shared by the entire industry and mutually sharing know-how will lead to further strengthening the human capital of both company groups. The Tender Offeror Group hired a total of 715 persons in fiscal 2021, both new graduates and mid-career hires; in fiscal 2022, it hired 911 persons, including 325 new graduates, for an increase of almost 200 over the previous year; and in fiscal 2023, it hired 1,092 persons, including 331 new graduates, for an increase of over 180 over the previous year; and in terms of hiring, it is in a superior position in the industry. In terms of hiring foreign workers, the incorporated educational institution Maruwa Gakuen operates a Japanese language school for foreign students (Japanese Language School of the Tokyo Foreign Language Academy which was established in 1983 and Obtained school corporation accreditation in 2023), and in 2023, the Tender Offeror Group started hiring its graduates. In this manner, the Tender Offeror Group is addressing the issue of employment difficulties in the wake of Japan’s falling population. Through the above measures, the Tender Offeror Group plans to hire 5,000 new employees in the five years preceding March 2027. In addition, regarding the training of personnel, on the basis of the philosophy, “without human growth, no company growth”, in the internal schools established in 1997 (Maruwa Logistics College), a training structure is in place that has programs tailored to specific employment classes and work types and encourages employees to obtain assorted qualifications. If the Target Group joins the Tender Offeror Group, the human exchange between the two groups will enable further nurturing of personnel. Further, realizing corporate growth through cooperation between two different corporate cultures will lead to the realization of diverse career formation and personal growth for employees and happiness for employees and their families. This will lead to “Becoming a logistics company where employees have future hopes, and enthusiastically dedicate themselves to work”, which is part of “What We Aim to Become”.

b. Accelerated investment in labor-saving and workforce reduction

In order to achieve logistics reform that includes tackling the 2024 Logistics Problem, achieving labor-saving and workforce reduction through digital transformation is a shared goal throughout the industry. The Tender Offeror Group, through advanced material handling and accelerated IT investments, has moved forward with investment in labor-saving and workforce reduction. The Target Group too, among the “Additional Measures” of its “Basic Strategy” includes “Investments in improving productivity through labor-saving and workforce reduction” and thus too seems to be moving forward with investment in labor-saving and workforce reduction. If the two groups collaborate and utilize their mutual know-how, even greater labor-saving and workforce reduction can be achieved, leading to speedier business execution and cost reductions and achieving group-wide improvements in productivity.

In light of the above consideration, on October 17, 2022, the Tender Offeror presented the Business Integration Proposal to Target, and thereafter, over the course of 12 occasions, carried out discussions with Target regarding the synergy effects between the Tender Offeror Group and the Target Group that would arise through collaboration at AZ-COM Matsubushi and otherwise. The reason for the selection of the Business Integration as the transaction form for realizing synergy between the Tender Offeror Group and the Target Group is that, as discussed above, Target was established through a joint share transfer between Meito Transportation and Hutech norin and should be well aware of the merits and demerits of such a method, this would be an easy transaction form for Target to accept. In these discussions, so that consideration would be given to the broad and specific synergy effects that would arise from collaboration between the Tender Offeror Group and the Target Group and not just the synergy effects that would come from collaboration at AZ-COM Matsubushi, the Tender Offeror Group suggested an exchange of ideas regarding collaboration in other fields, but the questions from Target focused on AZ-COM Matsubushi and Target had not presented or discussed beforehand any of the points of concern, and Target did not seem to be giving serious consideration to the Business Integration Proposal. As a result, on October 5, 2023, the Tender Offeror received a notice that Target was suspending consideration of the Business Integration Proposal because of such reasons as (i) according to the Business Integration Proposal, through the collaboration at AZ-COM Matsubushi, “the intention is to build a logistics network where the involvement of foodstuff wholesalers is minimized in order to reduce logistics costs, such as limiting the role of foodstuff wholesalers to paperwork”; however, foodstuff wholesales represent roughly one-quarter of the sales of Target and are “important business partners” of Target; accordingly, “this goes in the opposite direction of Target’s business expansion and brings a large risk of the estrangement of Target’s big customers, and because this leads to the wide dispersion of Target’s logistics bases, this could lead to greater inefficiencies in its delivery network”, and for such reasons, “while on the one hand the creation of large synergy effects for Target is not expected,” on the other hand, Target “would be bearing great risks” and for these reasons, Target has determined that the business integration “would not contribute to the enhancement of corporate value; and (ii) “because of the great differences in corporate culture, it is expected that with business integration, additional risks would increase". The Tender Offeror believes that, ideally, the points of concern of (i) and (ii) above should have been discussed and deliberated upon collaboratively during the discussions regarding the Business Integration Proposal. However, the Tender Offeror believes it received the notice without prior presentation or discussion of the aforementioned concerns.

From early to mid-January, the Tender Offeror made repeated verifications regarding the points of concern of (i) and (ii) above. This resulted in the Tender Offeror concluding in mid-January 2024, as discussed below, that the concerns of (i) and (ii) above were not expected to materialize, and that the Business Integration Proposal was in fact expected to produce large synergy effects for Target and would also contribute to the resolution of an issue that is facing the logistics industry overall and is also a major social issue.

a. Regarding (i) above

- The Tender Offeror is building in Matsubushi-machi, Saitama Prefecture, "AZ-COM Matsubushi", which is a BCP warehouse and logistics facility, capable of handling the three temperature ranges of frozen, chilled, and dry and enabling the goods of both retail and foodstuff manufacturers to be stored and inventory-managed in the same center, and by achieving *yokomochi* and other intermediate distribution that uses as little energy as possible, the Tender Offeror aims to build a sustainable logistics system. Currently, in order to solve the 2024 Logistics Problem, the national government is taking the lead in initiatives, which include not just truck transport companies but also shippers, to construct an efficient and sustainable logistics system. Greater energy efficiency in transport and delivery in intermediate distribution is an initiative that is in line with the national government's policy indicated in "Outline of Comprehensive Logistics Measures (FY2021-FY2025)" released by METI on June 15, 2021. Further, improving energy efficiency in transport and delivery in intermediate distribution is an initiative that will enable redistribution of business resources for greater profitability and will contribute to greater competitiveness in transport and delivery operations.
- The Tender Offeror believes that by sharing the cost benefits from greater efficiency in the logistics network in the overall supply chain, foodstuff wholesalers that are Target's big customers will also be able to enjoy such benefits as a reduction in logistics costs and improved profitability, and therefore the business integration will not lead to the estrangement of Target's big customers. The Tender Offeror expects that even in cases where there is overlap in the scope of operations between customers of the Tender Offeror Group and customers of the Target Group, through collaboration at AZ-COM Matsubushi, adjustments in such scope of operations can be made so that conflicts between customers do not arise. In addition, the Tender Offeror Group, on the basis of the business philosophy that the customer comes first, has traditionally devised and proposed measures that solve the managerial issues of customers from a logistics standpoint; thus, even if after the Transaction issues arise from the Target Group's participation in the Tender Offeror Group, the Tender Offeror's policy is to approach the

customers and engage in serious discussions aimed at their resolution.

- The Tender Offeror plans to utilize the Target Group's existing logistics network while engaging in the collaboration at AZ-COM Matsubushi and does not intend to make large changes to the existing logistics network that the Target Group has built. Even supposing that there are changes to the Target Group's existing logistics network, because AZ-COM Matsubushi is a facility with the goal of building a sustainable logistics system by achieving energy efficiencies to the extent possible in transport and delivery, it will not lead to greater inefficiencies in the Target Group's overall logistics network. Further, the Tender Offeror, which runs a 3PL, is planning, through the collaboration at AZ-COM Matsubushi, to entrust to the Target Group a portion of the transport and delivery operations arising in the logistics services it provides to manufacturers, as well as the retail outlet delivery operations of the retail logistics services it provides. With this, the Target Group can anticipate improvements to its top line, and by playing an integral role in the "new" logistics, the Target Group can expect to see large growth.

b. Regarding (ii) above

- Business integration between companies that have similar corporate cultures cannot be expected to result in large reform, while business integration between companies with differing corporate cultures will cultivate the chemical change of building of a new corporate culture where each side brings different strengths to the relationship. Specifically, when the corporate cultures differ, the effect that can be expected is that the employees from both firms, within this new corporate group, can learn much from each other, make selections from a broader array of career opportunities, and otherwise see an increase in relationships with both senior and junior fellow workers. This is precisely what is meant by the "happiness management" of the Tender Offeror and "Becoming a logistics company where employees have future hopes, and enthusiastically dedicate themselves to work" of "What We Aim to Become" of Target, which was born of the business integration between Meito Transportation and Hutech norin.
- As an actual case in point, PHYZ Holdings Inc. which joined the Tender Offeror Group in March 2022, has a corporate culture different from that of the Tender Offeror Group, yet through its collaboration with the Tender Offeror Group has been able to achieve greater results, and the Tender Offeror believes that it serves as evidence of what can be achieved when companies with differing corporate cultures merge.
- The Tender Offeror believes that by integrating the corporate culture of Target, which is highly regarded for being able to provide quality cold chain logistics in a stable manner, with the marketing strength of the Tender Offeror, which has constantly achieved strong corporate growth, will enable the provision of the foremost cold chain logistics domestically and will open a future path to the provision of cold chain logistics services to Asia and the rest of the world.
- For the above reasons, the Tender Offeror does not expect an increase in additional risks from the Business Integration, but rather believes that there are great synergy effects that will be gained from the Business Integration.

In mid-January 2024, as the sense of crisis grew with the worsening of economic trends in the freight transport industry, including the failure of cold chain logistics companies, the Tender Offeror felt a strong need to quickly address the major issues facing the logistics industry, including the 2024 Logistics Problem and other managerial issues, the shortfall of personnel and operating vehicles, and the sudden increase in supply and raw material prices against such factors as the backdrop of geopolitical risks and the weak yen. The Tender Offeror came to think that it was critical to realize as soon as possible rapid decision-making in the post-Transaction management of the Tender Offeror Group and the Target Group and the synergy between the groups. As a result of this, the Tender Offeror, realized that not the Business Integration but executing the Transaction and delisting Target and making Target a wholly-owned subsidiary of the Tender Offeror would lead to rapid decision-making in the post-Transaction management of the Tender Offeror Group and the Target Group, enabling the rapid realization of the synergy effects expected through this rapid decision-making and enabling a rapid response to the major issues facing the logistics industry as described above. For these reasons, the Tender Offeror came to the conclusion that the Transaction would bring great benefits to the shareholders, customers, employees and other stakeholders of both firms. In point of fact, Target was established through the business integration of Meito Transportation and Hutech norin in the form of a joint stock transfer, but it was only six years after establishment that the personnel systems were unified and the rationalization and dynamic fusion from the business integration are gradually starting to develop, but a considerable amount of time was required; thus the Tender Offeror came to think that Transaction would lead to more rapid business decision-making and faster attainment of the synergy expected through such faster decision-making.

The Tender Offeror decided to begin specific consideration of execution of a Tender Offer for Target Shares as part of a series of transactions for making Target the wholly-owned subsidiary of the Tender Offeror. In late January, the Tender Offeror appointed as legal advisor, Nishimura & Asahi (Gaikokuho Kyodo Jigyo), a firm independent from both the Tender Offeror Group and Target Group, and as financial advisor, Mizuho Securities, which also is independent from both the Tender Offeror Group and Target Group, and built a framework for consideration of the acquisition of Target Shares through the Tender Offer and began specific considerations.

Mizuho Securities is not a related person of either the Tender Offeror or Target. Mizuho Bank, which belongs to the same group as Mizuho Securities, holds the position of shareholder of Target and has been carrying out lending transactions with Target in the course of normal bank transactions; in addition, the Tender Offeror is planning to borrow funds for settling the Transaction, from Mizuho Bank. However, according to Mizuho Securities, pursuant to FIEA, Article 36, Paragraph 2, and the applicable laws and regulations under Cabinet Order on Financial Instruments Business (Cabinet Order No. 52 of 2007, as amended; “Financial Instruments Business etc. Order”), Article 70-4, Mizuho Securities and Mizuho Bank have built and implement a framework for managing conflicts of interest, including an information firewall, and Mizuho Securities is advising on this matter from a standpoint independent of Mizuho Bank's position as a shareholder and lender of the Target Company. In light of the fact that an appropriate framework for managing conflicts of interest, including an information wall has been established, and that Mizuho Securities has a track record as a financial advisor in similar deals, the Tender Offeror concluded that Mizuho Securities had secured independence as a financial advisor and thus appointed Mizuho Securities as financial advisor.

Subsequently, on March 15, 2024, Target released “Measures for Achieving Management that is Conscious of Capital Cost and Share Price” and indicated that through both a financial approach and a business approach it was seeking to enhance return on equity. As the specific initiatives indicated in the release by Target for seeking to realize sustainable growth and enhancement of corporate value over the medium-to-long term, those listed below overlap precisely with the synergy benefits that the Tender Offeror is anticipating from the Transaction; by utilizing the resources of the Tender Offeror Group, Target will be able to realize these goals faster than it imagines; accordingly, Tender Offeror firmly believes that the Transaction will contribute to enhancement of the Target Group's corporate value.

① As one initiative for "Achieving a resilient revenue base and sustainable growth through further investment", Target cites "Expansion of EC-related logistics business" and as a specific initiative cites "collaboration and tie-up with a last one-mile business", with future goals of sales of 30 billion yen in the EC-related logistics business. As discussed above in "(A) Complementarity in business areas between the Tender Offeror Group and the Target Group", "c. Expansion of EC-related logistics business", by utilizing the Tender Offeror Group's EC-related logistics business know-how such as last one mile skill and operation of EC center cultivated in transactions with Amazon Japan, the Target Group's EC-related logistics business can grow more rapidly and with greater certainty, and the goal of 30 billion yen in sales can be realized more quickly than under Target's current plan.

② As one initiative for "Achieving a resilient revenue base and sustainable growth through further investment", Target cites "Developing the overseas business" and as specific initiatives is considering (i) strengthening the foundation of the network in the southern Vietnam area and expanding into the northern Vietnam area and (ii) expanding into Southeast Asia port warehouses. As discussed above in "(A) Complementarity in business areas between the Tender Offeror Group and the Target Group, "(h) Developing the overseas business", regarding (i)Kamigumi Co., Ltd., which has a capital and business tie-up with the Tender Offeror, has its Hanoi Branch in Hanoi (northern Vietnam) and its local affiliate Kamigumi Vietnam Co., Ltd in Ho Chi Minh City (northern Vietnam), and Target could utilize this network; and regarding (ii), Kamigumi Co., Ltd. has port operation know-how and local networks, and can provide assistance.

③ As one initiative for "Achieving a resilient revenue base and sustainable growth through further investment", Target is making efforts to address the 2024 Logistics Problem, one of which is "reducing workload" through promoting a modal shift by adding transportation by ship". As discussed above in "(A) Complementarity in business areas between the Tender Offeror Group and the Target Group", "i. Promoting a modal shift", in this regard as well, assistance utilizing the network of Kamigumi Co., Ltd. will be available.

④ As one initiative for "Achieving a resilient revenue base and sustainable growth through further investment", Target cites as a priority, "Achieving human capital management through expanded investment in human resources, and as specific examples of this cites, "training specifically designed for individual employment classes" and "improvements in wages and benefits aimed at greater hiring competitiveness (new graduates and mid-career hires). As set forth above in "(B) Improvement of the Functions of the Tender Offeror Group and the Target Group", "(a) Human resource hiring and training", the Tender Offeror Group has for many years taken initiatives in the field of education of human resources, with the education department being an independent organization, and in fiscal year 2022 made 911 hires in total of new graduates and mid-career hires, followed by 1,092 of such hires in fiscal year 2023. The Target Group will also be able to utilize our know-how and knowledge regarding education of the Tender Offeror Group's human resources education and hiring.

⑤ As one initiative for "Achieving a resilient revenue base and sustainable growth through further investment", Target cites "deployment of workforce reduction and labor-saving facilities". As discussed in "(B) Improvement of the Functions of the Tender Offeror Group and the Target Group", "(b) Accelerated investment in labor-saving and workforce reduction", the Target Group has also been moving forward with investment in labor-saving and workforce reduction and is applying the labor-saving and workforce reduction know-how learned in the EC-related logistics business to the food logistics business. The Tender Offeror believes that with this, the application of the labor-saving and workforce reduction know-how that the Tender Offeror learned in the EC-related logistics business to the growth fields that the Target Group cites of EC-related logistics business and the Target Group's main business, food logistics will go smoothly.

Thus, the Tender Offeror decided that it would submit to Target a Statement of Intent setting forth the Tender Offeror's detailed proposal regarding the Transaction ("Statement of Intent"). The Tender Offeror also released the March 21, 2024 Press Release to ensure that Target and its shareholders could properly understand the content of the Statement of Intent and the background behind it. Additionally, this was done to allow sufficient time for consideration, in order to gain the understanding and support of Target and its shareholders for the Transaction. For almost one year, from October 2022 to October 2023, the Tender Offeror carried out discussions with Target relating to the Business Integration Proposal, but it did not get the sense that Target was giving serious consideration, and on October 5, 2023-without any transparency as to whether there was consideration in line with the debates that took place at the Study Group Regarding Fair Acquisitions between November 18, 2022, and August 31, 2023, or with the Takeover Guidelines, which METI released in light of those debates on August 31, 2023-the Tender Offeror received a notice from Target to the effect that it was suspending consideration of the Business Integration Proposal. As discussed above, the Tender Offeror feels strongly about the necessity to promptly address the major issues facing the logistics industry and believes that it is critical to quickly realize the synergy between the Tender Offeror Group and the Target Group. However, the Tender Offeror also believed that, just as in the discussions regarding the Business Integration Proposal from October 2022 to October 2023, there was a strong possibility Target would not give serious consideration to the matter unless the March 21, 2024 Press Release and the Statement of Intent were released beforehand. The Tender Offeror thought that holding discussions with Target after releasing the March 21, 2024 Press Release and the Statement of Intent would likely result in serious consideration by Target because it would be based on a more transparent process, and it would lead to Target properly understanding the content of the Transaction and supporting it, thus resulting in the synergy between the Tender Offeror Group and the Target Group being more rapidly realized. With this in mind, the Tender Offeror decided in mid-February 2024 to first release the March 21, 2024 Press Release and the Statement of Intent and then hold discussions with Target.

IV. Course of Events Following Release of the March 21, 2024 Press Release

On March 21, 2024, the Tender Offeror stated in the March 21, 2024 Press Release and the Statement of Intent that it wished to explain the substance of the Transaction and the intent of the Tender Offeror to Target promptly after the releases of the foregoing, and on March 29, 2024, Target contacted the Tender Offeror to the effect that Target wished to visit the Tender Offeror's Tokyo headquarters after 3:00 p.m. on April 3, 2024, and receive such explanation from the Tender Offeror. Accordingly, starting at 3:00 p.m. on April 3, 2024, at the Tender Offeror's Tokyo headquarters, the Tender Offeror explained to Target, based on the Statement of Intent, the substance of the Transaction and the expected synergy effects between the Tender Offeror Group and the Target Group, but the Tender Offeror did not receive any questions from Target regarding such explanation. This meeting's attendees from the Tender Offeror were Director and Vice President Teruaki Yamamoto, Director and Executive Operating Officer Masanao Kuzuno, Director and Executive Operating Officer Tsutomu Fujita, and Operating Officer Satoru Oana, as well as Mizuho Securities (Tender Offeror's financial advisor) and Nishimura & Asahi (Gaikokuho Kyodo Jigyo) (Tender Offeror's legal advisor). The attendees from Target were President and CEO Hiromasa Aya, Representative Director and Senior Managing Director Akihiro Muto, Managing Executive Officer Tsuyoshi Sugawara and Executive Officer Takaaki Yamamiya, as well as QuestHub Co., Ltd. (Target's financial advisor) and TMI Associates (Target's legal advisor).

Subsequently, on April 10, 2024, the Tender Offeror received from Target a "List of Inquiries", asking for the provision of information deemed essential by Target's Board of Directors and the Special Committee to give consideration to the Transaction, as described in the "Notice Concerning Sending the List of Inquiries as to Scheduled Commencement of Tender Offer for Company's Stock by AZ-COM MARUWA Holdings Inc." released by Target on April 10, 2024. In response, as set forth in the "Notice Regarding Submission of Responses to the List of Inquiries from Chilled & Frozen Logistics Holdings Co., Ltd. (Code:9099)" released by the Tender Offeror on April 15, 2024, the Tender Offeror on April 12, 2024, sent to Target a Response Letter that replies to the List of Inquiries. In this List of Inquiries, Target once again asked about the risk of customer defection. The Tender Offeror in the Response Letter responded that the Tender Offeror expects to maintain Target's current framework, including day-to-day operations, which will result in no changes in transactions for Target's transaction partners and thus the Tender Offeror does not believe this would lead to customer defection. If any transaction partners express concern about any point, measures will be taken by officials, including top sales managers, to address such concern, as set forth below, so that the Transaction will be understood sufficiently. The Tender Offeror, since immediately after the announcement of the Transaction, has been having a dialogue with Target shareholders, transaction partners of the Tender Offeror and Target, and various other stakeholders, and it is the understanding of the Tender Offeror that they have indicated understanding for the Tender Offeror's explanation of the Transaction.

Subsequently, the Tender Offeror on April 19, 2024, received from Target a "Second List of Inquiries" asking for the provision of information deemed essential by Target's Board of Directors and the Special Committee, as described in the "Notice Concerning Sending the List of Additional Inquiries as to Scheduled Commencement of Tender Offer for Company's Stock by AZ-COM MARUWA Holdings Inc." released by Target on April 19, 2024. In response, as set forth in the "Notice Regarding Submission of Response Letter to the Second List of Inquiries Relating to Tender Offer from Chilled & Frozen Logistics Holdings Co., Ltd. (Code:9099)" released by the Tender Offeror on April 23, 2024, on that date, the Tender Offeror sent to Target a Second Response Letter that responds to the Second List of Inquiries.

In the March 21, 2024 Press Release, the Tender Offeror disclosed that it planned to commence the Tender Offer in early May 2024; in Target's "List of Inquiries" and "Second List of Inquiries", on such grounds as (i) Target has received letters of intent for multiple initial counterproposals to the Transaction, and with a commencement of the Tender Offer in early May 2024, it will not be possible to fully consider both the Tender Offeror's proposal and the counterproposal, and thus no opportunity for informed judgment has been secured, and (ii) a sufficient period for a market check has not been secured, Target requested that the commencement of the Tender Offer be postponed from early May 2024. However, in its "Response" and "Second Response", on such grounds as (i) a period of roughly more than a month has been secured from the announcement of commencement of the Tender Offer until commencement of the Tender Offer (a period of two to three months until the end of the Tender Offer), and thus ample time for Target and its shareholders to consider the Transaction and sufficient time for a market check are provided; (ii) as discussed above, the Tender Offeror in fact gave explanations, following announcement of the Transaction, to more than 20 large shareholders of Target and more than 10 transaction partners of Target, and none of these indicated any negative reaction to the Transaction, but rather had favorable opinions, and there were no shareholders reacting in any way that indicated they felt that the schedule envisioned by the Tender Offeror was insufficient as a period for making an appropriate judgment regarding the advisability of the Transaction and whether to tender shares; (iii) at this point in time, when no information has been revealed about legitimacy of purpose, specificity of proposal, or degree of feasibility regarding the letters of intent for multiple initial counterproposals to the Transaction that Target has received, there is little need to ensure a sufficient period of time for shareholders to make informed judgment regarding these, and they are not a sufficient reason to delay the payment of consideration under the Tender Offer to Target's shareholders; (iv) as discussed below in "(4) The Fairness of the Procedures in the Transaction in Light of the Takeover Guidelines", "② The Setting of Conditions Intended to Eliminate Coercion", "(ii) The Setting of a Tender Offer Period with the Purpose of Providing Shareholders with an Opportunity to Make Judgment Regarding Both Tendering Shares in the Tender Offer and the Advisability of the Transaction", under circumstances where it is thought that coercion has been eliminated and there are no concerns about the possibility of remaining as a minority shareholder if the Tender Offer is completed successfully, it will be possible for Target shareholders who do not wish to support the Tender Offer at the current time to express an opinion of not supporting the Tender Offer, by refusing to tender shares in the Tender Offer by the final day of the initially set Tender Offer Period. Further, if before the end of the Tender Offer, the commencement of a tender offer by a third party is announced or other sincere acquisition proposal from a third party made for a legitimate purpose and having sufficient specificity and feasibility is announced, the Tender Offeror expects that it will consider extension of the Tender Offer Period and other measures for ensuring that Target shareholders have an opportunity for informed judgment, and the interests of Target Shareholders will not be harmed. Thus, the Tender Offeror replied that it would not comply with such request.

In addition, in Target's "List of Inquiries" and "Second List of Inquiries", because (a) it is possible that a certain number of passive index funds will not support the Transaction after comparing the Tender Offer Price with Target's inherent value, and (b) regarding employee and transaction partner shareholding associations, in light of Target's concerns that the Transaction entails the risk of harming its relationship with its main customers, the food wholesalers, and that it is possible that because of the difference in corporate culture between the two firms, the Transaction will not bring any advantages to Target's employees, it is expected that the employee and transaction partner shareholding associations will not support the Transaction even after the Tender Offer successfully completes, and for these and other reasons, even if the Tender Offer is successful, there is no guarantee that the Squeeze-Out Procedures will be completed promptly, and there is the possibility that shareholders who did not tender their shares in the Tender Offer will end up remaining as minority shareholders even after completion of the Tender Offer, and a certain level of coercion will exist with respect to the Transaction. To prevent such a situation, Target requested that the lower limit of the number of shares for purchase be raised to “a level where it is certain that the Squeeze-Out Procedures can be carried out”.

However, in the “Response” and “Second Response”, the Tender Offeror replied that because (a) the Transaction will be sufficiently attractive to Target and its shareholders, it is expected that passive index funds will also vote in favor of the Share Consolidation Procedures at the Extraordinary Shareholders Meeting; (b) employee and transaction partner shareholding associations (x) if Target’s Board of Directors expresses an opinion not in favor of the Tender Offer, they can be expected not to tender their shares, in line with this opinion, but (y) given that after the Tender Offer is successful and the Tender Offeror becomes the new parent company of Target, because the Transaction represents a serious proposal that will not only contribute to enhancing the corporate value of Target, but also gives weight to the interests of the employees and transaction partners, as important Target stakeholders, it can generally be expected that Target’s Board of Directors will show a certain understanding towards the managerial policies etc. of the Tender Offeror, the new parent company, and will operate business in line with the policies of the parent company. Therefore, even shareholders who, as discussed in (x) above, refrain from tendering their shares in line with the opinion of the Board of Directors, are in principle expected to support the Share Consolidation Proposal at the Extraordinary General Shareholders Meeting, (c) because some transaction partner shareholders who own Target Shares for cross-holding or similar purposes, while expected to refrain from tendering their shares in the Tender Offer if Target’s Board of Directors does not express an opinion in favor of the Tender Offer, are expected to support the Share Consolidation Proposal following completion of the Tender Offer, in the same manner as transaction partner shareholding associations, in addition to the number of Target Shares owned by passive index funds, the employee shareholding association, and transaction partner shareholding associations (roughly 18.32%), a certain number of additional votes in support are expected; (d) as discussed below in 「(4) The Fairness of the Procedures in the Transaction in Light of the Takeover Guidelines”, “② The Setting of Conditions Intended to Eliminate Coercion”, “（(ii) The Setting of a Tender Offer Period with the Purpose of Providing Shareholders with an Opportunity to Make Judgment Regarding Both Tendering Shares in the Tender Offer and the Advisability of the Transaction”, shareholders who do not support the Transaction will be able to express their opinion of not supporting the Tender Offer by not tendering their shares in the Tender Offer by the final day of the initially set Tender Offer Period, under conditions where it is thought that coercion has been eliminated and there are no concerns about the possibility of remaining as a minority shareholder if the Tender Offer is completed successfully; and (e) even if the proposal for the Share Consolidation is not approved at the Extraordinary General Shareholders Meeting, because the Tender Offeror intends to purchase all Target Shares (excluding the Target Shares the Tender Offeror possesses and treasury shares owned by Target), the Tender Offeror will make additional purchase of Target Shares until reaching the number of Target Shares representing two-thirds of the number of voting rights entitled to vote at the next general shareholders meeting scheduled to be convened for approval of the Share Consolidation and will then request the convocation of such general shareholders meeting, and thus there are no worries that Target shareholders who wish to sell their Target Shares will remain as minority shareholders. For these reasons, Tender Offeror did not intend to comply with such request.

Further, on April 20, 2024, the Tender Offeror received from the Special Committee a communication to the effect that the Special Committee wished to hear explanations directly from the Tender Offeror at 10:00 a.m. on

April 24 regarding matters it wished to confirm (e.g., grounds of calculation of the synergy arising for the Target Group from the Transaction). Thus, at 10:00 a.m. on April 24, 2024, the Tender Offeror met with the Special Committee and gave an explanation regarding grounds of calculation of the synergy arising for the Target Group from the Transaction and other matters.

On April 24, 2024, after the meeting between the Tender Offeror and the Special Committee held on that date, as stated in "Notice Concerning Submission of Request to AZ-COM MARUWA Holdings for Postponement of Tender Offer", released by Target on the same date, the Tender Offeror received the following request from the Special Committee without specific explanation of the reasons for not considering postponing commencement of the Tender Offer that the Tender Offeror explained in the Second Response Letter: as of such time, Target had received multiple statements of intent for initial competing proposals to the Transaction; because there was a significant possibility that Target would receive legally binding proposals from the persons making these statements of intent, securing sufficient time to give serious consideration and compare these proposals with the Tender Offeror's proposal was necessary in order to protect the interests of Target and its shareholders, and as time necessary for these purposes, Target wanted the commencement of the Tender Offer to be postponed until at least the end of May 2024. The Tender Offeror also received a communication to the effect that if the Tender Offeror does not extend commencement of the Tender Offer, and Target judges it to be necessary in order to implement a sufficient market check and protect the interests of Target and its shareholders. To the extent necessary for such purpose, Target would consider adopting a response policy and countermeasures against the Tender Offer.

The Tender Offeror could not help be concerned whether its thought explained in the Second Response Letter regarding giving consideration to the interests of Target Shareholders had been sincerely considered, but because the above request was in the joint name Target and the Special Committee, the Tender Offeror sincerely considered how to respond once again.

However, as far as the Tender Offeror was concerned, because (i) the period from March 21, 2024, when the plans to commence the Tender Offer were announced, until the start of the Tender Offer is more than one month, and if the Tender Offer Period is set to last until June 17, 2024 (31 business days), there will be a period of 60 business days (roughly three months) until the completion of the Tender Offer, and therefore a sufficient opportunity has been secured for Target's minority shareholders to judge whether to support the Transaction and tender their shares in the Tender Offer; (ii) in the 11 examples of tender offers over the past five years, where after the initial tender offer was announced, a competing tender offer was announced by a third party, the period from announcement of the initial tender offer until announcement of the competing tender offer was on average 28 business days (41 days); in the Tender Offer, as stated in (i) above, if the Tender Offer Period is set to last until June 17, 2024 (31 business days), there will be a period of 60 business days (roughly three months) until the completion of the Tender Offer, and therefore it will be fully possible to make a competing transaction by the time of completion of the Tender Offer; (iii) Target shareholders who do not wish to support the Tender Offer at the current time, as stated below in "(4) The Fairness of the Procedures in the Transaction in Light of the Takeover Guidelines", "② The Setting of Conditions Intended to Eliminate Coercion", "（(ii) The Setting of a Tender Offer Period with the Purpose of Providing Shareholders with an Opportunity to Make Judgment Regarding Both Tendering Shares in the Tender Offer and the Advisability of the Transaction", it will be possible, if the Tender Offer is successfully completed, under circumstances where coercion has been eliminated and there are no concerns about the possibility of remaining as a minority shareholder, to express an opinion of not supporting the Tender Offer by refusing to tender shares in the Tender Offer by the final day of the initially set Tender Offer Period, and shareholders believing that a competing proposal with conditions more favorable than the Transaction will be made can choose not to tender their shares in the Tender Offer before the final day of the Tender Offer Period (June 17, 2024), and if the total number of Tendered Share Certificates etc. reaches the lower limit of the number of shares for purchase, those shareholders can tender their shares in the extension period or, even after the extension period has passed, if the Tender Offer has successfully completed and at the Extraordinary General Shareholders Meeting, the proposal for the Share Consolidation is not approved, because the Tender Offeror intends to purchase all Target Shares (excluding the Target Shares the Tender Offeror possesses and treasury shares owned by Target), the Tender Offeror will make additional purchase of Target Shares until reaching the number of Target Shares representing two-thirds of the number of voting rights entitled to vote at the next general shareholders meeting scheduled to be convened for approval of the Share Consolidation at a price that is economically equivalent to shareholders selling shares in such additional acquisition when compared with the Tender Offer Price (i.e., provided that Target carries out no share consolidation, share split, or other act requiring adjustment of share price, the same amount per share as the Tender Offer Price), and if in the end no competing proposal with better conditions than the Transaction is made, it will still be possible for shareholders selling their shares in the addition acquisition to make sale at a price that is economically equivalent to the Tender Offer Price, and thus they will not suffer substantial disadvantages compared to a case where they had tendered their shares by the final day of the initially set Tender Offer Period; (iv) if before the end of the Tender Offer, the commencement of a tender offer by a third party is announced or other sincere acquisition proposal from a third party made for a legitimate purpose and having sufficient specificity and feasibility is announced, taking into account the period following the above initial tender offer announcement of in (ii) above until the announcement of a competing tender offer from a third party as envisioned by Target (until the end of May), if the Tender Offer Period is set to last until June 17, 2024 (31 business days), it is expected that a sufficient opportunity has been ensured for an informed judgment with the period from such announcement of a competing proposal until the end of the Tender Offer Period, but depending on the contents and the timing of the announcement of the competing proposal, the Tender Offeror is considering, as necessary. extension of the Tender Offer Period and other measures for further ensuring that Target shareholders have an opportunity for informed judgment, and for these reasons, the interests of Target Shareholders will not be harmed; (v) if the Tender Offer Period is set to last until June 17, 2024 (31 business days), in a case where, as Target expects, a third party announces the commencement of a tender offer or a sincere acquisition proposal with sufficient specificity and feasibility for a legitimate purpose by around the end of May 2024, it will be possible, during the period from the announcement of such competing proposal until the end of the Tender Offer Period, to compare such competing proposal and the Transaction and give consideration, and it is expected that at the very least an opportunity for Target Shareholders will be secured to make an informed judgment at least on whether to tender their shares in the Tender Offer, and further, this is line with the request of Target and the Special Committee of ensuring an opportunity for a market check by at least the end of May 2024; （ⅵ）the Takeover Guidelines defines an indirect market check as “the implementation of an acquisition after announcing facts relating to an acquisition and building an environment where after such announcement another potential acquirer can make a competing proposal”; given this, the period for a market check is from the announcement of the fact of the tender offer until sometime before the expiration of a tender offer period; if the Tender Offer Period is set to last until June 17, 2024 (31 business days), this means a period of 60 business days (roughly three months) from the announcement of the plan to commence the Tender Offer, which is sufficient as a market check period, and accordingly, the request for a postponement of the commencement of the Tender Offer made by Target and the Special Committee in order to perform a market check appears to deviate from what such guidelines intended by presenting a market check as a reasonable means for attempting to improve acquisition conditions; (vii) at this point in time, when no information has been revealed about the legitimacy of purpose, specificity of proposal, or degree of feasibility regarding the letters of intent for multiple initial counterproposals to the Transaction that Target has received, there is little need to ensure a sufficient period of time for shareholders to make informed judgment regarding these, and they are not a sufficient reason to delay the payment of consideration under the Tender Offer to Target's shareholders, and providing Target Shareholders with an early opportunity to sell their Target Shares is precisely what would be in the best interests of Target Shareholders; (viii) the reason that under FIEA, the maximum length of a tender offer period is set at 60 business days is to prevent shareholders and others from being placed in an uncertain position for a long period and to prevent the smooth circulation and fair pricing of related securities on the market from being obstructed over a long period; Target has requested that the commencement of the Tender Offer be postponed until "at least" the end of May 2024, has not indicated specifically how long of an extension will be sufficient for a market check, and if the Tender Offeror complies and postpones commencement of the Tender Offer until the end of May, the possibility cannot be denied that subsequently, there will be another request for a postponement, or that the Target Board of Directors will use its discretion to intentionally delay execution of the Transaction; this would clearly go against the intent of FIEA for setting the maximum tender offer period at 60 business days, and be likely to harm the interests of shareholders who are placed in an uncertain position for a long period of time (meanwhile, if the Tender Offer Period is set to last until June 17, 2024 (31 business days), there will be 60 days from the announcement of the plans to commence the Tender Offer and the completion of the Tender Offer, and this would not be contrary to the intent of FIEA); and (ix) the execution of the Transaction without delay will cause the synergy effects arising from the Transaction to be realized sooner and thus will lead to enhancement of Target's corporate value. Therefore, the Tender Offeror will not comply with this request, and at the meeting of the Board of Directors held on May 1, 2024, it decided to commence the Tender Offer without Target's support of the Transaction and to have the Tender Offer Period last until June 17, 2024 (31 business days). As explained in the "Notice Regarding Submission of Response Letter to Request Letter from Chilled & Frozen Logistics Holdings Co., Ltd. (Code: 9099) Relating to Timing of Commencement of Tender Offer for Shares in Such Company" released by the Tender Offeror on the same day, the Tender Offeror communicated the above to Target.

Prior to the release of the March 21, 2024 Press Release, when the Transaction had not been announced yet, the Tender Offeror did not carry out any discussions relating to the Transaction with any third parties, including shareholders of Target; but in the period from March 21, 2024, directly after announcement of the Transaction, until May 1, the Tender Offeror has given explanations of the Transaction to more than 20 major shareholders of the Target that the Tender Offeror is aware of and more than 10 transaction partners of Target based on the customer-first philosophy, with the aim of having the Transaction properly understood by Target Shareholders and preventing any damage to Target's corporate value. These shareholders and transaction partners have not expressed any negative response to the Transaction and rather have indicated a favorable view, including hopes for initiatives to address logistics challenges.

② Management Policy after the Transaction

With the aim of achieving synergies between the Tender Offeror Group and the Target Group early, and of enhancing the corporate value of the two companies in the medium-to-long term, the Tender Offeror, after the Transaction, will leverage its operational prowess to formulate the Target Group's business plans and carry out management designed to achieve such plans, thereby supporting the efforts to realize management reform. The Tender Offeror will instill into the Target Group's operations its promotion of business initiatives with all members of the company as one, including the Tender Offeror's active and top-level sales, and the Tender Offeror's culture of organization-wide commitment to meet targets, and implement these efforts so the Target Group can unleash its full potential and realize synergies with the Tender Offeror Group quickly.

The Tender Offeror is also considering dispatching directors to the Target Group as one option if the Tender Offer is successful, but we intend to determine specific management policies and management structure after discussions with the Target going forward with the spirit of equality from the perspective of further enhancing the corporate value of both sides, and there are no facts that have been finalized at this point. The Tender Offeror's hopes for the Target Group are that, after the Tender Offer is completed, current senior management at the Target will continue to serve in their respective capacities, assuming that the Target Group will make efforts to create synergies between the Tender Offeror Group and the Target Group and otherwise increase the corporate value of the two companies in the medium-to-long term. At this point in time, there are no particular plans to change the Target Group's trade name or brand, nor modify employment of the Target Group's employees and their employment conditions.

The Tender Offeror also plans to have the Tender Offeror Group and Target Group continue transactions with their business partners after the Transaction and further cater their sales activities to customers.

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

As of this day, Tender Offeror owns only 24,296 Target Shares (ownership percentage: 0.11％), and the Tender Offer does not fall under the category of a tender offer by the controlling shareholder. Furthermore, there is no plan for any of Target's management team to invest directly or indirectly in Tender Offeror, and the Tender Offer and the rest of the Transaction does not fall under the category of a management buyout (MBO). In consideration of the fact that the Tender Offer will be implemented with the purpose of making Target the wholly-owned subsidiary of Tender Offeror, Tender Offeror and Target are implementing the following measures from the perspective of taking the fairness of the Tender Offer and the rest of the Transaction seriously.

① Obtaining a Stock Valuation Report from a Financial Advisor and Third-Party Calculation Agency Independent from Tender Offeror

In deciding the Tender Offer Price, Tender Offeror asked Mizuho Securities, a financial advisor and third-party calculation agency independent from Tender Offeror and Target, to calculate the value of Target Shares. Mizuho Securities does not fall under the category of a related party of Tender Offeror or Target. Mizuho Bank, which belongs to the same corporate group as Mizuho Securities, holds the position of shareholder of the Target and has been carrying out lending transactions with the Target in the course of normal bank transactions. In addition, the Tender Offeror is planning to borrow funds for settling the Transaction, which includes the Tender Offer, from Mizuho Bank. However, according to Mizuho Securities, pursuant to FIEA, Article 36, Paragraph 2, and the applicable laws and regulations under the Financial Instruments Business etc. Order, Article 70-4, Mizuho Securities and Mizuho Bank have built and implemented a framework for managing conflicts of interest, including an information firewall, and Mizuho Securities is advising on this matter from a standpoint independent of Mizuho Bank's position as a shareholder and lender of the Target. Because the Tender Offeror decided on the Tender Offer Price comprehensively considering the various factors listed in "① Grounds for calculation" above, the expected synergy effects discussed above in "1. Overview of Purchase etc.", "(2) The Background, Objective and Decision-Making Process Leading to the Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy", "① The Background, Objective and Decision-Making Process Leading to the Decision to Implement the Tender Offer", and tendering forecast, it has not obtained a fairness opinion on the fairness of the Tender Offer Price from Mizuho Securities.

For a summary of the share valuation report regarding Target Shares (the "Share Valuation Report"), which the Tender Offeror obtained from Mizuho Securities, see below, "2. Overview of Purchase etc.", "(4) Grounds for Calculation of Purchase etc.", "① Basis for Calculation" and "② Course of Calculations".

(4) The Fairness of the Procedures in the Transaction in Light of the Takeover Guidelines

The Tender Offeror believes that the Transaction, through realization of synergy with the Tender Offeror Group, will increase the medium-to-long-term value of the Target and at the same time enable Target's shareholders to receive distribution of fair consideration by having a large premium over the market price, and thus falls under a "desirable acquisition" under the Takeover Guidelines, and, in its implementation, the Tender Offeror intends to appropriately and proactively disclose information beneficial for the judgment of Target's shareholders (principle of transparency) and, after first ensuring an opportunity for reasonable decision-making by Target's shareholders, will in the end rely on the judgment of the shareholders (principle of respecting the will of shareholders), and will otherwise give maximum consideration to fairness of procedures. Specifically, as discussed below, the Tender Offeror proposes to implement the Transaction in a manner in compliance with the Takeover Guidelines.

① Ensuring an Opportunity to Make an Informed Judgment

Through the Letter of Intent and the March 21, 2024 Press Release, the Tender Offeror has provided necessary and sufficient information to Target and its shareholders. Further, in the March 21, 2024 Press Release and the Letter of Intent, the Tender Offeror made a request for an opportunity promptly after the announcement to explain the substance of the Transaction and the intent of the Tender Offeror. On March 29, 2024, the Tender Offeror received from Target a request to hear the explanation from the Tender Offeror, and on the earliest available date proposed by Target, April 3, 2024, at 3:00 p.m., the Tender Offeror gave Target, in line with the Letter of Intent, an explanation of the particulars of the Transaction and the synergy between the Tender Offeror Group and the Target Group. The attendees from Target were President and CEO Hiromasa Aya, Representative Director and Senior Managing Director Akihiro Muto, Managing Executive Officer Tsuyoshi Sugawara and Executive Officer Takaaki Yamamiya. Target had no questions regarding the explanations from the Tender Offeror.

On April 10, 2024, the Tender Offeror received from Target the "List of Inquiries" and on April 12 submitted a "Response Letter" to the "List of Inquiries". On April 19, the Tender Offeror received from Target the "Second List of Inquiries" and on April 23 submitted a "Second Response Letter" to the "Second List of Inquiries". On April 24, the Tender Offeror had a meeting with the Special Committee, where it gave explanations regarding matters that the Special

Committee wished to confirm (grounds for calculation of the synergy effects arising for the Target Group from the Transaction, etc.) and otherwise gave a timely good-faith explanation to Target's Board of Directors and the Special Committee so that they could understand the substance of the Transaction and support the Tender Offer. Further, the Tender Offeror has responded sincerely to requests for the provision of information that the Target Board of Directors and the Special Committee judged to be necessary, in addition to the information in the Letter of Intent, for forming an opinion regarding the Tender Offer. The Tender Offeror has secured a period of roughly more than one month from the announcement of the plan to commence the Tender Offer until commencement of the Tender Offer (if the Tender Offer Period is set to last until June 17, 2024 (31 business days), this means a period of 60 business days (roughly three months)), and the Tender Offeror believes that it has provided sufficient time for Target and its shareholders to understand the Transaction and consider whether to tender their shares in the Tender Offer.

Further, the Tender Offeror, from the perspective of gaining their full understanding of the Transaction and preventing damage to Target's corporate value, in the period from March 21, 2024, directly after announcement of the Transaction, until May 1, the Tender Offeror has given explanations of the Transaction to more than 20 major shareholders of Target that the Tender Offeror is aware of and more than 10 transaction partners of Target. None of these indicated any negative reaction to the Transaction, but rather had favorable opinions, and there were no shareholders reacting in any way that indicated they felt that the schedule envisioned by the Tender Offeror was insufficient as a period for making an appropriate judgment regarding the advisability of the Transaction and whether to tender shares.

Thus, the Tender Offeror is complying with the "principle of respecting the will of shareholders" and the "principle of transparency" under the Takeover Guidelines, has appropriately provided the necessary information, and has ensured sufficient transparency and fairness, and thus believes that a sufficient opportunity has been secured for shareholders to make an informed judgment regarding whether to accept acquisition of their shares by the acquirer.

As discussed above in "(2) The Background, Objective and Decision-Making Process Leading to the Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy", "① The Background, Objective and Decision-Making Process Leading to the Decision to Implement the Tender Offer", and "IV. Course of Events Following Release of the March 21, 2024 Press Release", the Tender Offeror disclosed in the March 21, 2024 Press Release that it was planning to commence the Tender Offer in early May 2024. In the "List of Inquiries", "Second List of Inquiries", and the "Notice Concerning Submission of Request to AZ-COM MARUWA Holdings for Postponement of Tender Offer", the Target requested a postponement of the commencement of the Tender Offer beyond early May 2024, but because at this point in time, when no information has been revealed about the legitimacy of purpose, specificity of proposal, or degree of feasibility regarding the letters of intent for multiple initial counterproposals to the Transaction that Target has received, there is little need to ensure a sufficient period of time for shareholders to make informed judgment regarding these, and they are not a sufficient reason to delay the payment of consideration under the Tender Offer to Target's shareholders, and providing Target Shareholders with an early opportunity to sell their Target Shares is precisely what would be in the best interests of Target Shareholders, and in light of the fact that even such request did not contain any explanation of any new circumstances that would cause the Tender Offeror to change its mind, the Tender Offeror decided that it would not comply with such request; meaning, giving maximum consideration to the fact that Target and the Special Committee requested that an opportunity for a market check until at least the end of May 2024 be secured, the Tender Offeror set the Tender Offer Period to last until June 17, 2024 (31 business days), so that, if a competing proposal is announced by the end of May 2024, Target Shareholders will be able to compare the competing proposal and the Proposal and give consideration.

As discussed above in "(2) The Background, Objective and Decision-Making Process Leading to the Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy", "① The Background, Objective and Decision-Making Process Leading to the Decision to Implement the Tender Offer", the Tender Offeror believes that through the creation of synergy between the Tender Offeror Group and the Target Group, the Transaction will bring large benefits to the shareholders, customers, employees, and other stakeholders of both firms, and that even if the Target does not give its support to the Transaction, the Tender Offer will successfully complete and even shareholders who did not tender their shares in the Tender Offer will support the Share Consolidation proposal after the Tender Offer successfully completes.

② The Setting of Conditions Intended to Eliminate Coercion

(i) Setting of Number of Shares for Purchase with the Objective of Delisting

In the Tender Offer, the Tender Offeror intends to acquire all Target Shares (other than those owned by the Tender Offeror and Target's treasury shares) and thus has not set an upper limit on the number of shares for purchase.

Further, of the potential cases where the Tender Offer ends successfully, but the Tender Offeror is unable to acquire all Target Shares (other than those owned by the Tender Offeror and Target's treasury shares), even in a case where, as a result of the Tender Offer, (a) the Tender Offeror comes to own Target Shares representing 90% or more of the total number of voting rights of Target Shareholders, (b) the Tender Offeror comes to own Target Shares representing two-thirds or more but less than 90% of the total number of voting rights of all Target shareholders, or (c) the Tender Offeror fails to own two-thirds or more of the total number of voting rights of Target shareholders, the Tender Offeror will not change its policy of making the Target a wholly-owned subsidiary and plans to implement the Squeeze-Out Procedures, and in the cases of (b) and (c) above, promptly after the completion of settlement of the Tender Offer, the Tender Offeror intends to request Target to convene an Extraordinary General Shareholders Meeting no later than three months after the completion of the Tender Offer. As discussed above in "(1) Tender Offer Overview," "(Note 3) (Note 5) and (Note 6)", even in the case of (c) above, the Tender Offeror expects that the vote requirements for passage of the resolution for Share Consolidation at the Extraordinary General Shareholders Meeting will be met. Even if the Share Consolidation proposal is rejected at the Extraordinary General Shareholders Meeting, because, ultimately, the purpose of the Tender Offer is to acquire all Target Shares (other than those owned by the Tender Offeror and Target's treasury shares), the Tender Offeror will make additional acquisition of Target Shares until reaching the number of shares representing two-thirds of the voting rights at the next scheduled general shareholders meeting convened for the purpose of approving the Share Consolidation, and then will request that such general shareholders meeting be convened (depending on the timing, there is a possibility that such a proposal will be made at Target's ordinary general shareholders meeting scheduled for June 2025.). For the methods of additional acquisition, the Tender Offeror intends to use market trades, a tender offer, and off-market trading other than tender offer (to the extent allowed by FIEA). If the Tender Offer is successful, then regardless of when the result is expected to be achieved, there will be no change to the policy of making the Target a wholly-owned subsidiary.

The consideration that the Tender Offeror will pay shareholders in the above additional acquisition will be a price that, compared with the Tender Offer Price, will be equivalent economically to the Tender Offer Price for shareholders selling shares in such additional acquisition (that is, provided that the Target does not consolidate or split shares or otherwise engage in conduct requiring adjustment of share price, the price will be the same price per share as the Tender Offer Price).

Therefore, the Transaction constitutes, in substance, an "all or nothing" offer as indicated in the Takeover Guidelines.

As stated in "(2) The Background, Objective and Decision-Making Process Leading to the Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy", "① The Background, Objective and Decision-Making Process Leading to the Decision to Implement the Tender Offer", and "IV. Course of Events Following Release of the March 21, 2024 Press Release", in the "List of Inquiries" and "Second List of Inquiries" received from Target,

Target requested that the lower limit of the number of shares for purchase be raised to "a level where it is certain that the Squeeze-Out Procedures can be carried out"; however, the Tender Offeror replied that because, among other things, it will be possible, under circumstances where it is thought that coercion has been eliminated and there are no concerns about the possibility of remaining as a minority shareholder if the Tender Offer is completed successfully, to express an opinion of not supporting the Tender Offer, by refusing to tender shares in the Tender Offer by the final day of the initially set Tender Offer Period, it would not comply with such request.

As stated above in "① Ensuring an Opportunity to Make an Informed Judgment", the Tender Offeror believes, as stated above in "(2) The Background, Objective and Decision-Making Process Leading to the Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy", "① The Background, Objective and Decision-Making Process Leading to the Decision to Implement the Tender Offer", that through the creation of synergy between the Tender Offeror Group and the Target Group, the Transaction will bring large benefits to the shareholders, customers, employees, and other stakeholders of both firms, and that even if Target does not give its support to the Transaction, the Tender Offer will successfully complete and even shareholders who did not tender their shares in the Tender Offer will support the Share Consolidation proposal after the Tender Offer successfully completes.

(ii) The Setting of a Tender Offer Period with the Purpose of Providing Shareholders with an Opportunity to Make Judgment Regarding Both Tendering Shares in the Tender Offer and the Advisability of the Transaction

The Tender Offeror has set the lower limit of the number of shares for purchase in the Tender Offer at 10,811,204 shares, and (i) in the event the total number of Tendered Share Certificates etc. does not reach 10,811,204 shares, the Tender Offeror will not purchase any of the tendered shares, but (ii) in the event the total number of Tendered Share Certificates etc. does reach 10,811,204 shares (for the method of confirmation, see above, "(1) Tender Offer Overview", "Note 8"), Tender Offeror will promptly make announcement to such effect and extend the Tender Offer Period to ensure that there are 10 business days remaining in the Tender Offer Period starting from the day following such announcement (however, if the total number Tendered Share Certificates etc. reaches the lower limit within 21 business days of the commencement date of the Tender Offer Period, the Tender Offer Period will not be extended, because even without the extension there will be 10 business days remaining in the Tender Offer Period starting from the day following such announcement). With this arrangement, it will be possible for shareholders opposing the Tender Offer itself to choose not to tender their shares by the final day of the initially set Tender Offer Period (June 17, 2024), and if it is forecasted that the total number of Tendered Share Certificates etc. will reach the lower limit of the number of shares for purchase, it will be possible to tender shares in the Tender Offer during the extension period. Therefore, it will be possible for shareholders not supporting the Transaction, under circumstances where it is thought that coercion has been eliminated and there are no concerns about the possibility of remaining as a minority shareholder if the Tender Offer is completed successfully, to express an opinion of not supporting the Tender Offer by refusing to tender their shares by the final day of the initially set Tender Offer Period (June 17, 2024). Thus, in the Tender Offer, the period until announcement is made that the total number of Tendered Share Certificates etc. in the initially set Tender Offer Period has reached the lower limit of the number of shares for purchase will function as a period during which shareholders can express their support of or opposition to the Tender Offer.

(5) Post-Tender Offer Reorganization Policy (Matters Relating to Two-Step Acquisition)

As set forth in "(1) Tender Offer Overview" above, the Tender Offeror aims to make the Target a wholly-owned subsidiary; for this reason, of the potential cases where the Tender Offer ends successfully, but the Tender Offeror is unable to acquire all Target Shares (other than those owned by the Tender Offeror and Target's treasury shares), even in a case where, as a result of the Tender Offer (i) the Tender Offeror comes to own Target Shares representing 90% or more of the total number of voting rights of Target Shareholders, (ii) the Tender Offeror comes to own Target Shares representing two-thirds or more but less than 90% of the total number of voting rights of Target Shareholders, or (iii) the Tender Offeror does not come to own Target Shares representing two-thirds of the total number of voting rights of Target Shareholders, the Tender Offeror plans to implement the Squeeze-Out Procedures; and in the case of (i) above, the Tender Offeror intends to make demand for sale of shares etc. pursuant to the Companies Act (Act No. 86 of 2005; as amended, "Companies Act"), Title 2, Chapter 2, Section 4-2 and, in the case of (ii) and (iii) above request that the Target convene an Extraordinary General Shareholders Meeting with resolutions to carry out consolidation of Target Shares ("Share Consolidation") pursuant to the Companies Act (Act No. 86 of 2005; as amended, "Companies Act"), Article 180 and partially amend its Articles of Incorporation to abolish the provisions of the share unit on condition that the Share Consolidation takes effect. As discussed in Note 3, Note 5 and Note 6 in "(1) Tender Offer Overview" above, the Tender Offeror expects that, even in the case of (iii) above, the vote requirements for passage of the resolution for Share Consolidation at the Extraordinary General Shareholders Meeting will be met.

However, in the case of (iii) above, there is the possibility that the Share Consolidation proposal will be rejected at the Extraordinary General Shareholders Meeting. Even in this case, however, because, ultimately, the purpose of the Tender Offer is to acquire all Target Shares (other than those owned by the Tender Offeror and Target's treasury shares), the Tender Offeror will make additional acquisition of Target Shares until reaching the number of shares representing two-thirds of the voting rights at the next general shareholders meeting scheduled for the purpose of approving the Share Consolidation, and then will request that such general shareholders meeting be convened (regarding the time required for such additional acquisition and subsequent approval of the Share Consolidation by the general shareholders meeting, because this depends in part on market conditions and other factors, it is difficult at the current time to specify a specific timeframe, but currently this is planned to be Target's ordinary general shareholders meeting scheduled for June 2025; the Tender Offeror will give notice when the specific expected timing becomes clear). For the methods of additional acquisition, the Tender Offeror intends to use market trades, tender offers, off-market trading other than tender offers (to the extent allowed by FIEA). If the Tender Offer is successful, then regardless of when the result is expected to be achieved, there will be no change to the policy of making the Target a wholly-owned subsidiary.

The consideration that the Tender Offeror will pay shareholders in the above will be a price that, compared with the Tender Offer Price, will be economically equivalent to shareholders selling shares in such additional acquisition (that is, provided that the Target does not consolidate or split shares or otherwise engage in conduct requiring adjustment of share price, the same price per share as the Tender Offer Price).

① Demand for Share Sale

In a case where, upon successful completion of the Tender Offer, the total number of Target voting rights that the Tender Offeror owns comes to 90% or more of the voting rights of all Target Shareholders and thus the Tender Offeror becomes a special controlling shareholder as provided in Article 179, Paragraph 1 of the Companies Act, the Tender Offeror, promptly upon completion of the payment of the Tender Offer and pursuant to the provisions of Title 2, Chapter 2, Section 4-2 of the Companies Act, plans to demand that all Target Shareholders (excluding the Tender Offeror and the Target; hereinafter the same in this ①) sell all of their holdings of Target Shares

(“Demand for Share Sale”). The Demand for Share Sale is expected to provide that, as compensation per one Target Share, the amount equal to the Tender Offer Price will be delivered to Target Shareholders. In this case, the Tender Offeror will notify the Target of the foregoing and demand that the Target approve the Demand for Share Sale. If the Target by a resolution of its Board of Directors approves the Demand for Share Sale, the Tender Offeror, without need for individual approvals of Target Shareholders in accordance with the procedures under relevant laws and regulations, will acquire all Target Shares held by all Target Shareholders on the acquisition date stipulated in the Demand for Share Sale.

Under the provisions of the Companies Act designed to protect the rights of minority shareholders relating to a demand for share sale, in accordance with Article 179-8 of the Companies Act and other relevant laws and regulations, shareholders subject to a sale may file a petition for the court to determine the sale and purchase price of their Target Shares. The sale and purchase price of Target Shares in a case where the foregoing petition is filed will ultimately be determined by the court.

② Share Consolidation

On the other hand, in a case where, upon successful completion of the Tender Offer, the total number of Target voting rights that the Tender Offeror owns does not come to 90% or more of the voting rights of all Target Shareholders, the Tender Offeror, promptly upon completion of the payment of the Tender Offer, plans to demand that the Target convene, within about 3 months of the completion of the Tender Offer at the latest, an extraordinary general shareholders meeting (“Extraordinary General Shareholders Meeting”) with resolutions to carry out the Share Consolidation pursuant to the provisions of Article 180 of the Companies Act and partially amend its Articles of Incorporation to abolish the provision of the share unit, on the condition that the Share Consolidation takes effect.

With respect to the timing of convening the Extraordinary General Shareholders Meeting, the Tender Offeror will request that the Target promptly announce such timing upon discussion and determination by the Tender Offeror and the Target. Please note that the Tender Offeror intends to explain in good faith the necessity of convening the Extraordinary General Shareholders Meeting in the hope of obtaining the Target’s cooperation, but in the event that Target’s cooperation cannot be obtained, the Tender Offeror will have no choice but to implement on its own the procedures required for convening the Extraordinary General Shareholders Meeting as a shareholder, and intends to do the same as promptly as possible. The Tender Offeror plans to support the foregoing resolutions at the Extraordinary General Shareholders Meeting.

In a case where the resolution for the Share Consolidation is approved at the Extraordinary General Shareholders Meeting, on the date when the Share Consolidation takes effect, Target Shareholders will come to own Target Shares in a number in accordance with the Share Consolidation ratio approved at the Extraordinary General Shareholders Meeting. If the Share Consolidation results in any fractions in the number of the Target Shares, in accordance with the procedures of Article 235 of the Companies Act and other relevant laws and regulations, proceeds from selling the number of Target Shares equivalent to the sum of such fractional shares to Target or the Tender Offeror (if the sum includes a fractional number, such fractional number is rounded off to the nearest whole number) (“All Fractional Shares”) will be delivered to Target Shareholders (except for the Tender Offeror and Target). With respect to the sale price of the All Fractional Shares, a calculation will be made so that as a result of such sale, the amount of monies to be delivered to the Target Shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and Target) will be equal to the Tender Offer Price multiplied by the number of Target Shares owned by such Target Shareholders, and then a request will be made that the Target file a petition with the court for permission for voluntary sale.

The ratio of the Share Consolidation is undetermined as of this day; but with the aim of the Tender Offeror coming to own all of the Target Shares, a request will be made that the ratio be determined so that the number of Target Shares held by Target Shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and Target) will be a fractional number of less than one share.

Under the clauses of the Companies Act that are designed to protect the rights of minority shareholders relating to a share consolidation, in a case where a share consolidation produces any fractional share less than one share, in accordance with Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations, Target Shareholders (except for the Tender Offeror and Target) may demand that the Target purchase all fractional shares less than one share that they own at a fair price and file a petition for the court to determine the price of the Target Shares. As discussed above, in the Share Consolidation, the number of Target Shares held by Target Shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and Target) is expected to be a fractional share less than one share. Target Shareholders (excluding the Tender Offeror and Target) are expected to be able to file the foregoing petition. The purchase price if the foregoing petition is filed will be ultimately determined by the court.

With respect to the procedures of ① and ② above, implementation of such procedures may take time, or the method of implementation may be changed depending on any amendment to or enforcement of, as well as any change to the authorities' construction of relevant laws and regulations. Even in such a case, however, is planned that a method will be used in which monies will ultimately be delivered to Target Shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and Target), and in that case, a computation will be made so that the amount of monies to be delivered to the shareholders will be equivalent to the Tender Offer Price multiplied by the number of Target Shares owned by such shareholders.

With respect to specific procedures and the timing of implementing such procedures in each of the foregoing cases, the Tender Offeror plans to request that the Target promptly announce the same upon discussion and determination by the Tender Offeror and Target.

Please note that the Tender Offer is not a solicitation in any way of support from Target Shareholders at the Extraordinary General Shareholders Meeting. Shareholders should confirm on their own responsibility the handling of tendering in the Tender Offer or tax matters in the foregoing procedures with tax accountants and other experts.

(6) Prospects of Delisting; Reasons

As of this day, Target Shares are listed on the TSE Prime Market; but because the Tender Offeror did not set an upper limit on the number of shares planned to purchase in the Tender Offer, depending on the outcome of the Tender Offer, Target Shares may be delisted after prescribed procedures in accordance with the TSE listing and delisting standards.

Even if such standards do not apply at the time of the completion of the Tender Offer, in a case where the procedures set forth in the foregoing "(5) Post-Tender Offer Reorganization Policy (Matters Relating to Two-Step Acquisition)" are implemented after the completion of the Tender Offer, Target Shares will be delisted after prescribed procedures in accordance with the TSE listing and delisting standards. After Target Shares are delisted, it is not possible to trade Target Shares on the TSE.

In the Tender Offer, it is possible that after the successful completion of the Tender Offer, the Tender Offeror does not come to own Target Shares representing two-thirds or more of voting rights of all Target Shareholders and as a result thereof, the resolution relating to the Share Consolidation may not obtain approval at the Extraordinary General Shareholders Meeting described in the foregoing "(5) Post-Tender Offer Reorganization Policy (Matters Relating to Two-Step Acquisition)". However, even if such approval cannot be obtained, because the Tender Offeror intends to acquire all Target Shares (other than those owned by the Tender Offeror and Target's treasury shares), the Tender Offeror, for the approval of the Share Consolidation, plans to additionally acquire Target Shares until the number of its shareholdings reach the number equivalent to the number of voting rights at the shareholders meeting planned to convene next multiplied by two-thirds, and demand that such general shareholders meeting be convened (however, depending on the timing, the resolution in question may be presented to the ordinary general shareholders meeting to be convened in June 2025). As methods of additional acquisitions, the Tender Offeror plans to use trading on the market, tender offers, and trading outside the market other than tender offers (limited to transactions permitted under law). If the Tender Offer is completed successfully, regardless of the projected timing above, the policy to make the Target a wholly-owned subsidiary will not be changed.

In the foregoing additional acquisitions, the price the Tender Offeror will pay to shareholders will be a price that will be considered economically on par with the Tender Offer Price for the shareholders who will sell their shares in response to such additional acquisitions (the same as Tender Offer Price per share, as long as the Target will not carry out a share consolidation, stock split or other acts requiring an adjustment in price).

(7) Matters Relating to Important Agreements Concerning the Tender Offer

Not applicable.

2. Overview of the Purchase etc.

(1) Overview of Target

①	Name:	Chilled & Frozen Logistics Holdings Co., Ltd.	
②	Address:	R Building Shinjuku, 33-8 Wakamatsu-cho, Shinjuku-ku, Tokyo	
③	Title and Name of Representative:	Representative Director and President: Hiromasa Aya	
④	Nature of Business:	Management of subsidiaries and group companies operating freight transport business, warehouse business, etc.	
⑤	Capital:	4 billion yen (as of December 31, 2023)	
⑥	Date established	October 1, 2015	
		The Master Trust Bank of Japan (trust account)	9.04%
		Maruha Nichiro Corporation	6.98%
		Kyodo Milk Industry Co., Ltd.	6.06%
		The Norinchukin Bank	5.05%
		Kyoei Fire & Marine Insurance Co., Ltd.	5.00%

⑦ Major shareholders and their shareholding ratios (as of September 30, 2023)		C&F Logistics Employee Stockholding Association	3.56%
		C&F Logistics Business Partner Stockholding Association	3.31%
		BBH FOR FIDELITY LOW-PRICED STOCK FUND (standing proxy: MUFG Bank)	3.19%
		JA Mitsui Leasing, Ltd.	3.03%
		Masaru Wasami	2.96%
⑧ Relationship between the Tender Offeror and Target			
	Capital relationship	The Tender Offeror, as of today, owns 24,296 Target Shares (Shareholding ratio: 0.11%), and the Tender Offeror's representative director, Masaru Wasami, as of today, holds 728,400 (Shareholding ratio: 3.36%).	
	Personal relationship	Not applicable.	
	Transactional relationship	The Tender Offeror Group subcontracts to the Target Group some of the transport and delivery services it provides.	
	Related parties relationship	Not applicable.	

Note: The information for "Major shareholders and their shareholding ratios (as of September 30, 2023) was taken from "State of Major Shareholders" in the 9th term second quarter report submitted by Target on November 10, 2023.

(2) Schedule etc.

① Schedule

Board of Directors resolution	May 1, 2024 (Wednesday)
Public notice of tender offer commencement	May 2, 2024 (Thursday) An electronic public notice will be posted (https://disclosure2.edinet-fsa.go.jp/), and a notice to such effect will be published in the Nikkei Shimbun.
Submission of tender offer notification	May 2, 2024 (Thursday)

② Period of the purchase etc. as of notification

From May 2, 2024 (Thursday) until June 17, 2024 (Monday) (31 business days)

③ Possibility of extension upon Target's request

Not applicable.

④ Contact information to make inquiries about period extension

Not applicable.

(3) Price of the Purchase etc.

3,000 yen per one ordinary share.

(4) Grounds for the Calculation of the Purchase Price

① Grounds for calculation

Tender Offer Price (3,000 yen per share) (a) represents a 47.06% premium over the closing price for Target Shares on the TSE Prime Market on March 19, 2024, the business day prior to the date of the announcement of the plan to commence the Tender Offer (2,040 yen), a 57.89% premium over the simple average closing price for the one month immediately prior to such date (1,900 yen), a 75.03% premium over the simple average closing price for the three months immediately prior to such date (1,714 yen), and a 92.55% premium over the simple average closing price for the six months immediately prior to such date (1,588 yen),and thus the premium contained in the Tender Offer Price significantly exceeds the median value for granted premiums in the 77 Precedent Cases (by 42%, 41%, 42%, and 47% (rounded off to the nearest whole number), respectively, over the closing price on the business day prior to the day of announcement, and the closing price simple average over the one month, three months, and six months prior to such date) ; (b) the highest price Target Shares have reached since the company's listing is 2,204 yen on January 12, 2021, and as of March 19, 2024, the business day prior to March 21, 2024, when the March 21, 2024 Press Release was released, the price had never surpassed the Tender Offer Price; and (c) Target's PBR (price-book value ratio) as of March 19, 2024, was less than 1.00 while the Tender Offer Price is at a level 1.4 times the PBR as of the same date; given this, the Tender Offer Price represents a large premium that all current Target Shareholders can enjoy, and for this reason the Tender Offeror decided on a Tender Offer Price of 3,000 yen per share.

In preparation for the Tender Offer, the Tender Offeror asked Mizuho Securities, as a financial advisor independent of the Tender Offeror and Target, to calculate the share value of Target Shares as a third-party calculation agency. Mizuho Securities is not a related person of either the Tender Offeror or Target. Mizuho Bank, which belongs to the same group as Mizuho Securities, holds the position of shareholder of Target and has been carrying out lending transactions with Target in the course of normal bank transactions. In addition, the Tender Offeror is planning to borrow funds for settling the Transaction, which includes the Tender Offer, from Mizuho Bank. However, according to Mizuho Securities, pursuant to FIEA, Article 36, Paragraph 2, and the applicable laws and regulations under the Cabinet Office Order on Financial Instruments Business, etc., Article 70-4, Mizuho Securities and Mizuho Bank have built and implemented a framework for managing conflicts of interest, including an information firewall, and Mizuho Securities calculated the share value of Target Shares from a standpoint independent of Mizuho Bank's position as a lender.

Mizuho Securities, after studying Target's financial status, the market trends of the Target Share price, and the like, thought that a multi-faceted approach to valuation would be appropriate, and after considering which calculation method to choose from the multiple available share valuation methods, it calculated the share value of Target Shares using the market share price method, the comparable listed companies method, and the discounted cash flow method ("DCF Method"), and the Tender Offeror obtained from the Share Valuation Report from Mizuho Securities, dated April 30, 2024. The Tender Offeror has considered comprehensively the expected synergies set forth in in "① Grounds for calculation" and above in "1. Purpose of Purchase etc.", "(2) The Background, Objective and Decision-Making Process Leading to the Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy", "① The Objective and Decision-Making Process Leading to the Decision to Implement the Tender Offer" and the prospects for share-tendering when setting the Tender Offer Price, and therefore, has not obtained a fairness opinion from Mizuho Securities.

According to the Share Valuation Report, the methods used for valuation and the ranges of share value per Target Share calculated with such methods are as follows.

Market share price method:	1,558-2,040 yen
Comparable listed companies method:	1,842-2,905 yen
DCF method:	2,331-4,573 yen

With the market share price method, with March 19, 2024, the business day prior to the date of announcement of the plan to commence the Tender Offer, as the reference date, and on the basis of a closing price of 2,040 yen for Target Shares on the reference date on the TSE Prime Market, the simple average of the closing price for the one month prior to said date, of 1,900 yen, the simple average of the closing price for the three months prior to said date, of 1,714 yen, and the simple average of the closing price for the six months prior to said date, of 1,558 yen, the range of share valuation per one Target Share was set between 1,558 yen and 2,040 yen.

With the comparable listed companies method, by comparing market share prices and indicators such as profitability of listed companies that engage in businesses that are relatively similar to Target, the Target Shares were valuated, and the range of share valuation per Target Share was calculated at between 1,842 yen and 2,905 yen.

Under the DCF method, the free cash flow that Target is forecasted to generate starting from the fourth quarter of the March 2024 term based on Target's business plan from the March 2024 term to the March 2035 term as estimated by the Tender Offeror based on the knowledge that the Tender Offeror has regarding the business of Target and taking into account the such factors as recent trends in performance, publicly available information, and the synergy effects expected to be realized in the future through the execution of the Tender Offer, was discounted to present value using a certain discount rate to analyze and valuate Target's corporate value and share price; and the range of share valuation per one Target Share was calculated at between 2,331 yen and 4,573 yen. It should be noted that such business plan reflects synergy effects that are expected to be realized through the Transaction. Further, such business plan includes business years where large increases in profit as well as large increases and decreases in cash flow are projected. Specifically, for the March 2026 term, it is possible to predict synergy effects across the full year, and thus, compared to the March 2025 term, a large increase in profits is predicted. Also, for the March 2026 term, an increase in investment in transport vehicles etc. is expected, and thus a large decrease in free cash flow is predicted. Meanwhile, for the March 2027 and subsequent terms, capital investments will return to normal levels and sales will increase through synergy effects etc., and thus for the March 2027 term, the March 2028 term, and the March 2029 term, large increases in free cash flow are forecasted.

Given the above, at the Board of Directors meeting held on May 1, 2024, the Tender Offeror decided to set the Tender Offer Price at 3,000 yen.

The Tender Offer Price of 3,000 yen represents a premium of 47.06% over 2,040 yen, the closing price for Target Shares on the TSE Prime Market on March 19, 2024 the business day prior to the date of announcement of the plan to commence the Tender Offer, a premium of 57.89% over 1,900 yen, the simple average of the closing price for the one month prior to said date, a premium of 75.03% over 1,714 yen, the simple average of the closing price for the three months prior to said date, and a premium of 92.55% over 1,558 yen, the simple average of the closing price for the six months prior to said date.

② Background to the calculation

In October 2022, in view of the current environment surrounding the cold food logistics industry, the Tender Offeror considered what is necessary for the Tender Offeror Group to show its strong presence in the cold food logistics market and establish a sustainable logistics system, and reached the conclusion that the Business Integration with the Target Group, as one step for the cold food logistics market as a whole to create added value, can be expected to provide enormous synergy effects with the Tender Offeror Group.

In light of the consideration above, the Tender Offeror spent nearly a year from October 2022 until October 2023 to have discussions about the Business Integration Proposal with Target, but during this time, there was no sense that Target was sincerely considering the proposal. On October 5, 2023, the Tender Offeror received a notice from Target stating that Target had decided to stop considering the Business Integration. While feeling a strong need to tackle critical issues in the logistics industry early on, and considering it important to realize synergies between the Tender Offeror Group and the Target Group soon, the Tender Offeror thought that if it discussed the Transaction with Target before the March 21, 2024 Press Release and the Letter of Intent were published, as with the discussions about the Business Integration Proposal between October 2022 and October 2023, Target would not sincerely consider it. Thus, the Tender Offeror thought that it would be better to have discussions with Target after the March 21, 2024 Press Release and the Letter of Intent were published so that sincere consideration by Target could be expected through a more transparent process, and Target would correctly understand the Transaction and agree with the Tender Offer, which would result in synergies between the Tender Offeror Group and the Target Group being realized sooner. Hence, it was decided in mid-February 2024 to have discussions after the March 21, 2024 Press Release and the Letter of Intent were released.

As explained in "① Grounds for calculation" above, the Tender Offer Price (3,000 yen per share) (a) represents a 47.06% premium over the closing price for Target Shares on the TSE Prime Market on March 19, 2024, the business day prior to the date of announcement of the plan to commence the Tender Offer (2,040 yen), a 57.89% premium over the simple average closing price for the one month immediately prior to such date (1,900 yen), a 75.03% premium over the simple average closing price for the three months immediately prior to such date (1,714 yen), and a 92.55% premium over the simple average closing price for the six months immediately prior to such date (1,588 yen). Thus, the premium contained in the Tender Offer Price significantly exceeds the median value for premiums in the 77 Precedent Cases (by 42%, 41%, 42%, and 47% (rounded off to the nearest whole number), respectively, over the closing price on the business day prior to the day of announcement, and the closing price simple average over the one month, three months, and six months prior to such date); (b) the highest price Target Shares have reached since the company's listing is 2,204 yen on January 12, 2021, and as of March 19, 2024, the business day prior to March 21, 2024, when the March 21, 2024 Press Release was released, the price had never surpassed the Tender Offer Price; and (c) Target's PBR (price-book value ratio) as of March 19, 2024, was less than 1.00, and the Tender Offer Price is at a level 1.4 times the PBR as of the same date. Given this, the Tender Offer Price represents a large premium that all current Target Shareholders can enjoy, and for this reason, the Tender Offeror decided on a Tender Offer Price of 3,000 yen per share.

(i) Third party whose opinion was taken into consideration in calculation

In preparation to decide on the Tender Offer Price, the Tender Offeror asked Mizuho Securities, a financial advisor independent of the Tender Offeror and Target, to calculate the share value of Target Shares as a third-party calculation agency. Mizuho Securities is not a related person of either the Tender Offeror or Target. Because the Tender Offeror decided on the Tender Offer Price comprehensively considering the various factors listed in "① Grounds for calculation" above, the expected synergy effects discussed above in "1. Overview of Purchase etc.", "(2) The Background, Objective and Decision-Making Process Leading to the Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy", "① The Background, Objective and Decision-Making Process Leading to the Decision to Implement the Tender Offer", and tendering forecast, it has not obtained a fairness opinion on the fairness of the Tender Offer Price from Mizuho Securities.

(ii) Overview of the opinion

According to the Share Valuation Report, the methods used for valuation and the ranges of share value per Target Share calculated with such methods are as follows.

Market share price method:	1,558-2,040 yen
Comparable listed companies method:	1,842-2,905 yen
DCF Method:	2,331-4,573 yen

(iii) Reasons why the Tender Offer Price was decided in light of the opinion

As explained in "① Grounds for Calculation" above, the Tender Offer Price (3,000 yen per share) (a) represents a 47.06% premium over the closing price for Target Shares on the TSE Prime Market on March 19, 2024, the business day prior to the date of announcement of the plan to commence the Tender Offer (2,040 yen), a 57.89% premium over the simple average closing price for the one month immediately prior to such date (1,900 yen), a 75.03% premium over the simple average closing price for the three months immediately prior to such date (1,714 yen), and a 92.55% premium over the simple average closing price for the six months immediately prior to such date (1,588 yen) The premium contained in the Tender Offer Price significantly exceeds the median value for granted premiums in the 77 Precedent Cases (by 42%, 41%, 42%, and 47% (rounded off to the nearest whole number), respectively, over the closing price on the business day prior to the day of announcement, and the closing price simple average over the one month, three months, and six months prior to such date); (b) the highest price Target Shares have reached since the company's listing is 2,204 yen, on January 12, 2021, and as of March 19, 2024, the business day prior to March 21, 2024, when the March 21, 2024 Press Release was released, the price has never surpassed the Tender Offer Price; and (c) Target's PBR (price-book value ratio) as of March 19, 2024, was less than 1.00 and the Tender Offer Price is at a level 1.4 times the PBR as of the same date. Given this, the Tender Offer Price represents a large premium that all current Target Shareholders can enjoy, and for this reason the Tender Offeror decided on a Tender Offer Price of 3,000 yen per share. Also, in light of the calculation result in the 2024 Share Valuation Report (Mizuho Securities) dated April 30, 2024, obtained from Mizuho Securities, the Tender Offeror decided on a Tender Offer Price of 3,000 yen at the Board of Directors meeting held on May 1, 2024. It should be noted that the Tender Offer Price of 3,000 yen exceeds the upper range of the share value calculation results using the market share price method and the comparable listed companies method and was within the range of the calculation results based on the DCF method, all as set forth in the Share Valuation Reports.

Note: In calculating the share value of Target, Mizuho Securities in principle used as-is, and relied on, information provided by Target and publicly available information etc. on the assumption that all such materials and information were accurate and complete, and that there were no facts that may have a material impact on the analysis and calculation of the Tender Offer Price that were not disclosed to Mizuho Securities, and thus, Mizuho Securities did not independently validate the accuracy of such information and materials. Additionally, regarding information relating to the Tender Offeror's financial predictions regarding Target, it is assumed that such information was reasonably prepared on the basis of the best forecast and judgment that the Tender Offeror can obtain at the present time, using Target's securities reports, quarterly reports, and other publicly released financial information and materials obtained using general surveys, and that the Tender Offeror's management scrutinized the content before approving the use of such information in Mizuho Securities' valuation. Mizuho Securities did not independently evaluate or assess the assets and liabilities (including off-balance sheet assets and liabilities, and any other contingent liabilities) of Target and its affiliates, nor did it request a third-party agency to conduct an appraisal or assessment. Mizuho Securities' calculation reflects information available as of April 30, 2024.

③ Relationship with calculation agency

Mizuho Securities, the financial advisor (calculation agency) of the Tender Offeror, is not a related person of either the Tender Offeror or Target, and does not have important interests in the Tender Offer. Mizuho Bank, which belongs to the same group as Mizuho Securities, holds the position of shareholder of Target and has been carrying out lending transactions with Target in the course of normal bank transactions. In addition, the Tender Offeror is planning to borrow funds for settling the Transaction, which includes the Tender Offer, from Mizuho Bank. However, according to Mizuho Securities, pursuant to the applicable laws and regulations such as FIEA, Article 36, Paragraph 2, and the Financial Instruments Business etc. Order, Article 70-4, Mizuho Securities and Mizuho Bank have built and implemented a framework for managing conflicts of interest, including an information firewall, and Mizuho Securities is advising on this matter from a standpoint independent of Mizuho Bank's position as a shareholder and lender of the Target Company.

(5) Number of Shares Planned for Purchase

Number of shares planned for purchase	Lower limit of the number of shares planned for purchase	Upper limit of number of shares planned for purchase
21,646,698 shares	10,811,204 shares	N.A.

Note 1: If the total number of Tendered Share Certificates etc. does not reach the lower limit of the number of shares planned for purchase (10,811,204 shares), the Tender Offeror will not purchase of all the Tendered Share Certificates etc. If the total number of Tendered Share Certificates etc. does reach the lower limit of the number of shares planned for purchase (10,811,204 shares), the Tender Offeror will make purchase etc. of all the Tendered Share Certificates etc.

Note 2: There are no plans to acquire treasury shares possessed by Target through the Tender Offer.

Note 3: The number of shares planned for purchase indicates the largest number (21,646,698 shares) of Target Shares that the Tender Offeror plans to acquire in the Tender Offer. This number is: The total number of Target-issued shares as of March 31, 2024, as set forth in the Target Own Share Buyback Status Report (25,690,766 shares) *less* the number of Target treasury shares as of the same date as set forth in the same report (4,019,772 shares), (resulting in 21,670,994 shares) *and less* the number of Target Shares that the Tender Offeror possesses (24,296 shares), resulting in 21,646,698 shares.

Note 4: Shares of less than one share unit can also be tendered in the Tender Offer. If there is a demand by a shareholder for purchase of shares of less than one share unit in accordance with the Companies Act, Target will buy back its own shares during the Tender Offer Period in accordance with statutory procedures.

(6) Changes in Shareholding Ratios through the Purchase etc.

No. of voting rights attached to share certificates etc. of the Tender Offeror prior to purchase etc.	242	(shareholding ratio prior to purchase etc.: 0.11%)

No. of voting rights attached to share certificates etc. of specially related persons prior to purchase etc.	7,284	(shareholding ratio prior to purchase etc.: 3.36%)
No. of voting rights attached to share certificates etc. of the Tender Offeror after purchase etc.	216,709	(shareholding ratio after purchase etc.: 100.00%)
No. of voting rights attached to share certificates etc. of specially related persons after purchase etc.	0	(shareholding ratio after purchase etc.: 0.00%)
Total number of voting rights of all shareholders of Target	218,366	

Note 1: "No. of voting rights attached to share certificates etc. of specially related persons prior to purchase etc." and their "No. of voting rights attached to share certificates etc. of specially related persons after purchase etc.", indicate the total number of voting rights owned by the specially related persons (however, excluding those specially related persons who are excluded from the category of specially related persons under the Cabinet Order Relating to Tender Offers for Share Certificates by Persons Other Than the Issuer (Ministry of Finance Order No. 38 of 1990, as amended; the "Order"), Article 3, Paragraph 2, Item 1, I the calculation of shareholding ratio under FIEA, Article 27-2, Paragraph 1). However, because the share certificates etc. possessed by the specially related persons are also subject to purchase etc., the "No. of voting rights attached to share certificates etc. of specially related persons after purchase etc." is set at zero.

Note 2: "Total number of voting rights of all shareholders of Target" is the number of voting rights (counting one share unit as 100 shares) of all shareholders as of December 31, 2023, as set forth in Target's 9th term third quarter report submitted on February 13, 2024. However, because Target acquired its own shares through purchase on the market and off-auction repurchase of own shares (ToSTNeT-3) on the TSE from December 31, 2023, until March 27, 2024, and the Tender Offeror includes shares of less than one share unit as subject to the Tender Offer (other than treasury shares of less than one share unit held by Target), in the calculation of "shareholding ratio prior to purchase etc." and "shareholding ratio after purchase etc.", the denominator used was the number of voting rights (216,709) attached to the number of shares (21,670,994 shares) obtained by deducting (x) the number of treasury shares owned by Target as of March 31, 2024, according to the Target Own Share Buyback Status Report (4,019,772 shares) from (y) the total number of issued shares of Target as of such date according to the Target Own Share Buyback Status Report (25,690,766 shares).

Note 3: "Shareholding ratio prior to purchase etc." and "shareholding ratio after purchase etc." are rounded off to the second decimal place.

(7) Amount of Funds for Purchase

64,940,094,000 yen

Note: "Amount of funds for purchase" is the amount obtained by multiplying the number of shares planned for purchase in the Tender Offer (21,646,698 shares) by the Tender Offer Price (3,000 yen).

(8) Settlement Method

① Securities firm, bank etc. handling settlement of the purchase etc. and the location of the head office

Mizuho Securities Co., Ltd. 1-5-1 Otemachi, Chiyoda-ku, Tokyo

② Settlement Commencement Date

June 24, 2024 (Monday)

Note: In the Tender Offer, the Tender Offeror has set the lower limit of the number of shares planned for purchase at 10,811,204 shares, and (i) if the total number of Tendered Share Certificates etc. does not reach 10,811,204 shares, it will not purchase etc. any of Tendered Share Certificates etc., and (ii) if the total number of Tendered Share Certificates etc. does reach 10,811,204 shares, (for details regarding confirmation of total number of Tendered Share Certificates etc., see above "1. Purpose of Purchase etc.", "(1) Tender Offer Overview", "Note 8"), then it will promptly give a public announcement to such effect, and extend the Tender Offer Period so that there are 10 business days left in the Tender Offer Period, counting from the business day following the day of such announcement (however, if the number of Tendered Share Certificates reaches the lower limit of the number of shares planned for purchase within 21 business days of the start of the Tender Offer Period, there will be no extension of the Tender Offer Period, as there will be at least 10 business days left in the Tender Offer Period, counting from the business day following the day of such announcement).

③ Settlement method

Without delay after the Tender Offer Period ends, a notice of purchase etc. through the Tender Offer will be mailed to the addresses of shareholders who tendered shares in the Tender Offer ("Tendering Shareholders etc.") (in the case of a shareholder (including corporate shareholders) residing in a foreign country ("Foreign Shareholder"), its standing proxy). Purchase etc. will be made in cash. Without delay after the Settlement Commencement Date, in accordance with the instructions of the Tendering Shareholders etc. (in the case of a Foreign Shareholder, its standing proxy), the Tender Offer Agent will remit the sales proceeds of the purchased share certificates etc. to the location designated by the Tendering Shareholders etc. (in the case of a Foreign Shareholder, its standing proxy), or to the account of the Tendering Shareholders etc. where the applications were accepted from which the Tender Offer Agent.

④ Return of share certificates etc.

If pursuant to the conditions set forth in "(9) Other Purchase etc. Conditions and Methods", "① Conditions under FIEA, Article 27-13, Paragraph 4; Particulars" or "② Conditions for Cancellation etc. of Tender Offer; Particulars; and Disclosure Method of Cancellation etc.", none of the Tendered Share Certificates etc. will be purchased, from the business day two business days from the last day of the Tender Offer Period (or in the case of cancellation etc. of the Tender Offer, the day of cancellation etc.), the Tender Offer Agent will promptly restore share certificates etc. required to be returned to the state prior to tendering.

(9) Other Purchase etc. Conditions and Methods

① Conditions under FIEA, Article 27-13, Paragraph 4; Particulars

If the total number of Tendered Share Certificates etc. does not reach the lower limit of the number of shares planned for purchase (10,811,204 shares), the Tender Offeror will not purchase of all the Tendered Share Certificates etc. If the total number of Tendered Share Certificates etc. does reach the lower limit of the number of shares planned for purchase (10,811,204 shares), the Tender Offeror will purchase etc. of all the Tendered Share Certificates etc.

② Conditions for Cancellation etc. of Tender Offer; Particulars; and Disclosure of Cancellation etc.

If any of the events set forth in the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965; as amended; "Order"), Article 14, Paragraph (1), Item (i)(a) through (j) and (m) through (t), Item (iii)(a) through (h) and (j), and Article 14, Paragraph (2), Item (iii) through Item (vi) occurs, the Tender Offer may be cancelled etc. "Anything equivalent to what is set forth in (a) to (s)" in the Order, Article 14, Paragraph (1), Item (i)(t) means (x) (a) a case where Target's organ responsible for making decisions on the execution of the operations decides to pay dividends from surplus (excluding a case where the amount of money or any other property to be distributed to shareholders expected to be less than the amount equivalent to 10% of the book value of net assets on the non-consolidated balance sheet as of the last day of the most recent business year of Target (3,495 million yen (Note))) with a reference day prior to the Settlement Commencement Date, and (b) a case where without indicating a specific amount of dividends from surplus, Target's organ responsible for making decisions on the execution of business decides to pay dividends from surplus with a reference day prior to the Settlement Commencement Date, and where there is a possibility of dividends exceeding the amount equivalent to 10% of the book value of net assets on the non-consolidated balance sheet as of the last day of the most recent business year of Target, and (y) a case where Target's organ responsible for making decisions on the execution of the business decides to repurchase own shares (excluding a case where the amount of money or any other property to be paid in exchange for acquisition of the shares is expected to be less than the amount equivalent to 10% of the book value of net assets on the non-consolidated balance sheet as of the last day of the most recent business year of Target (3,495 million yen)). "Facts equivalent to those set forth in (a) to (i)" in the Order, Article 14, Paragraph (1), Item (iii)(j) means (i) a case where it is found that the statutory disclosure documents submitted by Target in the past include false statements of material matters or omission of material matters that are to be included, and where the Tender Offeror did not know there were such false statements etc. and could not know the same despite paying reasonable care, and (ii) a case where any of the facts set forth in Item (iii)(a) to (g) occurs to any of Target's important subsidiaries.

If cancellation etc. is intended, an electronic public notice will be posted, and the Nikkei Shimbun will publish to that effect; provided, however, that if it is difficult to post a public notice by the last day of the Tender Offer Period, a public announcement will be made with the method set forth in the Cabinet Office Ordinance, Article 20, and immediately thereafter, a public notice will be posted.

Note: According to "Part 5 Accounting Status, 2. Financial Statements etc., (1) Financial Statements, ① Balance Sheet" in the Target Securities Report, the amount of Target's net assets for the March 2023 term on a non-consolidated balance sheet was 34,949 million yen (1,427.02 yen per share). According to the "Revision (Upward) of Projected Dividends" submitted by Target on March 15, 2024, Target plans to pay a dividend of 22 yen per share at the end of the March 2024 term, and this amount is below the amount equivalent to 10% of the amount of net assets per share (1,42.702 yen) on Target's March 2023 term non-consolidated balance sheet.

③ Conditions for lowering price of purchase etc.; particulars; disclosure

If in accordance with FIEA, Article 27-6, Paragraph (1), Item 1, during the Tender Offer Period, Target engages in any of the acts set forth in the Order, Article 13, Paragraph (1), the price of purchase etc. may be reduced in accordance with the Order, Article 19, Paragraph (1).

If the price of purchase etc. is to be reduced, an electronic public notice will be posted, and the Nikkei Shimbun will publish to that effect; provided, however, that if it is difficult to post a public notice by the last day of the Tender Offer Period, a public announcement will be made with the method set forth in the Cabinet Office Ordinance, Article 20, and immediately thereafter, a public notice will be posted. If the price of purchase etc. is reduced, Tendered Share Certificates etc. on and before the date of such public notice will also be purchased etc. for the reduced price of purchase etc.

④ Agreement Termination Right of Tendering Shareholders etc.

A Tendering Shareholder etc. can terminate the agreement concerning the Tender Offer at any time during the Tender Offer Period. A Tendering Shareholder wishing to terminate the agreement must deliver or send by 3:00 p.m. on the last day of the Tender Offer Period a written notice stating that the agreement concerning the Tender Offer will be terminated ("Termination Notice") to the Tender Offer Agent's head office or any branch across the nation where the applications were accepted. Termination of the agreement will come into effect when the Termination Notice is delivered or served to the Tender Offer Agent. Therefore, it should be noted that if the Termination Notice is sent, the Termination Notice must arrive at the Tender Offer Agent by 3:00 p.m. on the last day of the Tender Offer Period.

Even if a Tendering Shareholder etc. terminates the agreement, the Tender Offeror shall not demand payment of damages or a penalty from the Tendering Shareholder etc. Further, the Tender Offeror will bear expenses relating to the return of Tendered Share Certificates etc. If notice of termination is given, promptly after the procedures relating to notification of said termination, the relevant Tendered Share Certificates etc. will be returned in accordance with "(8) Settlement Method", "④ Return of share certificates etc." above.

⑤ Disclosure of Amendment of Purchase Conditions etc.

Except as prohibited by FIEA, Article 27-6, Paragraph (1) and the Order, Article 13, during the Tender Offer Period, the Tender Offeror may amend purchase conditions etc. If purchase conditions etc. are to be amended, an electronic public notice of the details of such amendment will be posted, and a notice to such effect will be published in the Nikkei Shimbun; provided, however, that if it is difficult to post a public notice by the last day of the Tender Offer Period, announcement will be made in the manner set forth in the Cabinet Office Ordinance, Article 20, and immediately thereafter, a public notice will be posted. If purchase conditions etc. are amended, Tendered Share Certificates etc. that were tendered on and before the date of such public notice will also be purchased etc. in accordance with the amended purchase conditions etc.

⑥ Disclosure of Submission of Amendment

If an amendment is submitted to the director-general of the Kanto Finance Bureau (excluding cases provided in FIEA, Article 27-8, Paragraph 11, proviso), the matters included in the amendment relating to the matters included in the public notice of tender offer commencement will be announced immediately in the manner set forth in the Cabinet Office Ordinance, Article 20. Further, the tender offer statement will be immediately amended, and the amended tender offer statement will be delivered to Tendering Shareholders etc. to whom the tender offer statement has been delivered; provided, however, that if the amendment is minor, a document stating the reason for the amendment, the matters that were amended, and particulars after amendment will be prepared and delivered to Tendering Shareholders etc.

⑦ Disclosure of Tender Offer Results

The Tender Offer results will be publicly announced on the day immediately following the last day of the Tender Offer Period in accordance with the Order, Article 9-4 and the Cabinet Office Ordinance, Article 30-2.

⑧ Other

The Tender Offer will not be carried out, either directly or indirectly, in or directed to the United States, nor will it be carried out using the US mail or other interstate commerce or international commerce means or methods (including without limitation facsimile, email, interest communications, telex, and telephone), nor will it be carried out using an US securities exchange facility. It is not possible to tender shares in the Tender Offer using any of the above methods, or through the above facilities, or from within the United States.

Further, the tender offer notification relating to the Tender Offer or related purchase documents will not be sent or distributed within, towards, or from the United States, using postal mail or other method, nor can such mailing or distribution be done. Any tendering of shares in the Tender Offer directly or indirectly violating the above restriction will not be accepted.

When tendering shares in the Tender Offer, Tendering Shareholders etc. (in the case of a foreign shareholder, its standing proxy) are required to make the following representation and warranty to the Tender Offer Agent.

That the Tendering Shareholders etc. were not in the United States either when tendering shares or when sending an application to tender shares. That the Tendering Shareholders etc. neither sent or received information relating to the Tender Offer (including copies), in, to, or from the United States, whether directly or indirectly. That in the execution of the purchase etc. or the tender offer application, the Tendering Shareholders etc., whether directly or indirectly, did not use the US mail or other interstate commerce or international commerce means or methods (including without limitation facsimile, email, interest communications, telex, and telephone) and did not use the facilities of a securities exchange in the United States. That the Tendering Shareholders etc. do not act as an agent or a trustee/mandatory without the discretion of another person (excluding cases where the relevant other person gives all instructions relating to the purchase etc. from outside the United States).

(10) Date of Public Notice of Tender Offer Commencement

May 2, 2024 (Thursday)

(11) Tender Offer Agent

Mizuho Securities Co., Ltd., 1-5-1 Otemachi, Chiyoda-ku, Tokyo

3. Post-Tender Offer Policy and Future Prospects

For Post-Tender Offer policies etc., see above, “1. Purpose of Purchase etc.”, “(2) The Background, Objective and Decision-Making Process Leading to the Decision to Implement the Tender Offer; Post-Tender Offer Managerial Policy”, “(5) Post-Tender Offer Reorganization Policy (Matters Relating to Two-Step Acquisition)” and “(6) Prospects of Delisting; Reasons”.

The March 2025 consolidated results, predictions, and studies are currently underway, and if a matter that requires announcement arises, the Tender Offeror will make an announcement promptly.

4. Other

(1) Agreements between the Tender Offeror and Target or its officers; particulars

① Approval of the Tender Offer

Not applicable.

(2) Other information determined to be necessary for an investor to judge whether to tender shares in the purchase etc.

Not applicable.

Not applicable.

End