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Date of sending by postal mail: January 22, 2025

Start date of measures for electronic provision: January 15, 2025

To Our Shareholders

Masato Ishida

President and Representative Director

T-Gaia Corporation

(Securities code: 3738)

1-18 Ebisu 4-chome, Shibuya-ku, Tokyo

Convocation Notice of the Extraordinary General Meeting of Shareholders

First of all, we would like to express our gratitude for your continued support and patronage.

We hereby give notice of the Extraordinary General Meeting of Shareholders of T-Gaia Corporation (the "Company"). The meeting will be held in accordance with the details described below.

When convening the Extraordinary General Meeting of Shareholders, we have taken measures for electronic provision of information contained in the Reference Documents for the Extraordinary General Meeting of Shareholders (matters for which measures for providing information in electronic format are to be taken) and posted these on the following website on the Internet. Please access this website to review the documents.

Company's website

<https://www.t-gaia.co.jp/corp/ir/stock/meeting.html> (in Japanese)

Website containing informational materials for the General Meeting of Shareholders

<https://d.sokai.jp/3738/24205998/> (in Japanese)

Tokyo Stock Exchange (TSE) website (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the TSE website by using the Internet address shown above, enter "T-Gaia Corporation" in "Issue name (company name)" or the Company's securities code "3738" in "Code," and click "Search." Then, click "Basic information" and select "Documents for public inspection/PR information." Under "Filed information available for public inspection," click "Click here for access" under "[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].")

If you will not be able to attend the meeting, you may exercise your voting rights in writing or via electromagnetic means, such as the Internet. We request that you refer to the "Reference Documents for the Extraordinary General Meeting of Shareholders" and exercise your voting rights by 5:45 p.m. on Wednesday, February 5, 2025.

1. Date and Time	Thursday, February 6, 2025, at 10 a.m. (the venue opens at 9 a.m.)
2. Venue	1-18 Ebisu 4-chome, Shibuya-ku, Tokyo Ebisu Neonart Building 17th Floor, Head Office's Conference Room
3. Meeting Agenda	Matters to be resolved Proposal 1 Share Consolidation Proposal 2 Partial Amendments to the Articles of Incorporation

- In case revisions are made to the matters for which measures for providing information in electronic format are to be taken, notification will be made on each of the websites on the Internet noted on the previous page with information before and after the revision posted.
- For the Extraordinary General Meeting of Shareholders, the Company will uniformly send paper-based documents stating the matters subject to measures for electronic provision, regardless of whether or not there is a request for delivery of paper-based documents.

<Other Information>

- Due to the venue setup, some officers will attend the meeting online from a separate room.
- No gifts will be prepared for shareholders attending the Extraordinary General Meeting of Shareholders.
- In consideration of environmental concerns, notice of resolutions will only be published on the Company's website (<https://www.t-gaia.co.jp/corp/ir/stock/meeting.html>) (in Japanese).
- If a major change occurs to the holding or operation of the Extraordinary General Meeting of Shareholders, including for the aforementioned reasons, we will post a notification on the Company's website (<https://www.t-gaia.co.jp/corp/>) (in Japanese).

How to Exercise Voting Rights

You may exercise your voting rights using either one of the following three methods:

Exercise voting rights via the Internet



Access the voting rights exercise website on your personal computer or smartphone and enter your approval or disapproval for each of the proposals following the instructions displayed on the screen. For details, please refer to the next page.

Deadline for exercising voting rights **Electronic voting must be completed by 5:45 p.m. on Wednesday, February 5, 2025.**

<Institutional investors>

If you have applied in advance to use the electronic voting platform operated by ICJ, Inc., you may exercise your voting rights on the said platform.

Exercise voting rights in writing (by post)



Indicate your approval or disapproval for each of the proposals on the Voting Rights Exercise Form and post it without affixing stamps. If neither approval nor disapproval of each proposal is indicated, the Company will deem that you indicated your approval of the proposal.

Deadline for exercising voting rights **The form has to reach the Company by 5:45 p.m. on Wednesday, February 5, 2025.**

Attend the shareholders' meeting



Bring the Voting Rights Exercise Form to the Extraordinary General Meeting of Shareholders and submit it at the venue. (There is no need to affix the postage seal.)

Date and Time **Thursday, February 6, 2025, at 10:00 a.m.**
(the venue opens at 9:00 a.m.)

Venue **1-18 Ebisu 4-chome, Shibuya-ku, Tokyo**
Ebisu Neonart Building 17th Floor, Head Office's
Conference Room

Handling of duplicate exercise of voting rights

- (1) If a shareholder exercises voting rights both by writing and via the Internet, etc., the voting rights exercised via the Internet, etc., will be deemed as valid.
- (2) If a shareholder exercises voting rights more than once via the Internet, etc., the final vote will be deemed as valid.

How to Exercise Voting Rights via the Internet

Exercising voting rights by smartphone

You can log in to the voting rights exercise website without entering your voting rights exercise code and password.

1. Scan the QR code on the bottom right of the Voting Rights Exercise Form. (QR codes are different for each shareholder.)



* “QR code” is a registered trademark of DENSO WAVE INCORPORATED.
2. Next, follow the guidance on screen to vote yes or no on the proposals.



! If you wish to change your vote after exercising your voting rights, then you must scan the QR code® again and input the voting rights exercise code and password written on the Voting Rights Exercise Form. (From a PC, you can also directly access the voting rights exercise website at <https://www.web54.net>).

- * Shareholders are responsible for connection fees or communication fees incurred when using the voting rights exercise website.
- * Depending on the Internet environment you are using, the service you subscribe to, or the device you are using, you may be unable to use the voting rights exercise website.

Inquiries

1. For inquiries about how to operate your PC or smartphone in order to exercise voting rights via the Internet.

Transfer Agent Internet Support, Sumitomo Mitsui Trust Bank, Limited

Direct telephone number

0120-652-031 (toll free)

Available from 9:00 to 21:00

2. Other inquiries

- A. Shareholders with an account with a securities company

Please contact your securities company.

- B. Shareholders without an account at a securities company

(shareholders with special accounts)

Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited

0120-782-031 (toll free)

Available from 9:00 to 17:00 on weekdays

Exercising voting rights on a PC

Voting Rights Exercise Website: <https://www.web54.net>

1. Access the voting rights exercise website.



Click “Next”

2. Input the voting rights exercise code written on the Voting Rights Exercise Form.



Input the voting rights exercise code

Click “Log In”

3. Input the password written on the Voting Rights Exercise Form.



Input the password

Click “Next”

4. Next, follow the guidance on screen to vote yes or no on the proposals.

Reference Documents for the Extraordinary General Meeting of Shareholders

Proposals and Reference Matters

Proposal 1 Share Consolidation

In order to take the Company's common shares (hereinafter referred to as the "Company Shares") private, we ask for your approval for a share consolidation of 10,400,000 shares of the Company Shares into one share (hereinafter referred to as the "Share Consolidation"), with March 5, 2025 as the effective date.

1. Purpose and reasons for the Share Consolidation

As announced in the "Notice of Statement of Opinion Regarding the Tender Offer for Shares of the Company by K.K. BCJ-82-1" (hereinafter referred to as the "Statement of Opinion Press Release") released by the Company on September 30, 2024, K.K. BCJ-82-1 (Note 1) (hereinafter referred to as the "Third-Party Tender Offeror") implemented a tender offer as part of a series of transactions to take the Company Shares private (hereinafter referred to as the "Transactions") by acquiring all of the Company Shares listed on the Prime Market of Tokyo Stock Exchange, Inc. (hereinafter referred to as "TSE") (excluding treasury shares owned by the Company, the Shares Held by Sumitomo (as defined below) held by Sumitomo Corporation (hereinafter referred to as "Sumitomo") and the Shares Held by Hikari Tsushin Group (as defined below) held by Hikari Tsushin K.K. (hereinafter referred to as "Hikari Tsushin"), UH Partners 2, Inc. (hereinafter referred to as "UH Partners 2"), UH Partners 3, Inc. (hereinafter referred to as "UH Partners 3"), and S.I.L. Inc. (hereinafter referred to as "SIL"; together with Hikari Tsushin, UH Partners 2 and UH Partners 3, collectively, hereinafter referred to as the "Hikari Tsushin Group")) (hereinafter referred to as the "Third-Party Tender Offer") on October 1, 2024.

(Note 1) The Third-Party Tender Offeror is a wholly-owned subsidiary of K.K. BCJ-82-2, which is a wholly-owned subsidiary of K.K. BCJ-81, all of whose voting rights are indirectly owned by an investment fund that receives investment advice from Bain Capital Private Equity, LP and its group (individually or collectively, hereinafter referred to as "Bain Capital"). The Third-Party Tender Offeror is a stock company (kabushiki kaisha) established on August 13, 2024 for the principal purpose of owning the Company Shares and controlling and managing the business activities of the Company.

As announced in the "Notice Regarding Results of Tender Offer for Shares of the Company by K.K. BCJ-82-1 and Changes in Other Affiliates and Major Shareholders" released by the Company on November 21, 2024, the Third-Party Tender Offeror, as a result of this Third-Party Tender Offer, came to hold 11,718,929 shares of the Company Shares (Shareholding Ratio (Note 2): 20.98%) as of November 27, 2024, the commencement date of settlement of the Third-Party Tender Offer.

(Note 2) "Shareholding Ratio" refers to the percentage of shares held (rounded to the second decimal place) to the number of shares (55,847,351 shares) (hereinafter referred to as the "Reference Number of Shares") obtained by deducting (i) the number of shares calculated by adding the number of treasury shares held by the Company as of September 30, 2024 (226,595 shares) and the number of treasury shares acquired by the Company from October 2024 to December 25, 2024 (54 shares) through a

demand for purchase of shares less than one unit, from (ii) the total number of issued shares as of September 30, 2024 (56,074,000 shares) as stated in the “Consolidated Financial Results for the First Half of Fiscal Year Ending March 31, 2025 (Six Months Ended September 30, 2024) (Based on J-GAAP)” (hereinafter referred to as the “First Half Financial Results”) announced by the Company on November 5, 2024. The same applies hereinafter.

In addition, as announced in the “Notice Regarding Acquisition of and Tender Offer for Treasury Shares” (hereinafter referred to as the “Acquisition of Treasury Shares, Etc. Press Release (1)”) released by the Company on November 25, 2024, as part of the Transactions, the Company implemented a self-tender offer for the purpose of acquiring part of the Company Shares (7,600,000 shares; Shareholding Ratio: 13.61%; hereinafter referred to as the “Shares Agreed to be Tendered by Sumitomo”) held by Sumitomo (23,345,400 shares; Shareholding Ratio: 41.80%; hereinafter referred to as the “Shares Held by Sumitomo”), a current shareholder of the Company (hereinafter referred to as the “Self-Tender Offer (1)”) on November 26, 2024. As announced in the “Notice Regarding Results of Tender Offer for Treasury Shares, Completion of Acquisition, and Change in Major Shareholders” released by the Company on December 24, 2024, Sumitomo tendered 7,600,000 shares in the Self-Tender Offer (1), and as a result of the Self-Tender Offer (1), the Company acquired all of the shares tendered by Sumitomo. Sumitomo, as a shareholder as of the record date for this Extraordinary General Meeting of Shareholders, plans to vote in favor of each proposal at this Extraordinary General Meeting of Shareholders in accordance with the agreement regarding cooperation in taking private (hereinafter referred to as the “Agreement on the Cooperation for Taking Private (Sumitomo)”) entered between the Company, the Third-Party Tender Offeror and Sumitomo as of September 30, 2024.

In addition, as announced in the “Notice Regarding Acquisition of and Tender Offer for Treasury Shares” released by the Company on December 25, 2024 (hereinafter referred to as the “Acquisition of Treasury Shares, Etc. Press Release (2)”), as part of the Transactions, the Company implemented a self-tender offer for the purpose of acquiring all of the Company Shares held by Hikari Tsushin (4,730,800 shares; Shareholding Ratio: 8.47%), the Company Shares held by UH Partners 2 (5,516,500 shares; Shareholding Ratio: 9.88%), the Company Shares held by UH Partners 3 (4,184,500 shares; Shareholding Ratio: 7.49%), and the Company Shares held by SIL (1,683,900 shares; Shareholding Ratio: 3.02%), all current shareholders of the Company (hereinafter referred to as the “Self-Tender Offer (2)”; together with the Third-Party Tender Offer and the Self-Tender Offer (1), collectively hereinafter referred to as the “Three Tender Offers”; and together with the Self-Tender Offer (1), collectively hereinafter referred to as the “Two Self-Tender Offers”) on December 26, 2024. If all of the 16,115,700 shares of the Company Shares held by the Hikari Tsushin Group (Shareholding Ratio: 28.86%; hereinafter referred to as the “Shares Held by Hikari Tsushin Group”) are tendered in the Self-Tender Offer (2) and the Company acquires all of the Shares Held by Hikari Tsushin Group, the Third-Party Tender Offeror, classified as one of the Company’s other affiliates and major shareholders, will hold 11,718,929 shares of the Company Shares (Shareholding Ratio After Completion of Settlement of the Two Self-Tender Offers (Note 3): 36.47%) as of February 25, 2025 (the commencement date of the settlement of the Self-Tender Offer (2)). The Hikari Tsushin Group, as a shareholder as of the record date for this Extraordinary General Meeting of Shareholders, plans to vote in favor of each proposal at this Extraordinary General Meeting of Shareholders in accordance with the agreement regarding cooperation in taking private (hereinafter referred to as the “Agreement on the Cooperation for Taking Private (Hikari Tsushin Group)”) entered between the Company, the Third-Party Tender Offeror and the Hikari Tsushin Group as of September 30, 2024.

(Note 3) “Shareholding Ratio After Completion of Settlement of the Two Self-Tender Offers” refers to the percentage of the Company Shares held (rounded to the second decimal place) to the number of shares (32,131,651 shares) obtained by deducting the number of the Company Shares expected to be acquired by the Company through the Two Self-Tender Offers (23,715,700 shares) from the Reference Number of Shares. The same applies hereinafter.

Although the Third-Party Tender Offer was successfully completed as described above, the Third-Party Tender Offeror could not acquire all of the Company Shares (excluding treasury shares owned by the Company, the Shares Held by Sumitomo and the Shares Held by Hikari Tsushin Group) through the Third-Party Tender Offer, and thus requested the Company to implement a share consolidation of the Company Shares under Article 180 of the Companies Act (Act No. 86 of 2005, as amended; hereinafter referred to as the “Companies Act”) to take the Company Shares private. Therefore, as described in “(5) Policy on matters including organizational restructuring after the Tender Offer (matters concerning the so-called two-step acquisition)” under “3. Content, Grounds and Reasons for the Opinion on The Tender Offer” in the Statement of Opinion Press Release, the Company decided to implement the Share Consolidation to consolidate 10,400,000 shares of the Company Shares into one share, subject to the approval of shareholders at this Extraordinary General Meeting of Shareholders. As a result of the Share Consolidation, the number of the Company Shares held by shareholders other than the Third-Party Tender Offeror and Sumitomo will be reduced to fractions of less than one share. Details of the purpose and background of the Transactions were announced in the Statement of Opinion Press Release, the Acquisition of Treasury Shares, Etc. Press Release (1), and the Acquisition of Treasury Shares, Etc. Press Release (2), and are outlined again below.

On September 27, 2023, the Company received a “Statement of Intent Regarding the Sale of Your Company Shares” from Sumitomo, and in response to Sumitomo’s proposal to specifically discuss the Company’s capital policy, including the sale of all or part of the Company Shares it owns as part of its portfolio review, the Company agreed to enter into such discussions on October 16, 2023, and began specific discussions with Sumitomo regarding the Company’s capital policy. In addition, in light of the current shareholder structure, careful consideration was given to various options to maximize the interests of not only Sumitomo but also minority shareholders through a change in shareholder composition, while simultaneously achieving further enhancement of the Company’s corporate value. In late October 2023, Sumitomo made initial inquiries through SMBC Nikko Securities Inc. (hereinafter referred to as “SMBC Nikko Securities”) to 22 companies (4 operating companies and 18 investment funds) including Bain Capital and as several candidates expressed interest, Sumitomo determined that implementing a bidding process (hereinafter referred to as the “Bidding Process”) for the sale of all the Company Shares it owns to candidates interested in the Company’s business would be desirable to maximize the Company’s shareholder value and further accelerate the future growth of the Company. In reviewing the Transactions, starting in late October 2023, the Company appointed Beyond Arch Partners Co., Ltd (hereinafter referred to as “Beyond Arch Partners”) as its financial advisor and Nagashima Ohno & Tsunematsu as its legal advisor, both independent of the Company, Bain Capital, Sumitomo, and the Hikari Tsushin Group. After the Company reviewed candidates and added one new candidate, Sumitomo began the first bidding process with multiple candidates who were interested in participating in the Bidding Process. In late January 2024, multiple candidates including Bain Capital submitted letters of intent, and after careful consideration of the content and consultation with the Company,

Sumitomo selected multiple candidates including Bain Capital to be approached to participate in the second bidding process. Subsequently, in late February 2024, Sumitomo began the second bidding process and, after due diligence of the Company by several candidates including Bain Capital, received the second letter of intent from the candidate on April 12, 2024. On April 15, 2024, after comprehensively reviewing factors, including the total share value, the approach to business strategy after the implementation of the Transactions, synergies, and employee treatment, Sumitomo concluded that Bain Capital was the optimal buyer, and at that time, the Company also conducted a comprehensive review, considering factors, including the total share value, the approach to business strategy after the implementation of the Transactions, synergies, and employee treatment, as well as the management policy after the Transactions are implemented. Specifically, it was determined that fully utilizing Bain Capital's management support would be a choice capable of sufficiently achieving the enhancement of the Company's corporate value, and on April 15, 2024, Sumitomo and the Company, through SMBC Nikko Securities and Beyond Arch Partners, concluded that selecting Bain Capital, whose proposal included a price of 2,503 yen (hereinafter referred to as the "Third-Party Tender Offer Price") reflecting Bain Capital's valuation of the Company's total equity value distributed to Sumitomo and other shareholders, as the buyer would be the best choice to maximize the interests of minority shareholders, further accelerate the Company's future growth, and enhance its corporate value. Note that as of April 15, 2024, Bain Capital's proposal, which included the Third-Party Tender Offer Price, was based on the assumption that Company Shares held by Sumitomo would not be tendered in the Third-Party Tender Offer but would instead be all acquired by the Company as treasury shares after the Third-Party Tender Offer, and that Company Shares held by Hikari Tsushin Group would be tendered in the Third-Party Tender Offer. Bain Capital was designated as the final candidate in the Bidding Process, and a notification was made to proceed with the final negotiations for the implementation of the Transactions. The treasury share acquisition price was determined by applying a discount to the Third-Party Tender Offer Price based on discussions with Sumitomo and its advisors. No candidate offered more favorable terms for the Company's shareholders than Bain Capital with respect to the Third-Party Tender Offer Price. On April 16, 2024, the Company requested Bain Capital to reconsider the Third-Party Tender Offer Price, taking into account the results of stock valuation of Company Shares prepared by Beyond Arch Partners, trends in the market price of the Company Shares, the future outlook of the Company's business and other factors, as well as the opinion of the Special Committee (as defined below; hereinafter the same). In response to this request, on April 19, 2024, Bain Capital re-proposed to the Special Committee that the Third-Party Tender Offer Price could fluctuate depending on the expected scheme of the Transactions and that it intended to submit a revised proposal once the scheme of the Transactions was finalized, and, in order to finalize the scheme of the Transactions, taking into account that Bain Capital had been designated as the final candidate, it sought permission to disclose details of the Transactions and commence negotiations with the Company's major shareholder, the Hikari Tsushin Group. On April 23, 2024, the Special Committee approved Bain Capital to begin negotiations with the Hikari Tsushin Group, while reiterating the request for an increase in the Third-Party Tender Offer Price and communicating to Bain Capital that the Company intended to implement a year-end dividend for the fiscal year ended March 31, 2024. Subsequently, negotiations were held between Bain Capital and the Hikari Tsushin Group, and based on the premise that the Hikari Tsushin Group would also agree as a result of these negotiations, on August 2, 2024, Bain Capital proposed a scheme consisting of the Third-Party Tender Offer, the Self-Tender Offer (1), the Self-Tender Offer (2), a series of procedures to make the Third-Party Tender Offeror and Sumitomo the only shareholders of the Company (hereinafter referred to as the "Squeeze Out Procedures"), and a procedure to make the Company a wholly owned subsidiary of the Third-Party Tender Offeror through a direct purchase by

the Third-Party Tender Offeror of all of the remaining Company Shares from Sumitomo (hereinafter referred to as the “Direct Purchase”), excluding the Shares Agreed to be Tendered by Sumitomo, after completion of the Squeeze Out Procedures, while setting the Third-Party Tender Offer Price at 2,650 yen per share, the purchase price in the Self-Tender Offer (2) (hereinafter referred to as the “Self-Tender Offer Price (2)”) at 2,473 yen per share, and the Sumitomo sales price at 2,429 yen per share. Although the Third-Party Tender Offer Price of 2,650 yen per share was considered a significant discount compared to the Company’s current stock price, Bain Capital stated that speculative reports about the Transactions were published by certain media outlets on June 21, 2024, and July 22, 2024, causing the Company’s stock price to surge to levels exceeding a record high since its listing, and they believed that this was due to excessive expectations regarding the Transactions and did not reflect any changes in the Company’s business or financials. The price was a premium of 36.74% to the simple average closing price of 1,938 yen of the Company’s stock price for the most recent one-month period ended on June 21, 2024, when speculative reports about the Transactions first emerged.

In response, on August 8, 2024, the Special Committee communicated to Bain Capital that the Third-Party Tender Offer Price of 2,650 yen per share did not adequately consider the interests of minority shareholders based on the Company’s current stock price, and they requested an increase in the Third-Party Tender Offer Price and indicated that depending on future prices proposed by Bain Capital, it might be necessary to set purchase conditions, including the so-called majority of the minority (hereinafter referred to as “MoM”) procedure to confirm evaluations by the Company’s minority shareholders of the Third-Party Tender Offer Price. On the same day, the Special Committee also requested Sumitomo to reduce the sale price of the Company Shares because reducing the Sumitomo sales price would lead to an increase in the Third-Party Tender Offer Price.

In response, on August 9, 2024, Sumitomo stated that the Third-Party Tender Offer Price of 2,650 yen per share proposed by Bain Capital was reasonable and included a sufficient premium, but indicated that they would address the request to lower the sales price for the Company Shares in Bain Capital’s response, and on August 11, 2024, Bain Capital stated that the sharp surge in the Company’s stock price to levels exceeding a record high since its listing was a transient level caused by excessive expectations regarding the Transactions and was not reflective of changes in the Company’s business or financial conditions since June 21, 2024. However, after discussions with Sumitomo regarding the Special Committee’s request to raise the Third-Party Tender Offer Price, Bain Capital proposed increasing the price to 2,670 yen per share, the Self-Tender Offer Price (2) to 2,473 yen, and Sumitomo sales price to 2,412 yen, while also stating regarding MoM that Sumitomo and the Hikari Tsushin Group should not be excluded from the Company’s shareholder evaluation scope and that measures leading to instability of the completion of the Transactions could not be accepted.

Subsequently, on August 16, 2024, the Special Committee communicated to Sumitomo and Bain Capital that the Third-Party Tender Offer Price of 2,670 yen per share remained insufficiently considerate of the interests of minority shareholders based on the current stock price of the Company Shares, and reiterated its request for a price increase reflecting the current stock price of the Company Shares, while stating that the structure, which allowed the forced sale of shares at a significant discount from the current stock price of the Company Shares based solely on the agreement of the two major shareholder groups, Sumitomo and the Hikari Tsushin Group, without aligning with the intention of other minority shareholders of the Company, was unacceptable from the perspective of eliminating coercion by major shareholders, and the Special Committee had no choice

but to request for the establishment of procedures to confirm the intention of other minority shareholders of the Company, including MoM, as conditions of the purchase. In response, on August 20, 2024, Bain Capital responded that it was difficult to raise the Third-Party Tender Offer Price any higher than the maximum amount that could be considered as the offer price, and that it was not acceptable to set procedures to confirm the intention of other minority shareholders of the Company, including MoM, as a purchase condition, since such procedures would lead to instability of the completion of the Transactions, and Bain Capital proposed that the Tender Offer Period (as defined below; hereinafter the same) for the Third-Party Tender Offer be extended from the initially planned 30 business days, which is longer than the minimum period of 20 business days stipulated by laws and regulations, in order to ensure fairness. The Special Committee concluded that, although setting a longer tender offer period can generally be evaluated as one of the measures to ensure fairness, such extension alone would not necessarily sufficiently protect the interests of the Company's minority shareholders who would be forced to sell their shares at the Third-Party Tender Offer Price that is a substantial discount from the current stock price of the Company Shares, and on August 22, 2024, the Special Committee communicated the desire to continue discussions on raising the tender offer price and requested consideration of securing an opportunity to confirm the intention of the Company's minority shareholders by setting a minimum number of shares to be purchased in the Third-Party Tender Offer. In response, on August 26, 2024, Bain Capital analyzed past cases of tender offers by major shareholders or third parties that, in total with specially related parties, hold more than two-thirds of the Company Shares, and found that, among the 22 cases that occurred after 2019, there were no cases that set a so-called MoM, and while there were seven cases that set a lower limit, in all cases, the minimum limit is the level that can be reached by tendering of shares held by shareholders who have agreed to apply in advance and shares held by specially related parties, and there are no cases where a minimum limit has been set to confirm the intention of minority shareholders, and in the disclosure materials for the 22 relevant cases, it is stated that setting a minimum limit would make the completion of the tender offer instable, which would result in a loss of the interests of shareholders who wish to apply for the tender offer, and that it is not appropriate to set a minimum limit such as MoM. Bain Capital responded stating that it has no interest in the Transactions and agreed upon the Transactions with third parties, Sumitomo and the Hikari Tsushin Group, through a fair negotiation process and it did not think it appropriate to set a minimum limit in the Transactions, even when compared to the 22 cases that were considered to be more coercive in nature, and it would set the Tender Offer Period at 35 business days, which is a longer period, as an opportunity for additional market checks.

In response, on August 29, 2024, the Special Committee stated that one of its greatest concerns was that the price would be at a significant discount to the current stock price of the Company Shares, and that since none of the above 22 cases had a tender offer price that was at a significant discount to the current stock price of the Company Shares, they should not necessarily serve as a basis for the Transactions. Furthermore, the Special Committee responded that, because the terms of the agreement with the Hikari Tsushin Group provided unequal benefits compared to those available to other minority shareholders, they could not support a structure that allowed the forced sale of shares for the Third-Party Tender Offer Price at a significant discount based solely on the agreements of the two major shareholder companies, Sumitomo and the Hikari Tsushin Group, without confirming the intention of other minority shareholders.

In response, on September 3, 2024, Bain Capital responded that the Transactions had already been agreed upon by major shareholders holding more than two-thirds of the Company Shares and that setting a minimum

limit was not originally necessary for the Third-Party Tender Offer conducted as part of this series of transactions; they also stated that the Third-Party Tender Offer Price included a sufficient premium compared to the Company's stock price before speculative reports about the Transactions emerged and represented a fairly transferred value, but acknowledged the strong desire of the Special Committee to confirm the intention of minority shareholders in the implementation of the Transactions given the significant discount of the Third-Party Tender Offer Price compared to the current Company's stock price level surged by such reports, and it would accept the request for setting a minimum limit and set the number of shares to be purchased in the Third-Party Tender Offer at 7,076,300 shares as the minimum limit. Such minimum limit has been obtained by multiplying by the number of shares constituting one unit of the Company (100 shares) the number of voting rights (70,763), which is equivalent to a majority of 141,524 voting rights calculated by deducting the voting rights (233,454) pertaining to the Shares Held by Sumitomo (23,345,400 shares) and the voting rights (161,157) pertaining to the Shares Held by Hikari Tsushin Group (16,115,700 shares) and the number of voting rights (22,339) pertaining to 2,233,900 shares of the Company Shares (calculated as 4% of the total number of issued shares after deducting treasury shares) estimated to be held by ETFs (exchange-traded funds), who are investors that are unlikely to tender their shares in the tender offer, from the number of voting rights (558,474) of the Company (pertaining to 55,847,405 shares of the total number of issued shares after deducting treasury shares). As noted in the "Fair M&A Guidelines" issued by the Ministry of Economy, Trade and Industry in June 2019 that "as the scale of passive index funds has increased in recent years as a trend in the Japanese capital markets, some of these investors refrain, as a matter of policy, from tendering their shares in response to a tender offer regardless of the appropriateness of the transaction terms," Bain Capital understands that the presence of a certain number of ETFs holding the Company Shares would prevent the MoM condition from functioning as intended and increase obstructive effects on the Transactions, and to set a minimum number of shares to be purchased excluding such factors, it confirmed that ETFs listed on the TSE (TSE-listed ETFs) held approximately 1.63% of the Company Shares as of August 29, 2024, while recognizing that it was difficult to determine the latest total number of Company Shares held by ETFs other than TSE-listed ETFs based on publicly available information, it estimated, using the database information from multiple financial market data providers, that domestic and international ETFs collectively owned approximately 4% of the Company Shares. Bain Capital also decided to set the Tender Offer Period at 30 business days, taking into consideration the fact that the minimum number of shares to be purchased was set in light of the strong desire of the Special Committee.

In response to this proposal, on September 25, 2024, the Special Committee determined that although the Third-Party Tender Offer Price was not considered to have reached a level at which the Company could recommend that its minority shareholders tender their shares in the Third-Party Tender Offer because the price was at a substantial discount to the current stock price of the Company Shares, by setting a minimum number of shares to be purchased, ensuring that the Third-Party Tender Offer could not be successfully completed unless at least half of the minority shareholders, excluding Sumitomo and the Hikari Tsushin Group, tendered their shares, would be sufficient to confirm the intention of the minority shareholders, and therefore it accepted Bain Capital's proposal. In addition, Bain Capital and the Company discussed the schedule of the Transactions and agreed that the Transactions would be announced on September 30, 2024, and given that the Company was scheduled to announce the First Half Financial Results on November 5, 2024, the Tender Offer Period would be 35 business days from October 1, 2024, to November 20, 2024, so that the Company's minority

shareholders would have time to review the First Half Financial Results and consider tendering their shares in the Third-Party Tender Offer.

During this consideration process, although the Company also considered the possibility of maintaining the listing of the Company, it was assumed that Sumitomo would sell all of its shares in the Company using a method that would ensure the sale of all of its holdings, and the Company decided to accept the implementation of the Bidding Process based on such assumption in principle. The Company determined that the final proposals from candidates in the Bidding Process were based on going private and going private would not result in any significant disadvantages; additionally, to fully leverage Bain Capital's management support and maximize corporate value, it was deemed necessary to align the interests of Bain Capital and the Company completely by taking the Company Shares private through the Transactions rather than maintaining its listing; it was also anticipated that Bain Capital's acquisition of control, including transactions with telecommunications carriers, would not negatively impact existing business relationships, which could be maintained stably, and that, according to Bain Capital's proposal, there would be no changes to employee treatment of the Company and the Company's carrier shop business throughout Japan would continue, leading to the conclusion that the implementation of the Transactions, including the Third-Party Tender Offer at the Third-Party Tender Offer Price, would effectively enhance the Company's corporate value in the medium to long term. However, for the reasons stated below, the Company has determined that it is appropriate to leave the final decision to the discretion of its shareholders, adopting a neutral stance on the merits and demerits of recommending that the shareholders apply for the Third-Party Tender Offer.

In the process of considering the Transactions, the Company has considered the possibility that the interests of Sumitomo and the Company's minority shareholders may not necessarily coincide, as a non-tender agreement for tender offer is planned to be concluded between Sumitomo, the Company's largest shareholder, and any candidate who is ultimately selected as the buyer of the shares, and in light of this, in order to ensure the fairness of the Third-Party Tender Offer, eliminate arbitrariness in the decision-making process regarding the Transactions, ensure fairness, transparency and objectivity in the Company's decision-making process, and avoid conflicts of interest, the Company has requested that Beyond Arch Partners, a third-party valuation institution independent of the Company, Bain Capital, Sumitomo and the Hikari Tsushin Group, evaluate the value of the Company Shares, and also requested Nagashima Ohno & Tsunematsu, a law firm independent of the Company, Bain Capital, Sumitomo and the Hikari Tsushin Group, to provide legal advice on the method and process of the Company's Board of Directors' decision-making regarding the Third-Party Tender Offer and the subsequent series of procedures, as well as other points to note when making decisions. Furthermore, in order to ensure the fairness of the Third-Party Tender Offer, eliminate arbitrariness in decision-making regarding the Transactions, ensure the fairness, transparency and objectivity of the Company's decision-making process, and avoid conflicts of interest, the Company established a Special Committee on December 15, 2023, composed of three members: Toshio Morohoshi (Outside Director of the Company), Kyoko Deguchi (Outside Director of the Company; however, she retired at the Company's General Meeting of Shareholders on June 21, 2024), and Toshiro Kaba (Outside Corporate Auditor of the Company), who are independent from the Company, Bain Capital, Sumitomo and the Hikari Tsushin Group and have no interests with Sumitomo. Subsequently, due to the anticipated occurrence of circumstances that could result in a conflict of interest for Kyoko Deguchi, upon the advice of Nagashima Ohno & Tsunematsu, she was replaced as a Special Committee member by Toshiya Asaba (Outside Director of the Company, who retired at the Company's General Meeting

of Shareholders on June 21, 2024, but continued as a Special Committee member) on February 22, 2024, and there were no other changes to the membership of the Special Committee.

The Company carefully examined whether the Transactions, including the Third-Party Tender Offer, would contribute to enhancing corporate value and whether the transaction terms including the Third-Party Tender Offer Price were appropriate, while taking into account the stock valuation report dated September 30, 2024, obtained from Beyond Arch Partners (hereinafter referred to as the “Valuation Report (Beyond Arch Partners)”), the stock valuation report dated September 30, 2024, submitted by Plutus Consulting Co., Ltd. (hereinafter referred to as “Plutus Consulting”) through the Special Committee (hereinafter referred to as the “Valuation Report (Plutus Consulting)”), and legal advice obtained from Nagashima Ohno & Tsunematsu, as well as respecting to the fullest extent the deliberations of the Special Committee and the contents of the report dated September 30, 2024, submitted by the Special Committee (hereinafter referred to as the “Special Committee Report”). As a result, the Company concluded that, although the price and other terms of the final proposal were not sufficient to recommend that the minority shareholders of the Company apply for the Third-Party Tender Offer, it was deemed to meet the necessary reasonableness for the Company to express its opinion in favor of the Third-Party Tender Offer while leaving the decision of whether to apply for the tender offer to the discretion of its shareholders for the following reasons: (i) The Third-Party Tender Offer Price represented a discount of 26.55% compared to the closing price of the Company’s stock on the Prime Market of TSE of 3,635 yen on September 27, 2024, the business day prior to the announcement of the Third-Party Tender Offer, 29.37% compared to the one-month simple average closing price of 3,780 yen from August 28, 2024, to September 27, 2024, 25.50% compared to the three-month simple average closing price of 3,584 yen from June 28, 2024, to September 27, 2024, and 5.29% compared to the six-month simple average closing price of 2,819 yen from March 28, 2024, to September 27, 2024; while the tender offer price fell within the range of valuations based on the market price average method as per the Valuation Report (Beyond Arch Partners), it was below the median of the range. Furthermore, as described below in “4) Acquisition of a stock valuation report from an independent financial advisor and third-party valuation institution for the Company” of “(3) Measures to ensure fairness of the Transactions and avoid conflicts of interest” under “3. Matters concerning the reasonableness of provisions regarding the items stated in Article 180, Paragraph 2, item (i) of the Companies Act,” the stock price valuation results of the Company Shares in the Valuation Report (Beyond Arch Partners) show that the discounted cash flow (DCF) method valuation falls within the range, while the comparable company analysis valuation exceeds the upper limit of the range; (ii) Due to speculative reports about the Transactions, the Company’s current stock price surged to levels exceeding a record high since its listing, with excessive expectations regarding the Transactions incorporated into the price, which is considered a reasonable view; the Third-Party Tender Offer Price reflected a premium of 35.88% compared to the closing price of the Company’s stock on the Prime Market of TSE of 1,965 yen on June 21, 2024, the date of the first speculative report by certain media outlets, a premium of 37.77% compared to the one-month simple average closing price of 1,938 yen from May 22, 2024, to June 21, 2024, and a premium of 32.18% compared to the three-month simple average closing price of 2,020 yen from March 22, 2024, to June 21, 2024; and among transactions completed using tender offers published between June 28, 2019, when the “Fair M&A Guidelines” was issued by the Ministry of Economy, Trade and Industry, and September 27, 2024, involving similar circumstances (where the bidder and its special related parties owned over two-thirds of the Company’s voting rights prior to the tender offer and the total tender offer consideration exceeded 10.0 billion yen), the average premium levels for seven comparable cases were 34.38% compared to the stock price on the business day

prior to announcement, 37.31% compared to the one-month simple average closing price, 41.14% compared to the three-month simple average closing price, and 42.83% compared to the six-month simple average closing price, demonstrating that the Third-Party Tender Offer Price offers a reasonably substantial premium even in comparison; (iii) The Third-Party Tender Offer Price was the result of several rounds of negotiations with Bain Capital, and based on their responses, it was reasonably concluded that seeking a further price increase would be difficult; (iv) As a result of negotiations by the Special Committee, Bain Capital agreed to set a minimum number of shares to be purchased with Sumitomo and the Hikari Tsushin Group being excluded from the Company's shareholder evaluation scope, which was initially rejected by Bain Capital, ensuring an opportunity for confirming the intention of minority shareholders; (v) This minimum limit was set as a number corresponding to the majority of the voting rights remaining after deducting the voting rights held by Sumitomo and the Hikari Tsushin Group, and those estimated to be held by ETFs, multiplied by the number of shares constituting one unit of the Company, and it was considered to provide a certain degree of fairness by respecting the tendering results of minority shareholders for the Third-Party Tender Offer; and (vi) Other than the above, the measures outlined below in “(3) Measures to ensure fairness of the Transactions and avoid conflicts of interest” under “3. Matters concerning the reasonableness of provisions regarding the items stated in Article 180, Paragraph 2, item (i) of the Companies Act” were implemented to ensure the fairness of the Third-Party Tender Offer, and it was recognized that considerations for the interests of minority shareholders had been made. Accordingly, the Company has determined that it is appropriate to leave the final decision of whether or not to tender their shares in the Third-Party Tender Offer to the shareholders, adopting a neutral stance on the merits and demerits of recommending that its shareholders apply for the Third-Party Tender Offer.

Based on the above, the Company determined that the Transactions would contribute to enhancing corporate value of the Company and, at the Board of Directors meeting held on September 30, 2024, resolved to express its opinion in favor of the Third-Party Tender Offer while leaving the decision of whether or not to tender their shares in the Third-Party Tender Offer to the discretion of the shareholders with the unanimous agreement of all Directors who participated in the deliberation and resolutions.

Subsequently, the Company received a notification from the Third-Party Tender Offeror that 11,718,929 shares of the Company Shares had been tendered in the Third-Party Tender Offer, exceeding the minimum number of shares to be purchased of 7,076,300 shares, and the Third-Party Tender Offer was successfully completed. Based on this, the Company determined that no circumstances hindered the fulfillment of the conditions for conducting the Self-Tender Offer (1) and implemented the Self-Tender Offer (1). In addition, in light of the fact that 7,600,000 shares of the Company Shares were tendered in the Self-Tender Offer (1) and the Self-Tender Offer (1) was successfully completed, the Company determined that no circumstances hindered the fulfillment of the conditions for conducting the Self-Tender Offer (2), and therefore, the Board of Directors formally resolved on December 25, 2024, to proceed with the Self-Tender Offer (2).

For details of each of the above resolutions by the Board of Directors, please refer to “7) Approval of all Directors without interests in the Company and opinion of all Corporate Auditors that there are no objections” of “(3) Measures to ensure fairness of the Transactions and avoid conflicts of interest” under “3. Matters concerning the reasonableness of provisions regarding the items stated in Article 180, Paragraph 2, item (i) of the Companies Act.”

2. Details of the Share Consolidation (matters listed in each item of Article 180, Paragraph 2 of the Companies Act)

(1) Ratio of the consolidation

The Company Shares will be consolidated at a ratio of 10,400,000 shares to one share.

(2) Effective date of the Share Consolidation

March 5, 2025

(3) Total number of authorized shares as of the effective date

12 shares

3. Matters concerning the reasonableness of provisions regarding the items stated in Article 180, Paragraph 2, item (i) of the Companies Act

The ratio of consolidation in the Share Consolidation is 10,400,000 shares of the Company Shares to one share. As stated in “1. Purpose and reasons for the Share Consolidation” above, the Share Consolidation is intended to make the shareholders of the Company limited to the Third-Party Tender Offeror and Sumitomo, and as described in “1. Purpose and reasons for the Share Consolidation,” the Third-Party Tender Offer and the Self-Tender Offer (1) conducted as part of the Transactions have been successfully completed, the Self-Tender Offer (2) is also expected to be completed, and based on these developments and the following factors, the Company has determined that the ratio for the Share Consolidation is reasonable.

(1) Matters that are taken into consideration so as not to impair the interests of shareholders of the Company other than the parent company, etc. in the case where there is a parent company, etc.

The Share Consolidation is part of the Transactions that follows the Three Tender Offers, and as of September 30, 2024, when the resolution was passed to commence the Third-Party Tender Offer by the Third-Party Tender Offeror, the Company was not a subsidiary of the Third-Party Tender Offeror, and the Third-Party Tender Offer did not constitute a tender offer by a controlling shareholder. In addition, it is not planned for any or all of the Company’s management team to directly or indirectly invest in the Third-Party Tender Offeror, and the Transactions, including the Third-Party Tender Offer, do not constitute a so-called management buyout transaction (MBO); however, the Third-Party Tender Offeror and the Company aim to take the Company Shares private by having the Third-Party Tender Offeror acquire all of the Company Shares (excluding treasury shares, the Shares Held by Sumitomo and the Shares Held by Hikari Tsushin Group) through the Three Tender Offers, and because the Third-Party Tender Offeror has entered into the Agreement on the Cooperation for Taking Private (Sumitomo) with Sumitomo and the Agreement on the Cooperation for Taking Private (Hikari Tsushin Group) with the Hikari Tsushin Group, it is considered that there is a possibility that the interests of Sumitomo or the Hikari Tsushin Group may not necessarily align with those of the Company’s minority shareholders; therefore, the Third-Party Tender Offeror and the Company have implemented the measures described in “(3) Measures to ensure fairness of the Transactions and avoid conflicts of interest” below to ensure the fairness of the Transactions, including the Three Tender Offers, from the perspective of ensuring the fairness of the Third-Party Tender Offer Price, eliminating arbitrariness in the decision-making process leading to the implementation of the Three Tender Offers, and avoiding conflicts of interest.

(2) Matters concerning the method of treatment of fractions of less than one share, the amount of cash expected to be delivered to shareholders as a result of such treatment, and the reasonableness of such amount

- 1) Whether the treatment is planned to be conducted in accordance with Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis under Article 235, Paragraph 1 or Paragraph 2 of the same Act, and the reasons thereof

As stated in “1. Purpose and reasons for the Share Consolidation” above, the Share Consolidation will result in the number of the Company Shares held by shareholders other than the Third-Party Tender Offeror and Sumitomo to be reduced to fractions of less than one share.

For the fractions of less than one share resulting from the Share Consolidation, the shares equivalent to the total number of such shares (if the aggregate number includes a fractional number of less than one share, such fractional number will be rounded down) will be sold, and the proceeds from this sale will be distributed to shareholders in proportion to such fractional shares.

Regarding this sale, the Company Shares plan to be delisted on March 3, 2025, and given that the shares will no longer have a market price, making it unlikely for buyers to appear through auction, and considering that the Share Consolidation is intended to limit shareholders of the Company to the Third-Party Tender Offeror and Sumitomo in order to take the Company Shares private, making it consistent for the Third-Party Tender Offeror to purchase shares equivalent to fractional shares for this purpose, and also that there is no necessity for the Company to increase its treasury shares, the Company plans to seek court approval under Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis under Article 235, Paragraph 2 of the same Act, to sell the shares to the Third-Party Tender Offeror.

In this case, if the above court approval is obtained as planned, the sales price will be set at a cash amount equal to the number of the Company Shares held by shareholders on the Company’s final shareholder registry as of March 4, 2025, the day before the effective date of the Share Consolidation, multiplied by 2,670 yen, the same amount as the Third-Party Tender Offer Price. However, if court approval is not obtained or adjustments for rounding are required in the calculations, the actual amount distributed may differ from the amount above.

- 2) Name of the person who is expected to be the buyer of the shares involved in the sale

K.K. BCJ-82-1

- 3) The method by which the person who is expected to be the buyer of the shares involved in the sale will secure funds for payment of the proceeds from the sale and the reasonableness of such method

The Third-Party Tender Offeror plans to finance the acquisition of the Company Shares equivalent to the total number of fractional shares resulting from the Share Consolidation by receiving an investment from K.K. BCJ-82-2, the parent company of the Third-Party Tender Offeror, as well as loans from Mizuho Bank, Ltd., Kiraboshi Bank, Ltd., MUFG Bank, Ltd., The Bank of Fukuoka, Ltd., Aozora Bank, Ltd., SBI Shinsei Bank, Ltd., The Tokyo Star Bank, Ltd., and Sumitomo Mitsui Trust Bank, Ltd.

In the procedures for executing the Transactions, the Company has confirmed the method of securing funds by the Third-Party Tender Offeror by confirming the tender offer notification filed by the Third-Party Tender Offeror on October 1, 2024, and the investment and financing certificates attached thereto. In addition, according to the Third-Party Tender Offeror, no event has occurred or is perceived to occur in the future that could interfere with the payment of the proceeds from the sale of the Company Shares equivalent to the total number of fractions of less than one share resulting from the Share Consolidation.

Accordingly, the Company has determined that the method of securing funds to pay for the sale of the Company Shares equivalent to the total number of fractions of less than one share resulting from the Share Consolidation is reasonable.

4) The timing of the sale and the expected timing of the delivery of the proceeds from the sale to shareholders
The Company plans to file a petition with the court between early March and mid-April 2025, pursuant to Article 235, Paragraph 2 of the Companies Act as applied mutatis mutandis under Article 234, Paragraph 2 of the same Act, requesting permission to sell the Company Shares equivalent to the total number of fractions of less than one share resulting from the Share Consolidation to the Third-Party Tender Offeror. With the permission of the court, the Company aims to sell the Company Shares to the Third-Party Tender Offeror between mid-March and mid-May 2025, then, after making the necessary preparations to distribute the proceeds from the sale to shareholders, target delivering these proceeds to shareholders between late May and early August 2025.

Taking into account the time required for the series of procedures related to the sale from the effective date of the Share Consolidation, the Company has determined that the Company Shares equivalent to the total number of fractions of less than one share resulting from the Share Consolidation will be sold and the proceeds from such sale will be delivered to the shareholders at the respective times as described above.

5) Matters concerning the amount of cash expected to be delivered to shareholders as a result of treatment of fractional shares and the reasonableness of such amount

In the Share Consolidation, the Company plans to deliver to shareholders an amount of cash equivalent to the number of the Company Shares held by shareholders multiplied by 2,670 yen, the same amount as the Third-Party Tender Offer Price.

The Company concluded that, although the price and other terms of the final proposal were not sufficient to recommend that the minority shareholders of the Company apply for the Third-Party Tender Offer, it was deemed to meet the necessary reasonableness for the Company to express its opinion in favor of the Third-Party Tender Offer while leaving the decision of whether to apply for the Third-Party Tender Offer to the discretion of its shareholders for the following reasons: (i) The Third-Party Tender Offer Price of 2,670 yen represented a discount of 26.55% compared to the closing price of the Company's stock on the Prime Market of TSE of 3,635 yen on September 27, 2024, the business day prior to the announcement of the Third-Party Tender Offer, 29.37% compared to the one-month simple average closing price of 3,780 yen from August 28, 2024, to September 27, 2024, 25.50% compared to the three-month simple average closing price of 3,584 yen from June 28, 2024, to September 27, 2024, and 5.29% compared to the six-month simple average closing price of 2,819 yen from March 28, 2024, to September 27, 2024; while the tender offer price fell within the range of valuations based on the market price average method as per the Valuation Report (Beyond Arch Partners), it was below the median of the range. Furthermore, as described below in “4) Acquisition of a stock valuation report from an independent financial advisor and third-party valuation institution for the Company” of “(3) Measures to ensure fairness of the Transactions and avoid conflicts of interest,” the stock price valuation results of the Company Shares in the Valuation Report (Beyond Arch Partners) show that the DCF method valuation falls within the range, while the comparable company analysis valuation exceeds the upper limit of the range; (ii) Due to speculative reports about the Transactions, the Company's current stock price surged to levels exceeding a record high since its listing,

with excessive expectations regarding the Transactions incorporated into the price, which is considered a reasonable view; the Third-Party Tender Offer Price reflected a premium of 35.88% compared to the closing price of the Company's stock on the Prime Market of TSE of 1,965 yen on June 21, 2024, the date of the first speculative report by certain media outlets, a premium of 37.77% compared to the one-month simple average closing price of 1,938 yen from May 22, 2024, to June 21, 2024, and a premium of 32.18% compared to the three-month simple average closing price of 2,020 yen from March 22, 2024, to June 21, 2024; and among transactions completed using tender offers published between June 28, 2019, when the "Fair M&A Guidelines" was issued by the Ministry of Economy, Trade and Industry, and September 27, 2024, involving similar circumstances (where the bidder and its special related parties owned over two-thirds of the Company's voting rights prior to the tender offer and the total tender offer consideration exceeded 10.0 billion yen), the average premium levels for seven comparable cases were 34.38% compared to the stock price on the business day prior to announcement, 37.31% compared to the one-month simple average closing price, 41.14% compared to the three-month simple average closing price, and 42.83% compared to the six-month simple average closing price, demonstrating that the Third-Party Tender Offer Price offers a reasonably substantial premium even in comparison; (iii) The Third-Party Tender Offer Price was the result of several rounds of negotiations with Bain Capital, and based on their responses, it was reasonably concluded that seeking a further price increase would be difficult; (iv) As a result of negotiations by the Special Committee, Bain Capital agreed to set a minimum number of shares to be purchased with Sumitomo and the Hikari Tsushin Group being excluded from the Company's shareholder evaluation scope, which was initially rejected by Bain Capital, ensuring an opportunity for confirming the intention of minority shareholders; (v) This minimum limit was set as a number corresponding to the majority of the voting rights remaining after deducting the voting rights held by Sumitomo and the Hikari Tsushin Group, and those estimated to be held by ETFs, multiplied by the number of shares constituting one unit of the Company, and it was considered to provide a certain degree of fairness by respecting the tendering results of minority shareholders for the Third-Party Tender Offer; and (vi) Other than the above, the measures outlined below in "(3) Measures to ensure fairness of the Transactions and avoid conflicts of interest" were implemented to ensure the fairness of the Third-Party Tender Offer, and it was recognized that considerations for the interests of minority shareholders had been made. Accordingly, the Company has determined that it is appropriate to leave the final decision of whether or not to tender their shares in the Third-Party Tender Offer to the shareholders, adopting a neutral stance on the merits and demerits of recommending that its shareholders apply for the Third-Party Tender Offer.

In addition, the Company expressed its opinion in favor of the Third-Party Tender Offer and to leave the decision of whether or not to tender their shares in the Third-Party Tender Offer to the discretion of the Company's shareholders, and by the time the Board of Directors resolved to convene this Extraordinary General Meeting of Shareholders on December 26, 2024, it had confirmed that there had been no significant changes to the conditions underlying the Company's judgment regarding the Third-Party Tender Offer Price.

Based on the above, the Company has determined that the method of treatment of fractional shares and the amount of cash expected to be distributed to the Company's shareholders as a result of treatment of fractional shares are reasonable.

(3) Measures to ensure fairness of the Transactions and avoid conflicts of interest

1) Implementation of bidding procedures

As stated in “1. Purpose and reasons for the Share Consolidation” above, since late May 2023, Sumitomo, through SMBC Nikko Securities, has approached 22 companies (4 operating companies and 18 investment funds) including Bain Capital regarding capital policies of the Company, including the sale of the Shares Held by Sumitomo. The Company also considered potential buyers, and after adding one new candidate through SMBC Nikko Securities, approached five companies including Bain Capital regarding the Bidding Process from late October 2023, and began the first bidding process on December 25, 2023. In late January 2024, multiple candidates including Bain Capital submitted letters of intent, and after careful consideration of the content and consultation with the Company, multiple candidates including Bain Capital were selected to participate in the second bidding process. Subsequently, from late February 2024, the Company and Sumitomo began the second bidding process, and after due diligence of the Company by several candidates including Bain Capital from late February 2024 to April 12, 2024, the Company received the second letter of intent from Bain Capital in mid-April 2024. After comprehensively reviewing factors, including the total share value, the approach to business strategy after the Transactions, synergies and employee treatment, Sumitomo concluded that Bain Capital was the optimal buyer, and decided to conduct final negotiations with Bain Capital for the implementation of the Transactions. The Company also comprehensively reviewed the proposals from the perspectives of factors, including the total share value, the approach to business strategy after the Transactions, synergies and employee treatment, as well as the management policy after the Transactions are implemented. Specifically, the Company determined that fully utilizing Bain Capital’s management support was a choice capable of sufficiently achieving the enhancement of the Company’s corporate value, and on April 15, 2024, it concluded that Bain Capital’s proposal including the Third-Party Tender Offer Price of 2,503 yen would be the best choice to maximize the interests of minority shareholders, further accelerate the Company’s future growth, and enhance its corporate value. Subsequently, Sumitomo and the Company continued negotiations with Bain Capital, and Bain Capital ultimately proposed a Third-Party Tender Offer Price of 2,503 yen. Only one company, Bain Capital, submitted a second letter of intent, and there were no other candidates that offered more favorable terms to the Company’s shareholders than the proposal presented by Bain Capital. As described above, the Company implemented the Bidding Process to ensure that it has the opportunity to receive a broad range of proposals to enhance its corporate value.

2) Establishment of an independent Special Committee at the Company and receipt of report from the Special Committee

Upon examining the merits and demerits of the Transactions, for the purpose of ensuring the fairness of the Third-Party Tender Offer Price, as well as eliminating arbitrariness in decision-making regarding the Transactions, ensuring the fairness, transparency and objectivity of the Company’s decision-making process, and avoiding conflicts of interest, the Company’s Board of Directors established a special committee independent of the Company, Bain Capital, Sumitomo and the Hikari Tsushin Group (hereinafter referred to as the “Special Committee”) on December 15, 2023, which is composed of three members: Toshio Morohoshi (Outside Director of the Company) and Kyoko Deguchi (Outside Director of the Company; however, she retired at the Company’s General Meeting of Shareholders on June 21, 2024), and Toshiro Kaba (Outside Corporate Auditor of the Company), as a voluntary body to examine and make decisions on the merit and demerit of the Transactions, appropriateness of the transaction terms

including the structure, and fairness of the procedures from the perspective of enhancing corporate value and considering the interests of minority shareholders. In appointing the Special Committee members, the Company made a comprehensive judgment based on their long tenure as officers of the Company, their thorough understanding of the Company and its business, their expertise in legal matters, and other factors. Subsequently, the Special Committee continued its deliberations and, due to the anticipated occurrence of circumstances that could result in a conflict of interest for Kyoko Deguchi, upon the advice of Nagashima Ohno & Tsunematsu regarding the existence of a conflict of interest, she was replaced as a Special Committee member by Toshiya Asaba (Outside Director of the Company, who retired at the Company's General Meeting of Shareholders on June 21, 2024, but continued as a Special Committee member) as of February 22, 2024, and there were no other changes to the membership of the Special Committee. The remuneration for members of the Special Committee is fixed, and no success-based remuneration system has been adopted.

In addition, the Company's Board of Directors consulted the Special Committee concerning matters related to the Transactions, including the Third-Party Tender Offer, as follows: (a) whether the purpose of the Transactions is rational and justifiable as contributing to the enhancement of the Company's corporate value, (b) the appropriateness of the Third-Party Tender Offer Price in the Third-Party Tender Offer based on the Transactions, the price per share in the Self-Tender Offer (1) (hereinafter referred to as the "Self-Tender Offer Price (1)"), the Self-Tender Offer Price (2) in the Self-Tender Offer (2), and other terms and conditions, (c) the fairness of the procedures, including the negotiation process leading to the Transactions, and (d) whether the Transactions, including the Third-Party Tender Offer, is not disadvantageous to the Company's minority shareholders, based on items (a) through (c) (hereinafter referred to as the "Consultation Matters"), and the Special Committee was entrusted with submitting its recommendations on these matters to the Company. The Company's Board of Directors also resolved that when making important decisions related to the Transactions, the Board of Directors must respect the opinions of the Special Committee in response to the consultation of the Board of Directors to the maximum extent possible. The Company's Board of Directors granted the Special Committee the following authorities: (i) substantial involvement in the negotiation of the Transactions (including the ability to issue directions or requests to the Company regarding negotiation policies and conduct negotiations directly when necessary), (ii) the authority to appoint external advisors for the Special Committee at the Company's expense if necessary, and (iii) the authority to receive information necessary for evaluating and deciding on the Transactions from the Company's officers and employees (limited to people informed by the Company about the Transactions).

The Special Committee met a total of 27 times between December 25, 2023, and September 25, 2024, and between each day of the Special Committee meetings, the Special Committee also carefully discussed and reviewed the Consultation Matters by deliberating and making decisions via email and other means.

Specifically, (a) the Special Committee received explanations from the Company, Bain Capital, Plutus Consulting, and its appointed legal advisor, Shibata, Suzuki & Nakada, regarding the background and history of the Transactions, the structure and procedures of the Transactions, revenue projections and their preparation, and the Valuation Report (Plutus Consulting) prepared by the third-party valuation institution Plutus Consulting, including its content and valuation methodology, and conducted Q&A sessions on these points, (b) through hearings with Bain Capital and other methods, the Special Committee received explanations regarding the significance and purpose of the Transactions, including the synergies created by it, business operation policies such as measures aimed at enhancing the Company's corporate value

after the Transactions, the structure of the Transactions, the rationale behind the terms of the Transactions, including the Third-Party Tender Offer Price, and the funding methods, etc., and conducted Q&A sessions on these points, (c) the Special Committee considered the status of the Bidding Process, the structure of the Transactions, the rationale behind the terms of the Transactions, including the Third-Party Tender Offer Price, based on explanations received, and (d) the Special Committee received timely reports from the Company, Beyond Arch Partners, and Nagashima Ohno & Tsunematsu on the history and details of discussions and negotiations with Bain Capital and Sumitomo, held meetings as needed to discuss policies, conducted multiple hearings with the Company to provide opinions, and directly or indirectly participated in the discussions and negotiation process with Bain Capital and Sumitomo, up to the point of receiving the final proposal for the transaction terms for the Transactions. Based on the above, on September 30, 2024, the Special Committee submitted the Special Committee Report, which contains the following summary of the Consultation Matters, to the Company's Board of Directors.

(a) Contents of the report

- i. The purpose of the Transactions is considered reasonable and justifiable as contributing to the enhancement of the Company's corporate value.
- ii. Although the Third-Party Tender Offer Price, the Self-Tender Offer Price (1), the Self-Tender Offer Price (2) and other transaction terms that are based on the Transactions are below the closing price of the Company Shares on September 27, 2024, the business day prior to the announcement date of the Third-Party Tender Offer, as well as the simple average closing prices for the past one month, three months, and six months up to that date on the Prime Market of TSE, and it cannot be deemed at a level that warrants a recommendation for the Company's shareholders to tender their shares for the Third-Party Tender Offer; the following factors support the Company's decision to express its opinion in favor of the Third-Party Tender Offer and to leave the decision of whether to apply for the tender offer to the discretion of the Company's shareholders: (i) the price exceeds the upper limit of the DCF valuation result by Plutus Consulting, (ii) it is above the median and close to the upper limit of the DCF valuation result by Beyond Arch Partners and exceeds the upper limit of the comparable company analysis valuation, and (iii) the setting of a minimum number of shares to be purchased provides an opportunity for minority shareholders to express their intent.
- iii. The negotiation process and other procedures leading to the Transactions are considered fair.
- iv. Although the Third-Party Tender Offer Price does not reach a level that would warrant a recommendation for the Company's shareholders to tender their shares for the Third-Party Tender Offer, the setting of a minimum number of shares to be purchased ensures an opportunity for minority shareholders to express their intent, and based on items i. through iii., the Transactions, including the Third-Party Tender Offer, are not considered disadvantageous to the Company's minority shareholders.

(b) Reason for the report

- i. Whether the purpose of the Transactions contributes to the enhancement of the Company's corporate value

The purpose of the Transactions is considered rational and justifiable as contributing to the enhancement of the Company's corporate value based on the following: (i) through written Q&A and the Q&A session during the hearing with Bain Capital at the 9th Special Committee meeting held on April 17, 2024, the Special Committee confirmed Bain Capital's recognition and views (a. to i.) regarding the Transactions and found no specific issues or concerns to note, (ii) regarding the

Company's recognition and views (j. and k.) on the Transactions, the Special Committee found no specific issues or concerns to note, and (iii) the Special Committee also considered the Company's view that implementing management measures with Bain Capital's support would contribute to enhancing the Company's corporate value to be reasonable (l.).

- a. Bain Capital intends to support measures to maximize the Company's corporate value based on its past investment experience, after taking the Company Shares private through the Transactions, by providing support to the Company such as improving the profitability in the Consumer Mobile Business Segment, strengthening corporate sales, accelerating growth through additional M&As, enhancing execution capabilities to achieve growth.
- b. Specific measures to improve the profitability in the Consumer Mobile Business Segment include identifying and focusing on high-profitability and cross-selling products, improving operational efficiency in shops and staff training, and negotiating rents, which are expected to enable further profitability in our core Consumer Mobile Business Segment. In addition, Bain Capital has provided support to several companies in the retail consumer area in the past, and it believes that it will be able to utilize the shop operation and profit improvement expertise it has developed through such experience to benefit the Company.
- c. Specific measures to strengthen corporate sales (in the Enterprise Solutions Business Segment and the Payment Service Business and Other Business Segment) include a workload survey of sales staff, reviewing operation flows based on surveys of the time allocation for each step in project acquisition, establishing rules for pipeline management, designing incentives, and hiring additional necessary human resources, which will make it possible to further enhance sales capabilities.
- d. Bain Capital believes that, in the Consumer Mobile Business Segment, inorganic growth through M&As is an effective strategy for rapidly strengthening the business development and expanding into adjacent areas such as payment services, and based on discussions and deliberations with the Company, it plans to provide comprehensive support as needed, including deal sourcing and introductions, negotiations, due diligence, contract signing support, and planning and advancing post-merger integration projects.
- e. Bain Capital believes that advancing the growth strategy including the above measures will require further strengthening of organizational foundations, such as enhancing management functions, designing personnel systems and incentives to boost employee engagement, and recruiting new personnel to lead areas like digital and DX, and it is considering drawing on its past investment and business support experience to assist in expanding the organizational foundation through discussions and deliberations with the Company. In addition to providing recruiting support through Bain Capital's human resources pool and network as needed, it also intends to strengthen the management foundation of the entire corporate group by supplementing its human resources by having a member of Bain Capital serve as a CTO and CHRO.
- f. Bain Capital believes that it is possible to pursue synergies, such as promoting the expansion of the Company's business and acquiring a new customer base, through collaboration and cooperation between Bain Capital's existing portfolio companies and the Company.

- g. Bain Capital believes that there are no particular disadvantages associated with delisting of the Company Shares in light of the Company's name recognition in the industry and its past performance.
- h. Bain Capital does not envision any personnel policies beyond those that the Company currently uses and plans to use in the future, and at this time is not considering any specific changes in the working conditions of the Company's employees or reductions in personnel after the Transactions are implemented. In addition, if Bain Capital is to be involved in the Company's personnel strategies in the future, its basic policy is to act in consultation with the Company and support the management team's decisions.
- i. Bain Capital plans to implement an organizational restructuring to transfer the Company's subsidiary, QUO CARD Co., Ltd., from the Company's group to Bain Capital following the Transactions, and even after this restructuring, QUO CARD Co., Ltd. will remain as a group company under Bain Capital, and Bain Capital intends to continue supporting measures related to a. to h. above for the subsidiary, and has no specific plans at this time to sell the subsidiary to a third party.
- j. The Company believes that there will be no impact on its employees through the Transactions as the scheme for the Transactions will not cause significant changes to employee treatment or corporate structure, and as the carrier shop business, which the Company operates especially nationwide, is expected to remain unchanged, there will be no impact on consumers or employment in local communities, nor will there be any significant disadvantages associated with delisting of the Company Shares.
- k. The Company believes that (i) to fully benefit from Bain Capital's management support and maximize its corporate value, it is necessary to take the Company Shares private through the Transactions rather than maintaining its listing, thereby aligning interests with Bain Capital and preventing outflow of a portion of profits to parties other than Bain Capital, and (ii) there will be no anticipated negative impact on existing business relationships, including those with telecommunications carriers, as a result of Bain Capital's acquisition of a controlling interest in the Company, and entering Bain Capital's group will allow these relationships to be stably maintained.
- l. After careful deliberation and consideration, the Special Committee determined that Bain Capital's explanation regarding the significance and purpose of the Transactions, as well as the approach to future business operations, possesses a certain degree of specificity, that the Transactions offer recognized benefits, and that no particularly significant disadvantages were identified, and the committee also found the Company's view that fully utilizing Bain Capital's management support would contribute to enhancing its corporate value to be reasonable.

ii. Reasonableness of the transaction terms

Based on the following points, although the Third-Party Tender Offer Price, the Self-Tender Offer Price (1), the Self-Tender Offer Price (2) and other transaction terms that are based on the Transactions are not considered to have reached a level that warrants a recommendation for the Company's shareholders to tender their shares for the Third-Party Tender Offer, they are deemed reasonable enough to support the Company's decision to express its opinion in favor of the Third-

Party Tender Offer and to leave the decision of whether to apply for the tender offer to the discretion of the Company's shareholders.

a. Third-Party Tender Offer Price

As described below, the Third-Party Tender Offer Price of 2,670 yen, is below the closing price of the Company Shares on the Prime Market of TSE on September 27, 2024, the business day prior to the announcement of the Third-Party Tender Offer, as well as the simple average closing prices for the past one month, three months, and six months up to that date, and thus cannot be considered to have reached a level that warrants a recommendation for the Company's shareholders to tender their shares for the Third-Party Tender Offer; however, considering that the price was agreed upon after sincere negotiations conducted under the substantial involvement of the Special Committee, that no unreasonable assumptions were found in the Company's business plan, that the price exceeds the upper limit of the DCF valuation by Plutus Consulting, that it is above the median and close to the upper limit of the DCF valuation by Beyond Arch Partners as well as exceeding the upper limit of the comparable company analysis valuation, and that when using the price of the Company Shares as of June 21, 2024, the date speculative reporting about the transaction first emerged from certain media outlets, the premium included in the price is substantial compared to past similar transactions, the Third-Party Tender Offer Price can be deemed to have a certain degree of reasonableness and is not at a level lacking appropriateness.

- The Third-Party Tender Offer Price was determined through sincere negotiations conducted with the substantial involvement of the Special Committee, which operates independently of the Company, the Third-Party Tender Offeror, Sumitomo and the Hikari Tsushin Group, after ensuring that reasonable efforts were made with the aim of the Transactions being implemented on transaction terms as favorable as possible for minority shareholders.
- The business plan of the Company (from the fiscal year ended March 31, 2024, to the fiscal year ending March 31, 2027), on which Plutus Consulting and Beyond Arch Partners based their share value calculations, does not tend to be conservative compared to the sales and operating profit forecasts set by other companies in the same industry, and no unreasonable points, such as assumptions that would cause the Third-Party Tender Offer Price to be calculated unreasonably low, were found in the Third-Party Tender Offer.
- According to the results of the stock value calculations by Plutus Consulting, the per-share value of the Company Shares ranged from 1,965 yen to 2,026 yen under the market price method and from 2,041 yen to 2,376 yen under the DCF method, and the Third-Party Tender Offer Price exceeds the upper limit of the DCF method calculation results. In addition, upon this share value calculation, measures were taken to avoid any influence on the value calculation by Plutus Consulting, and no particular unreasonableness was found in the explanation given by Plutus Consulting to the Special Committee, which were deemed credible.
- According to the results of the stock value calculations by Beyond Arch Partners, the per-share value of the Company Shares ranged from 1,938 yen to 3,780 yen under the average market share price method, from 2,388 yen to 2,688 yen under the DCF method, and from 1,595 yen to 2,208 yen under the comparable company method, and the Third-Party Tender Offer Price is higher than the median price calculated by the DCF method and close to the

upper limit, and is higher than the upper limit calculated by the comparable company analysis method. In addition, no particular unreasonableness was found in the explanation given by Beyond Arch Partners to the Special Committee regarding this share value calculation, and it can be judged to be credible. Beyond Arch Partners conducted its valuation independently after receiving explanations from the Company regarding its view over the high levels of the Company's current stock price over the approximately three months following speculative reporting about the Transactions by certain media outlets on June 21, 2024, and July 22, 2024, as well as its mid- to long-term business outlook, and there was nothing unreasonable in the process of such calculation.

- The Third-Party Tender Offer Price of 2,670 yen represents a discount of 26.55% (rounded to the second decimal place; the same applies hereafter for the calculation of premium and discount rates) compared to the closing price of the Company Shares on the Prime Market of TSE on September 27, 2024 (the business day prior to the announcement of the Third-Party Tender Offer Price), which was 3,635 yen, a discount of 29.37% compared to the one-month simple average closing price of 3,780 yen up to that date (from August 28, 2024, to September 27, 2024), a discount of 25.50% compared to the three-month simple average closing price of 3,584 yen up to that date (from June 28, 2024, to September 27, 2024), and a discount of 5.29% compared to the six-month simple average closing price of 2,819 yen up to that date (from March 28, 2024, to September 27, 2024).
- Due to speculative reports regarding the Transactions by certain media outlets on June 21, 2024, and July 22, 2024, the Company's current stock price has surged to levels exceeding a record high since its listing, and it is reasonable to view that this stock price excessively reflects expectations and other factors related to the Transactions; when based on the Company's stock price prior to the speculative reports, it is calculated that, the Third-Party Tender Offer Price includes a premium of 35.88% compared to the closing price of 1,965 yen on the Prime Market of TSE on June 21, 2024, the last trading day when the stock price of the Company Shares assumed to be unaffected, a premium of 37.77% compared to the one-month simple average closing price of 1,938 yen up to that date (from May 22, 2024, to June 21, 2024), and a premium of 32.18% compared to the three-month simple average closing price of 2,020 yen up to that date (from March 22, 2024, to June 21, 2024); furthermore, when compared to the average premium levels of seven past cases similar to the Transactions, disclosed between June 28, 2019, when the Ministry of Economy, Trade and Industry issued the "Fair M&A Guidelines," and September 27, 2024, involving tender offers (where the Third-Party Tender Offeror and its special related parties owned over two-thirds of the Company's voting rights prior to the tender offer and the total tender offer consideration exceeded 10.0 billion yen), which showed average premiums of 34.38% for the day before disclosure, 37.31% for the past one month, 41.14% for the past three months, and 42.83% for the past six months, the Third-Party Tender Offer Price is recognized as having a substantial premium.

b. Self-Tender Offer Price (1) and Self-Tender Offer Price (2)

The Self-Tender Offer Price (1) and the Self-Tender Offer Price (2) are recognized as having certain reasonableness as follows.

- The Self-Tender Offer Price (1) is set at 2,045 yen so that the proceeds after tax if Sumitomo tenders its shares in the Self-Tender Offer (1) will be lower than the proceeds after tax if Sumitomo tenders its shares in the Third-Party Tender Offer.
- The Self-Tender Offer Price (2), set at 2,473 yen, was proposed by Bain Capital following negotiations with the Hikari Tsushin Group, during which it became clear that the Hikari Tsushin Group would not agree to sell its shares for a price lower than this amount, making it necessary to set the price at this level to take the Company Shares private and provide minority shareholders with an opportunity to sell the Company Shares.
- By setting the Self-Tender Offer Price (1) and the Self-Tender Offer Price (2) lower than the Third-Party Tender Offer Price, the scheme allows for an opportunity for sale at a higher price for minority shareholders of the Company through the Third-Party Tender Offer compared to the scenario where the Self-Tender Offer (1) and the Self-Tender Offer (2) are not implemented after the Third-Party Tender Offer.

c. Amount to be delivered to minority shareholders in the Squeeze Out Procedures

Because the amount of cash to be paid to minority shareholders in the Squeeze Out Procedures is planned to be calculated such that it equals the Third-Party Tender Offer Price multiplied by the number of the Company Shares owned by each shareholder (excluding the Third-Party Tender Offeror, the Company and Sumitomo), the amount is considered to have a certain degree of reasonableness and is not at a level that lacks appropriateness.

d. Reasonableness of setting the minimum number of shares to be purchased

In light of the strong desire of the Special Committee that the implementation of the Transactions at a price that is significantly discounted from the current stock price requires a confirmation procedure of the intention of minority shareholders, the minimum number of shares to be purchased in the Third-Party Tender Offer is set in a way that excludes Sumitomo and the Hikari Tsushin Group from the Company's shareholder evaluation scope, and as the establishment of such a minimum limit makes it possible to respect the intention of the Company's minority shareholders, and the appropriateness of the transaction terms is recognized.

e. Content of the agreement on taking private (hereinafter referred to as the "Agreement on Taking Private"), etc.

The Company plans to enter into the Agreement on Taking Private, the Agreement on the Cooperation for Taking Private (Sumitomo), and the Privatization Cooperation Agreement (Hikari Tsushin Group) in connection with the implementation of the Third-Party Tender Offer, and while these agreements restrict the Company from actively soliciting acquisition proposals from other acquires, (i) the Agreement on Taking Private includes a so-called fiduciary out clause, which allows the Company to modify or withdraw its opinion supporting the transaction under certain circumstances, and it is stipulated that no liabilities for damages, penalties, or any other obligations, burdens or conditions, regardless of their nature, will be imposed on the Company as a result of such modification or withdrawal, (ii) given that the Bidding Process has already been conducted with active market checks to broadly secure opportunities for proposals aimed at enhancing the Company's corporate value, the restriction on soliciting or negotiating counterproposals due to these agreements is unlikely to significantly reduce opportunities for acquisition proposals by other acquirers, and (iii) it is reasonable to consider that the terms agreed upon through sincere negotiations between independent parties are not particularly favorable to

one party unless there are special circumstances, and the Company, Bain Capital, Sumitomo and the Hikari Tsushin Group, as the parties to these agreements, are independent parties with no indication that negotiations resulted in terms particularly advantageous to one party, and the terms were agreed upon based on legal advice from Nagashima Ohno & Tsumematsu, a legal advisor whose independence, expertise, and track record were confirmed by the Special Committee; therefore, it can be recognized that the contents were agreed upon as a result of sincere negotiations between independent parties, and the content of the Agreement on Taking Private, the Agreement on the Cooperation for Taking Private (Sumitomo) and the Privatization Cooperation Agreement (Hikari Tsushin Group) is considered reasonable.

f. Appropriateness of the scheme of the Transactions

The Transactions involve the implementation of the Third-Party Tender Offer, the Self-Tender Offer (1), the Self-Tender Offer (2), the Squeeze Out Procedure, and the Direct Purchase, and (i) compared to a scenario where the Self-Tender Offer (1) and the Self-Tender Offer (2) are not implemented after the Third-Party Tender Offer, the scheme provides the Company's minority shareholders with an opportunity to sell their shares at a higher price through the Third-Party Tender Offer, and (ii) because the Self-Tender Offer Price (1) and the Self-Tender Offer Price (2) are deemed reasonable and do not result in Bain Capital, Sumitomo or the Hikari Tsushin Group unjustly profiting at the expense of Company's minority shareholders, the scheme of the Transactions is not considered to have unreasonable elements and is deemed appropriate.

iii. Fairness of the procedures

Based on the following points, the negotiation process and other procedures leading to the Transactions are considered fair.

a. Establishment of the Sustainability Committee

- Although the Transactions do not involve a tender offer by a controlling shareholder or constitute a so-called management buyout transaction (MBO), the purpose of the Transactions is to take the Company Shares private by the Third-Party Tender Offeror, and since the Third-Party Tender Offeror and the Company plan to enter into the Agreement on the Cooperation for Taking Private (Sumitomo) with Sumitomo and the Agreement on the Cooperation for Taking Private (Hikari Tsushin Group) with the Hikari Tsushin Group, considering that the interests of Sumitomo or the Hikari Tsushin Group may not necessarily align with those of the Company's minority shareholders, the Special Committee consisting of three members, one independent Outside Director of the Company, one former independent Outside Director of the Company, and one independent Outside Corporate Auditor of the Company, was established to provide advice in order to ensure the fairness of the Transactions.
- The Special Committee consists of Toshio Morohoshi, former President and CEO of YE DIGITAL Corporation with similar extensive experience and insight as a representative director and expertise in business management; Toshiya Asaba, former President and Representative Director of IIJ Innovation Institute Inc. with similar extensive experience and insight as a representative director and expertise in business management; and Toshiro Kaba, an attorney and former Dean of the Law School at Toin University of Yokohama with advanced expertise and extensive knowledge of corporate legal affairs, and they are

recognized as having the necessary experience and expertise to examine the Consultation Matters.

- The Special Committee held deliberation a total of 27 times from December 25, 2023, to September 30, 2024, for a total of approximately 26 hours.
- The Special Committee was established before the first bidding process commenced in the Bidding Process, confirmed and approved that there were no issues with potential buyers participating in the Bidding Process from the perspective of enhancing the Company's corporate value, provided necessary opinions on the overall process, including the methods of implementing the Bidding Process.
- Regarding the negotiations between the Company, Bain Capital and Sumitomo, the Special Committee provided instructions and requests to the Company regarding negotiation strategies, or directly submitted written proposals to Bain Capital and Sumitomo, ensuring that under the substantial involvement of the Special Committee, reasonable efforts were made with the aim of the Transactions being implemented on transaction terms as favorable as possible for minority shareholders, and it is recognized that sincere negotiations were conducted.
- Regarding the negotiations between the Company and Bain Capital, as a result of negotiations by the Special Committee, it was recognized that sincere negotiations were conducted to secure the most favorable transaction terms possible for minority shareholders, including the establishment of a minimum number of shares to be purchased that excluded Sumitomo and the Hikari Tsushin Group from the Company's shareholder evaluation scope, which was initially rejected by Bain Capital.

b. Implementation of bidding procedures

- Sumitomo made initial inquiries through its financial advisor SMBC Nikko Securities regarding the Bidding Process to 22 companies (4 operating companies and 18 investment funds) including the Third-Party Tender Offeror, and the Company also considered potential buyers and added one new candidate, resulting in several potential buyers showing interest in participating in the Bidding Process, which is evaluated as having conducted an active market check by ensuring opportunities to receive a wide range of proposals.
- In selecting the final candidate, a comprehensive evaluation was conducted from the perspectives of factors, including the total share value, the approach to business strategy after the implementation of the Transactions, synergies and employee treatment, as well as the management policy after the Transactions are implemented. Following the evaluation, Bain Capital was selected as the final candidate, and it can be evaluated that the Bidding Process was properly conducted.

c. Acquisition of a stock valuation report from an independent third-party valuation institution for the Special Committee

- The Special Committee, in considering the Consultation Matters, appointed Plutus Consulting as its own financial advisor and third-party valuation institution independent of the Company, Bain Capital, Sumitomo and the Hikari Tsushin Group, and received financial advice from them on the Company's stock valuation and negotiations with Bain Capital, and obtained the Valuation Report (Plutus Consulting) dated September 30, 2024.

- d. Advice from an independent law firm to the Special Committee
 - The Special Committee, in considering the Consultation Matters, appointed Shibata, Suzuki & Nakada as its own legal advisor independent of the Company, Bain Capital, Sumitomo and the Hikari Tsushin Group, and it received legal advice from the legal advisor on measures to ensure procedural fairness in the Transactions and on legal perspectives related to negotiations with Bain Capital.
- e. Acquisition of a stock valuation report from an independent third-party valuation institution for the Company
 - The Company appointed Beyond Arch Partners as a financial advisor and third-party valuation institution independent of the Company, Bain Capital, Sumitomo and the Hikari Tsushin Group, to ensure the fairness of the Third-Party Tender Offer Price and the overall fairness of the Transactions, and the Special Committee confirmed that there were no issues with the independence, expertise, track record, etc. of Beyond Arch Partners.
 - The Company received financial advice and support from Beyond Arch Partners, including advice on the Company's stock valuation and negotiation strategies with Bain Capital, and obtained the Valuation Report (Beyond Arch Partners) dated September 30, 2024.
- f. Advice from an independent law firm to the Company
 - The Company appointed Nagashima Ohno & Tsunematsu as a legal advisor independent of the Company, Bain Capital, Sumitomo and the Hikari Tsushin Group, to ensure the fairness of the Third-Party Tender Offer Price and the overall fairness of the Transactions, and the Special Committee confirmed that there were no issues with the independence, expertise, track record, etc. of Nagashima Ohno & Tsunematsu.
 - Following this, the Company received legal advice from Nagashima Ohno & Tsunematsu regarding measures to be taken to ensure procedural fairness in the Transactions, various procedures of the Transactions, and the Company's decision-making method and process regarding the Transactions and other points to be considered in making a decision.
- g. Measures to avoid any impact on the stock value calculations by Plutus Consulting
 - The Special Committee received explanations from Plutus Consulting and Beyond Arch Partners regarding the valuation methods used to calculate the value of the Company Shares, the reasons for adopting those methods, the valuation results under each method, and the key assumptions, and during the explanation and Q&A sessions by Plutus Consulting, Beyond Arch Partners did not participate to ensure independence of the Company in the Special Committee's consideration of the Company's stock valuation and to prevent unreasonable influence from the Company on the valuation process.
- h. Establishment of an independent review system in the Company
 - Although the project team established by the Company to consider the Transactions included employees seconded from Sumitomo, the Company determined that there was no risk of the deliberations and resolutions of the Special Committee being influenced because (i) the Transactions are fundamentally in the interests of both Sumitomo and minority shareholders of the Company, and do not necessarily give rise to structural conflicts of interest; (ii) the seconded employees are responsible for assisting the Special Committee in its operations, and do not participate in the deliberations or resolutions of the Special

Committee; and (iii) there is no problem with the practice of having the seconded employees leave the room if it is deemed that they may influence the deliberations or resolutions of the Special Committee. The Special Committee also considered that such determination was reasonable, and approved that there were no problems with the Company's review system (including the scope of the Company's officers and employees involved in the consideration, negotiation, and decision-making of the Transactions, and their duties), including such treatment, from the perspective of independence and fairness.

- Although Representative Director of the Company Masato Ishida had served as Managing Executive Officer of Sumitomo until March 2022, he has held no concurrent positions with Sumitomo or its group companies since resigning from said position in the same month. In addition, although Director of the Company Hiroyuki Sugai had served as Advisor to Sumitomo until March 2023, he has held no concurrent positions with Sumitomo or its group companies since resigning from said position in the same month. Therefore, the Company has determined that there is no risk of the Transactions being influenced by any structural conflicts of interest. The Special Committee also considered that such determination was reasonable, and approved that there were no problems with the Company's review system (including the scope of the Company's officers and employees involved in the consideration, negotiation, and decision-making of the Transactions, and their duties), including such treatment, from the perspective of independence and fairness.
- i. Non-participation by Directors and Corporate Auditors who have an interest in the Company
 - Of the nine Directors of the Company, Katsuya Kashiki, who concurrently serves as an employee of Sumitomo, did not participate in any deliberations or resolutions at meetings of the Board of Directors related to the Transactions until September 30, 2024, to avoid any suspicion of a conflict of interest, because there are concerns that the interests of Sumitomo and minority shareholders of the Company may conflict with each other, nor was he scheduled to participate in any form (including any de facto participation) in the deliberations or resolutions at the meeting of the Board of Directors planned for September 30, 2024, regarding the statement of opinion on the Transactions, and he has not participated in any examination, discussions, or negotiations related to the Transactions on behalf of the Company.
 - Of the three Corporate Auditors of the Company, Nobuo Oyama, who concurrently serves as an employee of Sumitomo, did not participate in any deliberations at meetings of the Board of Directors related to the Transactions until September 30, 2024, nor was he scheduled to participate in any form (including any de facto participation) in the deliberations at the meeting of the Board of Directors planned for September 30, 2024, regarding the statement of opinion on the Transactions.
- j. Measures to ensure opportunities for other buyers to submit offers
 - The Company and Bain Capital have not entered into agreements that would restrict rival acquisition proposal submitters from contacting the Company, such as an agreement that includes transaction protection clauses that would prohibit the Company from engaging with rival acquisition proposal submitters, which ensures that opportunities for competing purchase offers by rival acquisition proposal submitters are not hindered.

- In addition to the implementation of the Bidding Process, the Third-Party Tender Offeror has set the Tender Offer Period at 35 business days, which is longer than the statutory minimum period of 20 business days, thereby ensuring opportunities for competing purchase offers by rival acquisition proposal submitters.

k. Measures to ensure that the Company's shareholders have an opportunity to make an appropriate decision on whether or not to tender their shares in the Third-Party Tender Offer

- As part of the scheme for the Squeeze Out Procedure, if the Third-Party Tender Offeror is unable to acquire all of the Company Shares (excluding treasury shares held by the Company, the Shares Held by Sumitomo and the Shares Held by Hikari Tsushin Group) as a result of the Third-Party Tender Offer, the Third-Party Tender Offeror plans to promptly request the Company, following the completion of settlement for the Third-Party Tender Offer, to convene an Extraordinary General Meeting of Shareholders with proposals as agenda items to conduct the Share Consolidation and to amend the Articles of Incorporation partially to abolish the provisions regarding the number of shares constituting one unit, conditional upon the effectiveness of the Share Consolidation, and will not adopt a method that denies the Company's shareholders the right to request the purchase of shares.
- In conducting the Share Consolidation, the cash consideration to be provided to the Company's shareholders is planned to be calculated so that it is equal to the Third-Party Tender Offer Price multiplied by the number of shares held by each shareholder (excluding the Third-Party Tender Offeror, the Company, and Sumitomo), thereby ensuring that the Company's shareholders have the opportunity to make an appropriate decision on whether or not to tender their shares in the Third-Party Tender Offer, and also ensuring that no coercion is created.
- To ensure the Company's shareholders are provided with an opportunity to make an appropriate decision on whether to apply for the Third-Party Tender Offer and to secure the fairness of the Third-Party Tender Offer Price, the Tender Offer Period has been set at 35 business days, which is longer than the statutory minimum of 20 business days.

l. Setting the minimum number of shares to be purchased

- The Third-Party Tender Offer sets the minimum number of shares to be purchased at 7,076,300 shares (Shareholding Ratio: 12.67%), calculated as the number that corresponds to a majority of the voting rights of the Company, after deducting the voting rights held by Sumitomo, the Hikari Tsushin Group, and the estimated voting rights held by ETFs, multiplied by the number of shares constituting one unit of the Company, and this approach is considered to reasonably ensure fairness by respecting the results of applications to the Third-Party Tender Offer by minority shareholders.

iv. Whether the Transactions are disadvantageous to the Company's minority shareholders

Although the Third-Party Tender Offer Price cannot be considered to have reached a level that warrants a recommendation for the Company's shareholders to tender their shares for the Third-Party Tender Offer, the establishment of a minimum number of shares to be purchased with Sumitomo and the Hikari Tsushin Group being excluded from the Company's shareholder evaluation scope ensures an opportunity for confirming the intention of minority shareholders; moreover, considering that the purpose of the Transactions is deemed reasonable and legitimate as

it contributes to enhancing the Company's corporate value, that the Third-Party Tender Offer Price, the Self-Tender Offer Price (1), the Self-Tender Offer Price (2) and other transaction terms meet the reasonableness required for the Company to express its opinion in favor of the Third-Party Tender Offer and to leave the decision of whether to apply for the tender offer to the discretion of the Company's shareholders, and that the negotiation process and other procedures leading to the Transactions are considered fair, the Transactions, including the Third-Party Tender Offer, are not considered disadvantageous to the Company's minority shareholders.

3) Acquisition of legal advice from an independent law firm to the Company

To ensure the fairness and appropriateness of the decision-making process of the Company's Board of Directors, the Company has appointed Nagashima Ohno & Tsunematsu as a legal advisor, independent of the Company, Bain Capital, Sumitomo and the Hikari Tsushin Group, and has received legal advice regarding the methods and processes of the decisions by the Board of Directors on the Third-Party Tender Offer and subsequent procedures, as well as other considerations in decision-making (including, but not limited to, the scope of Directors of the Company with an interest, the establishment of the Special Committee and the timing thereof, and the advisability of making decisions that fully respect the content of the Special Committee's recommendations). Nagashima Ohno & Tsunematsu is not a related party to the Company, Bain Capital, Sumitomo or the Hikari Tsushin Group, and does not have any significant interest regarding the Transactions, and their remuneration structure is not contingent on the success or failure of the Third-Party Tender Offer.

4) Acquisition of a stock valuation report from an independent financial advisor and third-party valuation institution for the Company

In determining its opinion on the Third-Party Tender Offer, the Company sought financial advice and requested a valuation of its stock from Beyond Arch Partners, a third-party valuation institution independent of the Company, the Third-Party Tender Offeror, Sumitomo and the Hikari Tsushin Group, and obtained the Valuation Report (Beyond Arch Partners). Beyond Arch Partners is not a related party to the Company, the Third-Party Tender Offeror, Sumitomo or the Hikari Tsushin Group, and does not have any significant interest regarding the Transactions, including the Third-Party Tender Offer, between the Company, the Third-Party Tender Offeror and Sumitomo. Because the Company believes that the Company and the Third-Party Tender Offeror have implemented measures to ensure the fairness of the Third-Party Tender Offer Price and to avoid conflicts of interest while taking full account of the interests of the Company's minority shareholders, the Company did not obtain a fairness opinion regarding the fairness of the Third-Party Tender Offer Price from Beyond Arch Partners. The remuneration structure for Beyond Arch Partners is not contingent on the Company's opinion on the Third-Party Tender Offer.

5) Advice from an independent law firm to the Special Committee

At its first meeting held on December 25, 2023, the Special Committee appointed Shibata, Suzuki & Nakada as its legal advisor, independent of the Company, Bain Capital, Sumitomo and the Hikari Tsushin Group, and received legal advice, including guidance on measures to ensure the fairness of the procedures for the Transactions, various procedures related to the Transactions and the methods and processes of the Special Committee's deliberations concerning the Transactions. Shibata, Suzuki & Nakada is not a related party to the Company, Bain Capital, Sumitomo or the Hikari Tsushin Group, and does not have any

significant interest regarding the Transactions, including the Third-Party Tender Offer. In addition, the remuneration structure to Shibata, Suzuki & Nakada is not contingent on the success or failure of the Third-Party Tender Offer.

- 6) Acquisition of a stock valuation report from an independent financial advisor and third-party valuation institution for the Special Committee

At its first meeting held on December 25, 2023, the Special Committee appointed Plutus Consulting, a third-party valuation institution, independent of the Company, Bain Capital, Sumitomo and the Hikari Tsushin Group, as its financial advisor, and obtained the Valuation Report (Plutus Consulting) as of September 30, 2024.

- 7) Approval of all Directors without interests in the Company and opinion of all Corporate Auditors that there are no objections

The Company, after referencing the Valuation Report (Beyond Arch Partners) prepared by Beyond Arch Partners, a third-party valuation institution, as well as the legal advice received from Nagashima Ohno & Tsunematsu, carefully deliberated and reviewed the conditions of the Transactions based on multiple discussions held with Bain Capital and Sumitomo, along with other related materials, and while giving maximum respect to the content of the Special Committee Report obtained from the Special Committee, resolved on September 30, 2024, as described in “1. Purpose and reasons for the Share Consolidation” above, with the unanimous agreement of the eight Directors who participated in the deliberation and resolution out of nine Directors of the Company, to express an opinion in favor of the Third-Party Tender Offer and to leave the decision of whether to apply for the Third-Party Tender Offer to the discretion of the Company’s shareholders.

Subsequently, the Company received a notification from the Third-Party Tender Offeror that 11,718,929 shares of the Company Shares had been tendered in the Third-Party Tender Offer, exceeding the minimum number of shares to be purchased of 7,076,300 shares, and the Third-Party Tender Offer was successfully completed. Based on this, the Company determined that no circumstances hindered the fulfillment of the conditions for conducting the Self-Tender Offer (1) and implemented the Self-Tender Offer (1). In addition, in light of the fact that 7,600,000 shares of the Company Shares were tendered in the Self-Tender Offer (1) and the Self-Tender Offer (1) was successfully completed, the Company determined that no circumstances hindered the fulfillment of the conditions for conducting the Self-Tender Offer (2), and therefore, the Board of Directors formally resolved on December 25, 2024, to proceed with the Self-Tender Offer (2).

Of the nine Directors of the Company, Katsuya Kashiki, who concurrently serves as an employee of Sumitomo, did not participate in the discussions and negotiations with Bain Capital and the deliberations and resolutions at meetings of the Board of Directors to avoid any suspicion of a conflict of interest and to ensure the fairness of the Transactions, because there are concerns that the interests of Sumitomo and minority shareholders of the Company may conflict with each other. Of the eight Directors of the Company who participated in each of the above Board of Directors meetings, Masato Ishida, who, despite having served as Managing Executive Officer of Sumitomo until March 2022, has held no concurrent positions with Sumitomo or its group companies since resigning from said position in the same month, and Hiroyuki Sugai, who had served as Executive Officer and then as Advisor to Sumitomo until March 2023, but likewise has held no concurrent positions with Sumitomo or its group companies since resigning

from said position in the same month; furthermore, the Company established the Special Committee in the Transactions on December 15, 2023, to which it has timely reported details of the discussions and negotiations with Bain Capital and Sumitomo, engaged in multiple consultations with the Special Committee, and advanced discussions and negotiations with Bain Capital and Sumitomo while obtaining the Special Committee's opinions, and the Special Committee has been deemed to have been functioning effectively in the consideration of the Transactions at the Company and during the discussion and negotiation processes with Bain Capital and Sumitomo. Accordingly, the Company has determined that Masato Ishida and Hiroyuki Sugai have no interest in the Company to the extent that the fairness of the proceedings would be impaired if they were not excluded from the deliberations or resolutions of the Board of Directors meetings of the Company, and they have participated in the deliberations and resolutions of each of the meetings mentioned above. In addition, of the three Corporate Auditors of the Company, the two Corporate Auditors who participated in the deliberations and resolutions at the meetings expressed their opinions that they had no objections. As Nobuo Oyama, a Corporate Auditor of the Company, concurrently serves as an employee of Sumitomo, he did not participate in the deliberations at each of the above Board of Directors meetings and refrained from expressing his opinion in order to avoid any suspicion of a conflict of interest.

8) Setting the minimum number of shares to be purchased in the Third-Party Tender Offer

The Third-Party Tender Offeror has set the minimum number of shares to be purchased in the Third-Party Tender Offer at 7,076,300 shares (Shareholding Ratio: 12.67%), and if the total number of share certificates, etc. tendered in the Third-Party Tender Offer (hereinafter referred to as the "Third-Party Tendered Share Certificates, Etc.") is less than the minimum number of shares to be purchased, the Third-Party Tender Offeror will not purchase any of the Third-Party Tendered Share Certificates, Etc. The Third-Party Tender Offeror responded that the Transactions had already been agreed upon by major shareholders holding more than two-thirds of the Company Shares and that setting a minimum limit was not originally necessary for the Third-Party Tender Offer conducted as part of the series of transactions; but acknowledged the strong desire of the Special Committee to confirm the intention of minority shareholders in the implementation of the Transactions given the significant discount of the Third-Party Tender Offer Price compared to the current stock price, and it has set the minimum number of shares to be purchased in the Third-Party Tender Offer at 7,076,300 shares. Such minimum limit has been obtained by multiplying by the number of shares constituting one unit of the Company (100 shares) the number of voting rights (70,763), which is equivalent to a majority of 141,524 voting rights calculated by deducting the voting rights (233,454) pertaining to the Shares Held by Sumitomo (23,345,400 shares) and the voting rights (161,157) pertaining to the Shares Held by Hikari Tsushin Group (16,115,700 shares) and the number of voting rights (22,339) pertaining to 2,233,900 shares of the Company Shares (calculated as 4% of the total number of issued shares after deducting treasury shares) estimated to be held by ETFs, who are investors that are unlikely to tender their shares in the tender offer, from the number of voting rights (558,474) of the Company (pertaining to 55,847,405 shares of the total number of issued shares after deducting treasury shares). As noted in the "Fair M&A Guidelines" issued by the Ministry of Economy, Trade and Industry in June 2019 that "as the scale of passive index funds has increased in recent years as a trend in the Japanese capital markets, some of these investors refrain, as a matter of policy, from tendering their shares in response to a tender offer regardless of the appropriateness of the transaction terms," Bain Capital understands that the presence of a certain number of ETFs holding the Company

Shares would prevent the MoM condition from functioning as intended and increase obstructive effects on the Transactions, and to set a minimum number of shares to be purchased excluding such factors, it confirmed that ETFs listed on the TSE (TSE-listed ETFs) held approximately 1.63% of the Company Shares as of August 29, 2024, while recognizing that it was difficult to determine the latest total number of Company Shares held by ETFs other than TSE-listed ETFs based on publicly available information, it estimated, using the database information from multiple financial market data providers, that domestic and international ETFs collectively owned approximately 4% of the Company Shares. The Company also believes that setting a minimum limit in the Third-Party Tender Offer will ensure the fairness of the Third-Party Tender Offer to a certain degree as it respects the results of tendering by the Company's minority shareholders.

9) Measures to ensure opportunities for other buyers to submit offers

As described in “1. Purpose and reasons for the Share Consolidation” above, Sumitomo conducted a bidding process by approaching multiple potential buyers regarding the sale of all the Company Shares it held, and under certain competitive conditions, the Company and Sumitomo selected Bain Capital as the final buyer candidate through comparisons with other potential buyers. Therefore, while it is considered that sufficient opportunities were provided for parties other than Bain Capital to purchase the Company Shares, the Third-Party Tender Offeror has set the period for the Third-Party Tender Offer (hereinafter referred to as the “Tender Offer Period”) at 35 business days, longer than the statutory minimum of 20 business days, to provide the Company's minority shareholders with an appropriate period to consider whether to tender their shares in the Third-Party Tender Offer, while also ensuring opportunities for parties other than the Third-Party Tender Offer to make counteroffers for the Company Shares, thereby aiming to ensure the fairness of the Third-Party Tender Offer.

4. Disposition of significant assets, occurrence of significant liabilities, or other events that materially affect the financial position of the Company that occurred after the end of the last fiscal year of the Company

(1) Absorption merger

As announced in the “Notice Regarding Absorption Merger of Wholly Owned Subsidiary (Simplified Merger/Short-Form Merger)” dated November 30, 2023, and the “Statutory Post-Merger Disclosure Documents (Merger) (MOBILETRUST Co., Ltd.)” dated April 1, 2024, the Company, based on a merger agreement concluded with MOBILETRUST Co., Ltd. (hereinafter referred to as “MT Co.”) on December 1, 2023, conducted an absorption merger with the Company as the surviving entity and MT Co. as the dissolved entity, with the effective date of the merger set as April 1, 2024. Please refer to the relevant announcements for details.

(2) Call for voluntary retirement

As announced in the “Announcement of Voluntary Retirement Program” dated May 9, 2024, the “Result of Voluntary Retirement Program” dated August 28, 2024, and the First Half Financial Results dated November 5, 2024, the Company conducted a voluntary retirement program from July 1, 2024, to August 9, 2024, for approximately 200 employees (excluding sales employees) who were aged 45 or above and had been with the Company for 5 years or more as of September 30, 2024, and recorded an extraordinary loss of 1.768 billion yen, including extra retirement payments in connection with the implementation of the voluntary retirement program. Please refer to the relevant announcements for details.

(3) Disposal of treasury shares

As announced in the “Notice of Disposal of Treasury Shares as Restricted Stock Units” dated June 21, 2024, the “(Amendment) Notice of Disposal of Treasury Shares as Restricted Stock Units” dated June 28, 2024, and the “Notice of Completion of Payment for Disposal of Treasury Shares as Restricted Stock Units” dated July 19, 2024, the Company disposed of 27,200 shares of the Company Shares at 1,940 yen per share (total disposal amount: 52,768,000 yen) to three Directors (excluding Outside Directors and Directors seconded from the parent company) and 17 Executive Officers of the Company, with the disposal date set as July 19, 2024. Please refer to the relevant announcements for details.

(4) Third-Party Tender Offer

As stated in “1. Purpose and reasons for the Share Consolidation” above, the Third-Party Tender Offeror conducted the Third-Party Tender Offer for the Company Shares from October 1, 2024, to November 20, 2024, and as a result, as of November 27, 2024 (the commencement date of settlement of the Third-Party Tender Offer), the Third-Party Tender Offeror came to hold 11,718,929 shares of the Company Shares (Shareholding Ratio: 20.98%).

(5) Non-payment of dividends

As announced in the “Notice of Revision of Dividend Forecast for the Fiscal Year Ending March 31, 2025 (No Dividend) and Abolition of Shareholder Special Benefit Plan” dated September 30, 2024, the Company resolved at its Board of Directors meeting held on the same day to change the dividend forecast for the fiscal year ending March 31, 2025, subject to the completion of the Third-Party Tender Offer, not to pay interim and year-end dividends for the fiscal year ending March 31, 2025, and to abolish the shareholder special benefit plan from the fiscal year ending March 31, 2025. Please refer to the relevant announcements for details.

(6) Self-Tender Offer (1)

As stated in “1. Purpose and reasons for the Share Consolidation” above, the Company conducted the Self-Tender Offer (1) for the Company Shares from November 26, 2024, to December 23, 2024, during which Sumitomo tendered a portion of its holdings of the Company Shares, specifically 7,600,000 shares, and as a result, the Company will acquire 7,600,000 shares (Shareholding Ratio: 13.61%, total purchase price of 15,542,000,000 yen) as of January 21, 2025 (the commencement date of the settlement of the Self-Tender Offer (1)).

(7) Self-Tender Offer (2)

As stated in “1. Purpose and reasons for the Share Consolidation” above, the Company is conducting the Self-Tender Offer (2) for the Company Shares from December 26, 2024, to January 30, 2025, and if the Hikari Tsushin Group tenders all of its holdings of the Company Shares, specifically 16,115,700 shares, the Company will acquire 16,115,700 shares (Shareholding Ratio: 28.86%, total purchase price of 39,854,126,100 yen) as of February 25, 2025 (the commencement date of the settlement of the Self-Tender Offer (2)).

Proposal 2 Partial Amendments to the Articles of Incorporation

We propose partial amendments to the current Articles of Incorporation as follows.

1. Reasons for the amendments

- (1) If Proposal 1 “Share Consolidation” is approved as originally proposed and the Share Consolidation takes effect, the total number of authorized shares will decrease to 12 in accordance with the provisions of Article 182, Paragraph 2 of the Companies Act. To clarify points related to this, on the condition that the Share Consolidation takes effect, the Company proposes to make changes to Article 6 (Total Number of Authorized Shares) of the Articles of Incorporation.
- (2) If Proposal 1 “Share Consolidation” is approved as originally proposed and the Share Consolidation takes effect, the total number of issued shares of the Company will become three, and there will no longer be a need to define the number of shares constituting one unit. On the condition that the Share Consolidation takes effect, the Company proposes to delete the full text of Article 7 (Number of Shares Constituting One Unit) and Article 8 (Rights Pertaining to Shares Less than One Unit) of the Articles of Incorporation in order to eliminate the provision of the number of shares constituting one unit, which is currently 100 shares per unit, and to renumber subsequent Articles accordingly.
- (3) If Proposal 1 “Share Consolidation” is approved as originally proposed and the Share Consolidation takes effect, the Company Shares will be delisted. After delisting, the Company Shares can no longer be traded on the Tokyo Stock Exchange. Therefore, on the condition that the Share Consolidation takes effect, the Company proposes to delete the full text of Article 9 (Acquisition of Treasury Shares) of the Articles of Incorporation and to renumber subsequent Articles accordingly.
- (4) If Proposal 1 “Share Consolidation” is approved as originally proposed and the Share Consolidation takes effect, the Company Shares will be delisted and the only owners of one or more Company Shares will be the Third-Party Tender Offeror and Sumitomo. In addition, following the Share Consolidation, if treatment of fractional shares is completed, the only shareholders of the Company will be the Third-Party Tender Offeror and Sumitomo. Furthermore, due to the subsequent direct purchase, the only shareholder of the Company will be the Third-Party Tender Offeror. As a result, provisions regarding the record date of the Ordinary General Meeting of Shareholders and provisions regarding the system for providing informational materials for the General Meeting of Shareholders in electronic format will no longer be necessary. Therefore, on the condition that the Share Consolidation takes effect, the Company proposes to delete the full text of Article 13 (Record Date of the Ordinary General Meeting of Shareholders) and Article 15 (Measures, Etc. for Providing Information in Electronic Format) of the Articles of Incorporation and to renumber subsequent Articles accordingly.

2. Details of the amendments

Details of the amendments are as follows. On the condition that Proposal 1 “Share Consolidation” is approved as originally proposed at this Extraordinary General Meeting of Shareholders and that the Share Consolidation takes effect, the amendments to the Articles of Incorporation set forth in this proposal will take effect on March 5, 2025, the effective date of the Share Consolidation.

(Underlines denote the amended parts.)

Current Articles of Incorporation	Proposed amendments
<p>Article 6 (Total Number of Authorized Shares)</p> <p>The total number of authorized shares of the Company shall be <u>400,000,000</u> shares.</p> <p><u>Article 7 (Number of Shares Constituting One Unit)</u></p> <p><u>The number of shares constituting one unit of the Company shall be 100 shares.</u></p> <p><u>Article 8 (Rights Pertaining to Shares Less than One Unit)</u></p> <p><u>Shareholders of the Company may not exercise any rights other than the following rights with respect to shares less than one unit that they hold:</u></p> <p>(1) <u>Rights as stipulated in the items in Article 189, Paragraph 2 of the Companies Act</u></p> <p>(2) <u>Right to make a claim under Article 166, Paragraph 1 of the Companies Act</u></p> <p>(3) <u>Right to allotment of shares and acquisition rights in proportion to the number of shares held</u></p>	<p>Article 6 (Total Number of Authorized Shares)</p> <p>The total number of authorized shares of the Company shall be <u>12</u> shares.</p> <p>(Deleted)</p> <p>(Deleted)</p>
<p><u>Article 9 (Acquisition of Treasury Shares)</u></p> <p><u>The Company may acquire treasury shares through market transactions, etc., by a resolution at meetings of the Board of Directors.</u></p>	(Deleted)
<p>Article <u>10</u> to Article <u>12</u> (Omitted)</p>	Article <u>7</u> to Article <u>9</u> (Unchanged)
<p><u>Article 13 (Record Date of the Ordinary General Meeting of Shareholders)</u></p> <p><u>The record date of voting rights of the Company’s Ordinary General Meeting of Shareholders shall be March 31 of each year.</u></p>	(Deleted)

Current Articles of Incorporation	Proposed amendments
Article <u>14</u> (Omitted)	Article <u>10</u> (Unchanged)
<u>Article 15 (Measures, Etc. for Providing Information in Electronic Format)</u> <ol style="list-style-type: none"> <li data-bbox="208 437 790 640">1. When the Company convenes a General Meeting of Shareholders, it shall take measures for providing information that constitutes the content of Reference Documents for the Ordinary General Meeting of Shareholders, etc. in electronic format. <li data-bbox="208 651 790 932">2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights. 	<u>(Deleted)</u>
Article <u>16</u> to Article <u>46</u> (Omitted)	Article <u>11</u> to Article <u>41</u> (Unchanged)