DISCLAIMER

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Stock Code Number: 7518

(Transmission date) February 3, 2025
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Net One Systems Co., Ltd.
7-2, Marunouchi 2-chome,
Chiyoda-ku, Tokyo

NOTICE OF THE EXTRAORDINARY SHAREHOLDERS MEETING

To Our Shareholders:

We are pleased to announce the Extraordinary Shareholders Meeting of Net One Systems Co., Ltd. (hereinafter referred to as the "Company") will be held as indicated below.

In convening the Extraordinary Shareholders Meeting, the Company provides the "Reference Documents regarding Shareholders Meeting" and other information (matters provided in electric form) electronically, making the information available on each of the following websites on the Internet. Please access any of the following websites for the information.

Company website: https://www.netone.co.jp/ir/stock/meeting/ (in Japanese)
(Please check materials related to the "Extraordinary Shareholders Meeting" on the above website.)

Japan Exchange Group website (Listed company search)
https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show (in Japanese)
(Please access the above Japan Exchange Group website. Enter "Net One Systems" in the "Issue name (company name)" field or enter the Company's securities code "7518" in the "Code" field and search. Select "Basic information" and "Documents for public inspection/PR information" in this order to view the information.)

In the event that you are unable to attend the meeting in person, you may exercise your voting rights in writing or the Internet, etc. as described in "Instructions Concerning the Exercise of Voting Rights" (pages 4 to 7). Please review the "Reference Documents regarding Shareholders Meeting" (pages 8 to 32) and exercise your voting rights by no later than 5:30 p.m. on February 17, 2025 (Monday).

Truly yours,

Takafumi Takeshita
President & CEO
Net One Systems Co., Ltd.

1. Date/Time: February 18, 2025 (Tuesday) at 10:00 am
(The reception of shareholders will commence at 9:00 am)

2. Place: JP TOWER Hall & Conference (KITTE 4F)
7-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan

3. Agenda of the Meeting:

Matters to be Resolved:

Proposal 1: Share consolidation

Proposal 2: Partial amendments to the Articles of Incorporation

Proposal 3: Election of one (1) Executive Director (excluding Executive Director who is an Audit & Supervisory Committee Member)

Information about the Matters Provided in Electronic Form

Any changes to contents of the Matters Provided in Electric Form shall be notified to shareholders by posting about the change made along with the matters prior to change and the matters after the change on the Company's website and the Japan Exchange Group website on the Internet indicated above.

Instructions Concerning the Exercise of Voting Rights

The right to vote at a Shareholders Meeting is one of the important rights for shareholders. You are recommended to exercise your voting rights after reading and taking into consideration the "Reference Documents regarding Shareholders Meeting" below (pages 8 to 32). Voting rights can be exercised in the four methods below.

<Scanning the QR Code "Smart Exercise">

On your smartphone/tablet, scan the "Smart Exercise" QR code printed on the lower right-hand corner of the enclosed Exercise of Voting Right Form along with this Notice and enter your approval or disapproval by the deadline for the exercise of voting rights.

Deadline for the exercise of voting rights on smartphone/tablet:
No later than 5:30 p.m. on February 17, 2025 (Monday)

For details, please refer to page 5.

<Entering the voting code>

Access the online voting website designated below from a personal computer, smartphone, etc.
Online voting website: https://www.web54.net

Deadline for the exercise of voting rights via the Internet:
No later than 5:30 p.m. on February 17, 2025 (Monday)

For details, please refer to page 6.

<Exercise of voting rights by mailing of written documents>

Please indicate your approval or disapproval for each of the proposals on the enclosed Exercise of Voting Right Form and send it back to the Company. (No postage is needed.)

Arrival deadline for the exercise of voting rights by mailing of written documents:
No later than 5:30 p.m. on February 17, 2025 (Monday)

For details, please refer to page 7.

<Exercise of voting rights by attendance at the Shareholders Meeting>

Please submit the enclosed Exercise of Voting Right Form to the receptionist. (No seal is necessary.)

Date and Time of the Shareholders Meeting:
10:00 a.m. on February 18, 2025 (Tuesday)

For details, please refer to page 7.

Exercise of voting rights via the Internet, etc.

<Scanning the QR Code "Smart Exercise">

Exercise deadline

No later than 5:30 p.m. on February 17, 2025 (Monday)

You can log into the online voting website without entering "Voting Rights Exercise Code" and "Password."

1. Scan the QR code printed on the lower right corner of the enclosed Exercise of Voting Right Form.

* "QR code" is a registered trademark of DENSO WAVE INCORPORATED.

2. Then, enter your approval or disapproval by following the instructions on the display.

"Smart Exercise" of voting rights is available only once.

When changing your entry of approval or disapproval, 1) access the PC-version voting website, 2) log into the site using the "Voting Rights Exercise Code" and "Password" printed on the Exercise of Voting Right Form, and then 3) re-vote.

*Re-scanning the QR code will re-direct you to the PC-version voting website.

If you exercise your voting rights both in writing (by postal mail) and via the Internet, etc., only the vote through the Internet, etc. (including Smart Exercise of Voting Rights) will be handled as your valid exercise of voting rights. Moreover, in the event that voting rights are exercised multiple times via the Internet, etc., (including Smart Exercise of Voting Rights) only the last vote exercised shall be treated as valid.

<Entering the voting code>

Exercise deadline

No later than 5:30 p.m. on February 17, 2025 (Monday)

Online voting website: https://www.web54.net

1. Access the online voting website. Click [Next].

2. Enter the "Voting Rights Exercise Code" printed on the lower right corner of the Exercise of Voting Right Form.

   Enter the "Voting Rights Exercise Code."
   Click [Login].

3. Enter the "Password" printed on the lower right corner of the Exercise of Voting Right Form.

   Enter the "Password."

   Enter a new password that you use from then on to login.

   Click [Register].

4. Indicate your approval or disapproval for proposals by following the instructions on the screen.

If you exercise your voting rights both in writing (by postal mail) and via the Internet, etc., only the vote through the Internet, etc. (including Smart Exercise of Voting Rights) will be handled as your valid exercise of voting rights. Moreover, in the event that voting rights are exercised multiple times via the Internet, etc., (including Smart Exercise of Voting Rights) only the last vote exercised shall be treated as valid.

Inquiries regarding the online voting website:	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Web Support Dedicated Line: 0120-652-031 (Toll-free) (Japan only) Business hours: 9:00 a.m. - 9:00 p.m. (Japan Standard Time)
For institutional investors:	Institutional investors may use the voting rights exercise platform operated by ICJ Inc. as an electronic mean to exercise voting rights at the Extraordinary Shareholders Meeting.

<Exercise of Voting Rights by Mailing of Written Documents>

Arrival deadline for the exercise of voting rights by mailing of written documents:
No later than 5:30 p.m. on February 17, 2025 (Monday)

If the Exercise of Voting Right Form is submitted with no indication of either approval or disapproval for any proposal, you will be deemed to have approved the proposal.

Please mail this form.

Indicate either approval or disapproval

Circle "Approval" to approve the proposal.

Circle "Disapproval" to disapprove the proposal.

<Exercise of Voting Rights by Attendance at the Shareholders Meeting>

Please submit the Exercise of Voting Right Form to the receptionist (no seal necessary).

When attending by proxy, the proxy will be required to present documentary proof of his or her authority to exercise your voting rights (a letter of proxy) in addition to the shareholder's Exercise of Voting Right Form to the receptionist. You may name one (1) shareholder who holds voting rights of the Company to act as proxy and exercise your voting rights in accordance with the provisions of the Company's Articles of Incorporation.

Reference Documents regarding Shareholders Meeting

Proposal 1: Share consolidation

1. Reason for the share consolidation

As announced in the "Notice Concerning the Opinion in Support of the Tender Offer for the Shares, etc. of the Company by SCSK Corporation, and Recommendation to Tender the Shares" (the "Press Release Concerning the Opinion on the Tender Offer") released by the Company on November 6, 2024, as part of a transaction (the "Transaction") intended to acquire all of the Company's shares of common stock (the "Company Shares") listed on the Prime Market of Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange") (including the Company Shares to be delivered as a result of the exercise of the Stock Acquisition Rights (Note 1) and excluding treasury shares held by the Company; the same applies hereinafter) and all of the Stock Acquisition Rights, and make the Company a wholly-owned subsidiary of SCSK Corporation (the "Tender Offeror"), the Tender Offeror conducted a tender offer (the "Tender Offer") for the Company Shares, Stock Acquisition Rights and American Depositary Receipts (Note 2) for a period of 30 business days commencing on November 7, 2024 and ending on December 18, 2024 for the purchase, etc. in the Tender Offer (the "Tender Offer Period").

As announced in the "Notice Concerning the Results of the Tender Offer for the Shares, etc. of the Company by SCSK Corporation, and the Changes in Parent Companies, a Major Shareholder and the Largest Shareholder Among the Major Shareholders" released by the Company on December 19, 2024, as a result of the Tender Offer, on December 25, 2024, the settlement commencement date of the Tender Offer, the Tender Offeror holds 63,304,886 shares of the Company Shares (ownership ratio (Note 3): 79.69%).

(Note 1) "Stock Acquisition Rights" collectively refers to the stock acquisition rights in (i) through (x) below.

(i) The stock acquisition rights of 2012 issued pursuant to the resolution of the Board of Directors of the Company held on June 14, 2012 (exercise period from July 3, 2012 to July 2, 2042)

(ii) The stock acquisition rights of 2013 issued pursuant to the resolution of the Board of Directors of the Company held on June 13, 2013 (exercise period from July 2, 2013 to July 1, 2043)

(iii) The stock acquisition rights of 2014 issued pursuant to the resolution of the Board of Directors of the Company held on June 17, 2014 (exercise period from July 4, 2014 to July 3, 2044)

(iv) The stock acquisition rights of 2015 issued pursuant to the resolution of the Board of Directors of the Company held on June 16, 2015 (exercise period from July 3, 2015 to July 2, 2045)

(v) The stock acquisition rights of 2016 issued pursuant to the resolution of the Board of Directors of the Company held on June 16, 2016 (exercise period from July 5, 2016 to July 4, 2046)

(vi) The stock acquisition rights of 2017 issued pursuant to the resolution of the Board of Directors of the Company held on June 15, 2017 (exercise period from July 4, 2017 to July 3, 2047)

(vii) The stock acquisition rights of 2018 issued pursuant to the resolution of the Board of Directors of the Company held on June 14, 2018 (exercise period from July 3, 2018 to July 2, 2048)

(viii) The stock acquisition rights of 2019 issued pursuant to the resolution of the Board of Directors of the Company held on June 13, 2019 (exercise period from July 2, 2019 to July 1, 2049)

(ix) The stock acquisition rights of 2020 issued pursuant to the resolution of the Board of Directors of the Company held on June 11, 2020 (exercise period from July 2, 2020 to July 1, 2050)

(x) The stock acquisition rights of 2021 issued pursuant to the resolution of the Board of Directors of the Company held on June 23, 2021 (exercise period from July 13, 2021 to July 12, 2051)

(Note 2) "American Depositary Receipts" refers to the American depository receipts issued in the United States by Deutsche Bank Trust Company Americas and Citibank, N.A. (collectively, the "Depositary Banks") for the Company Shares.

(Note 3) The "ownership ratio" refers to the percentage (rounded to the second decimal place) relative to the number of voting rights (794,408 voting rights) represented by the number of the Company Shares (79,440,893 shares) calculated as follows: (i) the total number of issued shares as of September 30, 2024 as stated in the Semi-Annual Securities Report for the 38th fiscal year published by the Company on November 12, 2024 (80,308,700 shares), plus (ii) the number of Company Shares to be issued upon exercise of 846 Stock Acquisition Rights, which is the total number of Stock Acquisition Rights remaining as of November 6, 2024 (84,600 shares) (with the resulting sum being 80,393,300 shares), minus (iii) the number of treasury shares held by the Company as of September 30, 2024 as stated in the "Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)" published by the Company on November 6, 2024 (952,407 shares). The same applies hereinafter.

The details of the purpose and background of the Transaction, including the Tender Offer and the consolidation of the Company Shares (the "Share Consolidation") to make the Tender Offeror the Company's only shareholder, are as announced in the Press Release Concerning the Opinion on the Tender Offer, and are outlined again below. The statements below regarding the Tender Offeror are based on the explanation received from the Tender Offeror.

As announced in the Press Release Concerning the Opinion on the Tender Offer, the Company has been deliberating measures to maximize its corporate value from a medium- to long-term perspective, and between October 2022 and late November 2023, three business companies (the "Potential Partners") each expressed interest in forming a capital and business alliance or other relationship with the Company and requested for consultation or submitted an initial proposal to the Company at different timings. Although there were differences in the specificity of the proposals, the degree and scope of interest, and the depth of deliberation, etc. among the Potential Partners that expressed such interest, the Company has provided opportunities for discussion on management policies between its management team and each of the Potential Partners, including the Tender Offeror, and has held consultations among those engaged in the actual business of their respective companies. After an initial exchange of opinions between the management teams of the Company and the Tender Offeror regarding future business plans and strategies in mid-September 2023, the Company has continuously discussed with the Tender Offeror on multiple occasions regarding the competitive advantages that are expected to be gained in the event of a business integration between the two companies and the impact on the market and industry since early October 2023.

Under these circumstances, considering the fact that the Company had received in writing a strategic proposal of a certain level of specificity involving the privatization of the Company Shares from one of the Potential Partners (which is not the Tender Offeror) by December 1, 2023 (however, no specific purchase price was presented at this point), in accordance with the "Guidelines for Corporate Takeovers" (the "Corporate Takeover Guidelines") published by the Ministry of Economy, Trade and Industry on August 31, 2023, the Company decided that it would be appropriate to implement a process (the "Process") of collecting comparable materials from each of the Potential Partners from the perspective of enhancing the Company's corporate value and securing the common interests of shareholders, whereby the Company would compare and deliberate strategic options including the strategic proposals from each of the Potential Partners and the "stand-alone" management option of not forming a capital or business alliance. Thus, the Company decided to commence the Process. In order to ensure the fairness of the Transaction, including the Tender Offer, and to handle the Process, in early February 2024, the Company appointed Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("Mitsubishi UFJ Morgan Stanley Securities") as a financial advisor to the Company independent of the Potential Partners and the Company. The Company also decided to continue to appoint Nagashima

Ohno & Tsunematsu, which had been advising the Company since October 2023, as a legal advisor independent of the Potential Partners and the Company, beyond early February 2024. In addition, in mid-April 2024, for the purpose of further strengthening the advisory structure for the deliberation of strategic options, including the enhancement of corporate value by stand-alone management, the Company appointed QuestHub Co. Ltd. ("QuestHub"), which had assisted the Company in the past with formulation of its mid-term business plan, as a strategic advisor independent of the Potential Partners and the Company.

In deliberating the Process, although the Transaction does not constitute a so-called management buyout (MBO) (Note 4) or an acquisition of a subsidiary company by a controlling shareholder, it was expected that the Potential Partners would make a proposal involving the privatization of the Company Shares in the Process. Therefore, for the purpose of (i) eliminating arbitrariness in the Company's decision-making regarding the Transaction, (ii) deliberating the strategic options available to the Company from the standpoint of enhancing the Company's corporate value and the interests of general shareholders, and, subsequently, (iii) deliberating and judging the merits and demerits of the Transaction, the appropriateness of the terms and conditions of the Transaction and the fairness of the procedures, etc., the Company commenced the building of a system to enable itself to deliberate and negotiate the Transaction and the Process from a position that is independent of the Potential Partners, including the Tender Offeror, the Company and the success or failure of the Transaction. Specifically, as described in "B. Establishment of an Independent Special Committee by the Company and Obtainment of a Report from the Special Committee" in "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" under "3. Matters concerning the reasonableness of the provisions for the matters listed in Article 180, Paragraph 2, Item 1 of the Companies Act (matters concerning the reasonableness of the provisions for the consolidation ratio)" below, from mid-February of the same year, the Company prepared for the establishment of a special committee consisting of its independent Outside Executive Directors (the "Special Committee"). Subsequently, on the 28th of the same month, by a resolution at a meeting of its Board of Directors, from the viewpoint that it is appropriate to appoint Outside Executive Directors who have insights in the legal, accounting and business fields as the members of the Special Committee, the Company established the Special Committee consisting of three members, i.e., Ms. Maya Ito (the Company's Independent Outside Executive Director), who is an attorney, Mr. Kazuhiro Noguchi (the Company's Independent Outside Executive Director and Full-time Member of the Audit & Supervisory Committee), who is a certified public accountant, and Mr. Masayoshi Wada (the Company's Independent Outside Executive Director), who has experience serving as a director of a company engaged in the same type of business as the Company (for the background of the establishment of the Special Committee, the process of deliberation and the details of the decisions, etc., please refer to "B. Establishment of an Independent Special Committee by the Company and Obtainment of a Report from the Special Committee" in "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" under "3. Matters concerning the reasonableness of the provisions for the matters listed in Article 180, Paragraph 2, Item 1 of the Companies Act (matters concerning the reasonableness of the provisions for the consolidation ratio)" below), and consulted with the Special Committee regarding (i) the reasonableness of the purpose of the Transaction (including whether the Transaction will contribute to the enhancement of the corporate value of the Company), (ii) the appropriateness of the terms and conditions of the Transaction (including the appropriateness of the method of implementation of, and the type of consideration for the Transaction), (iii) the fairness of the procedures for the Transaction (including the process of selecting potential partners), (iv) whether the Transaction is not disadvantageous to the Company's general shareholders in light of (i) through (iii), and (v) the propriety for the Company's Board of Directors, in the event that the Transaction involved a tender offer for the Company Shares, the Stock Acquisition Rights, and the American Depositary Receipts, to (x) express an opinion in support of the Tender Offer, (y) recommend that the Company's shareholders and the holders of the Stock Acquisition Rights (the "Stock Acquisition Rights Holders") tender in the Tender Offer; and (z) recommend that the holders of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Company Shares related to the American Depositary Shares (Note 5) represented by their American Depositary Receipts (collectively, the "Consulted Matters"). Further, the Company's Board of Directors passed a resolution upon establishing the Special Committee that the decisions of the Company's Board of Directors shall be made with the highest degree of respect for the opinion of the Special Committee. Moreover, the

Company's Board of Directors passed a resolution that it would authorize the Special Committee (i) to secure conditions in which the Special Committee would be able to substantially affect the process of negotiations regarding the transaction terms and conditions by, among others, reviewing in advance the policy for the negotiations between the Company and the Potential Partners, receiving reports on the status of such negotiations in a timely manner, and expressing its opinion, giving directions and making requests in crucial phases of such negotiations, (ii) to appoint its own advisors at the Company's expense if necessary when deliberating and making decisions regarding the Consulted Matters or approve (including ex post facto approval) the advisors selected by the Company, and to receive from such advisors expert advice as necessary, and (iii) to collect or receive from the Company's officers and employees and advisors information that is necessary for deliberating and making decisions regarding the Consulted Matters. As described in "B. Establishment of an Independent Special Committee by the Company and Obtainment of a Report from the Special Committee" in "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" under "3. Matters concerning the reasonableness of the provisions for the matters listed in Article 180, Paragraph 2, Item 1 of the Companies Act (matters concerning the reasonableness of the provisions for the consolidation ratio)" below, the Special Committee first confirmed that there was no problem in terms of the independence and expertise of each of Mitsubishi UFJ Morgan Stanley Securities, Nagashima Ohno & Tsunematsu and QuestHub, and approved the appointment of Mitsubishi UFJ Morgan Stanley Securities, Nagashima Ohno & Tsunematsu and QuestHub as the financial advisor and third-party valuation agent, the legal advisor and the strategic advisor of the Company, respectively. In addition, the Special Committee determined to receive expert advice from each advisor as necessary.

(Note 4) "Management buyout (MBO)" means a transaction in which the tender offeror conducts a tender offer under an agreement with the officers of the target company and in which the tender offeror shares common interests with the officers of the target company.

(Note 5) "American Depositary Shares" refers to the American depositary shares deposited with the Depositary Banks represented by the American Depositary Receipts.

As described above, considering the fact that the Company had received a strategic proposal of a certain level of specificity involving the privatization of the Company Shares from some of the Potential Partners in December 2023, in accordance with the Corporate Takeover Guidelines, the Company decided that it would be appropriate to collect comparable materials from each of the Potential Partners from the perspective of enhancing the Company's corporate value and securing the common interests of shareholders and thereby compare and deliberate on the strategic options the including strategic proposals from each of the Potential Partners and the stand-alone management option of not forming a capital or business alliance. Thus, the Company decided to commence the Process.

From February 29, 2024, the Company commenced the first-round process (the "First-Round Process"), in which the Company requested the Potential Partners, all of which are business companies, to submit initial statements of intent describing the background and purpose of their interest in the Company, the intended transaction structure, the economic terms of the transaction, the management policy after the transaction, and the method of financing the consideration for the transaction. In the First-Round Process, the Company disclosed and explained the business plan (the "Business Plan") of the Company for three periods from the fiscal year ending March 31, 2025 through the fiscal year ending March 31, 2027 to the Potential Partners and conducted interviews with them, and on April 30 of the same year, the Company received non-legally binding initial statements of intent (the "First Statements of Intent") from two of the Potential Partners, including the Tender Offeror. The First Statements of Intent submitted by the Tender Offeror included a non-legally binding initial statement of intent to set the tender offer price (the "Tender Offer Price") at 4,250 yen (a 60.74% premium on the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on the same day, which was 2,644 yen).

Subsequently, the Company carefully deliberated the contents of the First Statements of Intent from the perspective of enhancing its corporate value and securing the common interests of shareholders and also deliberated multiple strategic options, also comparing them with the stand-alone management option of not forming a capital or business alliance. From July 26 of the same year, the Company commenced the second-round process with the two Potential Partners, in which the

Company, among others, requested them to submit legally binding final proposals, and the two Potential Partners conducted due diligence on the business, financial and tax affairs, and legal affairs of the Company Group as well as interviews with the Company's management to gain a detailed understanding of the Company Group. On September 27 of the same year, the Company received a legally binding final proposal from only the Tender Offeror, out of the two Potential Partners, which included the Tender Offer Price of 4,400 yen (a 23.49% premium over 3,563 yen, which was the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of the same date). However, in light of the opinion of the Special Committee held on the 28th of the same month, the Company came to the conclusion that the Tender Offer Price stated in the final proposal deviated from the price level that the Company expected, and that the Company should request the Tender Offeror to reconsider the Tender Offer Price. In order to maintain its bargaining power, the Company did not immediately grant the Tender Offeror an exclusive negotiating right, but instead requested the Tender Offeror to reconsider the Tender Offer Price. In response, on October 4 of the same year, the Company received a revised proposal with the Tender Offer Price at 4,500 yen (a 26.12% premium over 3,568 yen, which was the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of the same date) on the basis that an exclusive negotiating right would be granted to the Tender Offeror. As a result, on the 7th of the same month, the Company decided to grant the Tender Offeror an exclusive negotiating right for an exclusive negotiation period until November 6 of the same year, which was the timing of the announcement of the Transaction that the Company had envisioned.

Subsequently, on October 8 of the same year, the Company requested the Tender Offeror to further raise the Tender Offer Price, as the Tender Offer Price did not fully reflect the intrinsic value that the Company could realize and in consideration of the premium level. However, on the 21st of the same month, the Company received a response from the Tender Offeror stating that it was difficult to further raise the Tender Offer Price. In response, on the 23rd of the same month, the Company requested the Tender Offeror to reconsider the Tender Offer Price. In addition, the Special Committee requested the Tender Offeror on the 24th of the same month through an interview to consider the Tender Offer Price again. In response, on the 28th of the same month, the Tender Offeror responded to the Company, stating that even after considering the request from the Special Committee to raise the Tender Offer Price, it would still be difficult to further raise the Tender Offer Price from 4,500 yen.

Subsequently, on November 5, 2024, the Company responded to the Tender Offeror, stating that it would accept the Tender Offer Price of 4,500 yen.

As a result of the consultations and negotiations described above, the Company reached an agreement with the Tender Offeror on the content of the business integration and tender offer agreement (the "Business Integration and Tender Offer Agreement"), including the Tender Offer Price and the Stock Acquisition Right Purchase Price.

On November 5, 2024, the Company received a report (the "Report") from the Special Committee stating that (i) the purpose of the Transaction is considered to be reasonable and the Transaction is considered to contribute to the enhancement of the corporate value of the Company, (ii) the terms and conditions of the Transaction (including the method of implementation (the method of implementing a series of procedures to make the Tender Offeror the Company's only shareholder and make the Company the Tender Offeror's wholly-owned subsidiary (the "Squeeze-Out Procedures") after the completion of the Tender Offer if the Tender Offeror is unable to acquire all of the Company Shares through the Tender Offer (including the Company Shares to be delivered upon exercise of the Stock Acquisition Rights but excluding the treasury shares owned by the Company) and all of the Stock Acquisition Rights) of the Transaction and the type of consideration for the Transaction) are considered to be appropriate, (iii) the procedures for the Transaction (including the process of selecting the Potential Partners) are considered to be fair, (iv) the Transaction is considered to be not disadvantageous to the Company's general shareholders (for the avoidance of doubt, the "general shareholders" here include "Minority Shareholders" as defined in the Securities Listing Regulations of the Tokyo Stock Exchange) in light of (i) through (iii), and (v) it is appropriate for the Company's Board of Directors to pass a resolution to (a) express an opinion in support of the Tender Offer, (b) recommend that the Company's shareholders tender in the Tender Offer, (c) recommend that the holders of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Company Shares related to the American Depositary Shares represented by their American Depositary Receipts, and

(d) leave the decision to the Stock Acquisition Rights Holders as to whether or not to tender in the Tender Offer (For an overview of the Report, please refer to "B. Establishment of an Independent Special Committee by the Company and Obtainment of a Report from the Special Committee" in "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" under "3. Matters concerning the reasonableness of the provisions for the matters listed in Article 180, Paragraph 2, Item 1 of the Companies Act (matters concerning the reasonableness of the provisions for the consolidation ratio)" below).

As a result of multiple discussions and deliberations involving the top management of both companies through the Process, the Company has determined that the Transaction would realize the Company's "Vision for 2030" (Note 6) and, in turn, significantly contribute to the fulfilment of its corporate philosophy and purpose. Thus, the Company has decided to implement the Transaction. The main reasons for this decision are as follows:

(Note 6) In order to realize the Company's purpose to "Unleash the potential of people and networks, and create a prosperous future by carrying on/inheriting tradition and making innovation happen," the Company has formulated the "Vision for 2030," which sets out the Company's medium- to long-term management goals and direction in relation to four visions ("acting with pride as a leading network company," "creating added value unique to Net One and achieving sustained growth," "continuing to be an elite group of people who train their minds and skills through continuous self-improvement," and "maintaining an appropriate profit structure to fulfill our responsibilities to a wide range of stakeholders") that the Company has established.

i. The degree of affinity between the two companies' purposes, corporate philosophies and corporate cultures is extremely high.

ii. While each of the two companies has already established a solid position within the industry as a leading company in the fields of system integration and network integration, they have come to share an understanding that by integrating the two companies, they will be able to further accelerate the creation of new value that would be difficult to achieve individually.

iii. Both companies have been able to share the same grand vision and direction for the future of the two companies, which is of them working together to strive for the future development of the ICT industry as one of Japan's leading ICT companies following the completion of the Process in anticipation of the merger.

iv. The Transaction will, upon integration of the two companies, lead to an immediate increase in the presence in the industry as a group enterprise of sales of approximately 700 billion yen and will be a stepping stone for the enterprise to lead the future reorganization and growth of the industry, eventually becoming an overwhelming leading company with the sales of one trillion yen.

In addition, the Company has come to a conclusion that the Transaction will contribute to the realization of its "Vision for 2030," and, in turn, the enhancement of its corporate value since, in the course of the companies' examination of specific synergies, the Company has been able to identify the following short- and medium-term expected effects. The Company is not aware of any particularly significant dis-synergies arising from the Transaction.

Short- and medium-term expected effects:

1. Expansion of markets and customers that Company serves:

   While the Tender Offeror has strengths in terms of enterprise customers such as manufacturers and financial institutions, the Company conducts business not only with enterprises but also with public institutions, telecommunications carriers and business partners, and thus the Company and the Tender Offeror have strengths in different markets and customers with different attributes. The Company believes that the Transaction will enable both companies to provide enhanced value to their existing customers through, among others, referring their customers to one another and proposing to their customers each other's services.

2. Strengthening of service lines to enhance support for customers' ICT infrastructure:

   The Company believes that the Transaction will strengthen the PBOO model that supports the lifecycle of the ICT infrastructure of both companies' customers, thereby enabling both companies to provide comprehensive support for solving customers' problems in a wider range of domains than before. Specifically, the Company believes that it is possible to strengthen both companies' service lines by complementing each other's products and solutions. The Company also believes that, by not only strengthening service lines and complementing each other but also building unique consulting services based on the operational track records of both companies, they can aim to provide unprecedented unique value. Furthermore, the Company believes that, as a result of research and development, by the discovery of new commercial materials and development of services through the integration of the knowledge and expertise of both companies, the two companies will also be able to strengthen their service lines to create new value that they would not be able to achieve individually.

3. Expansion of technology domains:

   The Company and the Tender Offeror have strengths in different technology domains and thus have a mutually complementary relationship. The Company believes that the Transaction will enable the two companies to provide a full lineup of services through vertical integration which combines the Company's technologies in the infrastructure and network domains with the Tender Offeror's technologies in the system platform and application domains, thereby enhancing the value to be provided to their customers. In addition, the Company believes that the integration of their technology domains will further expand the opportunities for ICT utilization.

4. Management efficiency:

   The Company believes that management efficiency can be improved by (i) increase of purchasing power against major vendors through utilization of the Company's partner business and integration of the two companies, (ii) standardization of the companies' products and solutions by integrating them, (iii) standardization and streamlining of their internal IT systems, and (iv) integration of the know-how of their corporate divisions.

5. Creation of innovation:

   Although the Tender Offeror and the Company specialize in different technology domains, they share the same proactive approach to discovering new technologies and businesses. The Company believes that the collaboration of (i) the knowledge and expertise as well as business development/research bases including those in the U.S. held by the two companies and (ii) the Company's innovation center, etc. will promote co-creation activities involving customers and business partners and create new innovations, thereby contributing to the revitalization of the ICT industry in Japan.

6. Opportunities for personnel training:

   The Company believes that, through the process of realizing these expected effects, both companies will be able to effectively train and acquire the human resources required in the management environment in the future.

In addition, in comparison with the stand-alone management option, although the Company believes that it will be able to realize the abovementioned purpose even through management on a stand-alone basis, the Company determined that it can achieve the purpose above in a more progressive way by proceeding with the Transaction together with the Tender Offeror. Specifically, the Company believes that, by integrating the management of the two companies based on the spirit of equality, they will be able to promote the utilization of digital platforms while providing services through vertical integration, and, as a result, strive to become a company that leads the digitalization of society, Japan and their customers comprehensively.

Moreover, the Company has determined that the Tender Offer Price and other terms and conditions of the Tender Offer are appropriate in light of the following: (a) the terms and conditions of the Transaction, including the Tender Offer Price, were obtained through the Process described in "A. Implementation of the Process" in "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" under "3. Matters concerning the reasonableness of the provisions for the matters listed in Article 180, Paragraph 2, Item 1 of the Companies Act (matters concerning the reasonableness of the provisions for the consolidation ratio)" below and, as a result of the Company securing opportunities to receive proposals for enhancing its corporate value from multiple Potential Partners, there were no candidates which proposed more advantageous terms and conditions to the Company's shareholders and the Stock Acquisition Rights Holders (including the terms and conditions proposed in the First-Round Process) as compared to the proposal offered by the Tender Offeror; (b) in the process of determining the terms and conditions of the Transaction, as a result of negotiations and discussions through the Process, a reasonable increase in the Tender Offer Price was achieved and reasonable efforts were made to ensure that the Transaction would be conducted on terms as advantageous to the Company's general shareholders as possible; (c) with respect to the Tender Offer Price, according to the results of the share valuation of the Company Shares by Mitsubishi UFJ Morgan Stanley Securities as described in "D. Obtainment by the Company of a Share Valuation Report from an Independent Financial Advisor and Third-Party Valuation Agent" in "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" under "3. Matters concerning the reasonableness of the provisions for the matters listed in Article 180, Paragraph 2, Item 1 of the Companies Act (matters concerning the reasonableness of the provisions for the consolidation ratio)" below, (i) the Tender Offer Price exceeds the range of the valuation results based on the market price analysis, (ii) the Tender Offer Price exceeds the range of the valuation results based on the comparable company comparison analysis, (iii) the Tender Offer Price is within the range of the valuation results based on the discounted cash flow analysis (the "DCF Analysis") and exceeds the midpoint of such range, (iv) while the premium level of the Tender Offer Price cannot necessarily be said to be high when compared with other similar cases, as the median premium levels for the 109 cases of tender offers (cases of tender offers with the premise of delisting, where the price-to-book ratio of the target company before the transaction was more than 1; excluding tender offers for treasury shares, so-called discounted tender offers and tender offers which had not completed by the last day of September, 2024 when the negotiation began) announced on or after June 28, 2019, when the Ministry of Economy, Trade and Industry published its "Fair M&A Guidelines - Enhancing Corporate Value and Securing Shareholders' Interests" (the "Fair M&A Guidelines"), were 40.13% of the closing price on the business day before the announcement, 39.80% of the simple average of closing prices over the period of one month prior to the business day before the announcement, 41.66% of the simple average of closing prices over the period of three months prior to the business day before the announcement, and 42.62% of the simple average of closing prices for the period of six months prior to the business day before the announcement, considering that the share price of the Company Shares is in an upward phase and has recently been volatile, recording the highest price since the beginning of the year in terms of closing price three business days before the announcement, it is more appropriate to consider the share prices of the Company Shares over a longer period of time than to consider only the most recent share prices of the Company Shares, and thus the premium level of the Tender Offer Price cannot be said to be unreasonable when compared with the premium levels of other cases of tender offers, (v) the Tender Offer Prices can be said to be a price with a reasonable premium in light of the most recent other cases of tender offers, since the number of cases in which the premium level is relatively low has increased in the cases of successful tender offers in 2024 against the backdrop of the recent rise in the Nikkei Stock Average, and cases with a premium of less than 40% accounted for about 50%, and cases with a premium of less than 30% accounted for 20% to 30%, of the cases of successful tender offer cases in 2024, and (vi) the Tender Offer Price is above 3,970 yen, which is the highest closing price of the shares of the Company in the last three years, and 4,010 yen, which is the highest price during trading sessions in the last three years; (d) it cannot be said to be unreasonable to set the Stock Acquisition Right Purchase Price at 1 yen, considering that the Stock Acquisition Rights have been issued as stock options to the executives and employees of the Company and its subsidiaries and a Stock Acquisition Rights Holder may exercise the Stock Acquisition Rights only for the whole amount, within the exercise period of the Stock Acquisition Rights and only for a period commencing from the day following the day on which such Stock Acquisition Rights Holder ceases to hold all of his/her positions as any of the Company's or its subsidiary's director, audit and supervisory

board member, executive officer or employee (excluding contract employees), until ten (10) days have passed from such following day (if the tenth (10th) day falls on a public holiday, until the following business day), but there are no Stock Acquisition Rights Holders who, by satisfying the terms and conditions to exercise the Stock Acquisition Rights, intend to exercise them, and the Tender Offeror cannot exercise the Stock Acquisition Rights even if the Tender Offeror acquires such Stock Acquisition Rights; and (e) there is nothing unreasonable in terms of the treatment of the American Depositary Receipts and the American Depositary Shares or in terms of the tender offer price per share of the Company Shares related to the American Depositary Shares represented by the American Depositary Receipts, in light of the facts that (x) when the Tender Offeror, a resident of Japan, intends to acquire the American Depositary Receipts in the Tender Offer conducted outside the United States, there is no financial instruments business operator, etc. that can make such treatment as a tender offer agent in practice and thus it is difficult for the Tender Offeror to acquire the American Depositary Receipts in the Tender Offer and that (y) the tender offer price per share of the Company Shares related to the American Depositary Shares represented by the American Depositary Receipts is set at the same price as the Tender Offer Price.

Based on the above, the Company resolved, at its Board of Directors meeting held on November 6, 2024, to the effect that it shall (i) express its opinion in support of the Tender Offer, (ii) recommend that the Company's shareholders tender their shares in the Tender Offer and the holders of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Company Shares related to the American Depositary Shares represented by their American Depositary Receipts, and (iii) leave the decision to the Stock Acquisition Rights Holders as to whether or not to tender in the Tender Offer.

As stated above, the Tender Offer was completed. However, Tender Offeror was unable to acquire all of the Company Shares and all of the Stock Acquisition Rights through the Tender Offer. Therefore, as stated in the Press Release Concerning the Opinion on the Tender Offer, in order to make the Tender Offeror the Company's only shareholder, the Company decided to conduct the Share Consolidation at the consolidation ratio described in "2. Content of the matters listed in each item of Article 180, Paragraph 2 of the Companies Act (details of the Share Consolidation)" below, and to submit the proposal related to the Share Consolidation for consideration at this Extraordinary Shareholders Meeting, and we would like to ask for the approval of shareholders.

As a result of the Share Consolidation, the number of the Company Shares held by shareholders other than the Tender Offeror will be a fraction of less than one share.

Please also refer to the Press Release Concerning the Opinion on the Tender Offer for further details of the Transaction.

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

(1) Consolidation ratio

The Company Shares will be consolidated at a ratio of 15,908,000 shares to one (1) share.

(2) The day when the Share Consolidation occurs (effective date)

March 21, 2025 (Friday)

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

16 shares

3. Matters concerning the reasonableness of the provisions for the matters listed in Article 180, Paragraph 2, Item 1 of the Companies Act (matters concerning the reasonableness of the provisions for the consolidation ratio)

The consolidation ratio in the Share Consolidation is one (1) share for every 15,908,000 shares of the Company Shares. The Company has determined that the consolidation ratio in the Share

Consolidation is reasonable because the Share Consolidation is being conducted for the purpose of making the Tender Offeror the Company's only shareholder, the Tender Offer conducted as part of the Transaction was completed after the process described in "1. Reason for the share consolidation" above, and the following items.

(1) Method of handling fractions and amount of money expected to be delivered to shareholders as a result of such handling

(i) Whether the Company is planning handling pursuant to Article 235, Paragraph 1 of the Companies Act or Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the Companies Act, and the reasons thereof

As stated in "1. Reason for the share consolidation" above, as a result of the Share Consolidation, the number of the Company Shares held by shareholders other than the Tender Offeror will be a fraction of less than one share. With regard to fractional shares resulting from the Share Consolidation, the Company will deliver cash to the Company's shareholders who have such fractional shares by selling the Company Shares equivalent to the total number of such fractional shares (in accordance with the provisions of Article 235, Paragraph 1 of the Companies Act (Act No. 86 of 2005; as amended; the "Companies Act") if the total number includes a fraction of less than one share, the fraction will be rounded down. The same applies hereafter.) to the Company or the Tender Offeror or by other methods in accordance with the procedures set out in Article 235 of the Companies Act and other relevant laws and regulations. With regard to the sale, the Company plans to sell the shares to the Tender Offeror with permission of the courts, in accordance with the provisions of Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the Companies Act, in view of the fact that the Share Consolidation is being carried out as part of the Transaction with the aim of making the Tender Offeror the Company's only shareholder, and that the Company Shares are scheduled to be delisted on March 18, 2025 and will become shares without a market price, and therefore it is believed to be unlikely that a purchaser will be found through an auction. In this case, if the above-mentioned permission from the courts is obtained as scheduled, the Company plans to set the sale price at a cash amount equal to the number of the Company Shares held by shareholders on the Company's final shareholder register as of March 19, 2025, the business day before the effective date of the Share Consolidation, multiplied by 4,500 yen, an amount equal to the Tender Offer Price. However, the amount actually delivered may differ from the above-mentioned amount if permission from the courts cannot be obtained or if adjustments for fractions are required in the calculation.

(ii) Name or denomination of the party expected to be the purchaser of the shares involved in the sale

SCSK Corporation (the Tender Offeror)

(iii) The method by which the prospective purchaser of the shares involved in the sale will secure funds to pay for the proceeds of the sale and the reasonableness of such method

The Tender Offeror intends to finance the acquisition of the Company Shares equivalent to the total number of fractional shares resulting from the Share Consolidation using cash and deposits and a loan from Sumitomo Mitsui Banking Corporation ("SMBC"), and the Company has confirmed the Tender Offeror's method of securing funds by reviewing the deposit balance certificate dated November 6, 2024 for the deposit balance on November 5, 2024, which was submitted as an attachment to the Tender Offer Registration Statement for the Tender Offer, and the loan certificate dated November 6, 2024 for the balance of the loan from SMBC. According to the Tender Offeror, no events have occurred that might interfere with the payment of the proceeds for the sale of the Company Shares equivalent to the total number of fractional shares resulting from the Share Consolidation, and the Tender Offeror is not aware of any possibility of such an event occurring in the future.

Based on the above, the Company has determined that the method of securing funds to pay for the proceeds of the sale of the Company Shares equivalent to the total number of fractional

shares by the Tender Offeror is reasonable.

(iv) Timing of the sale and estimated timing of delivery of the proceeds from the sale to shareholders

After the Share Consolidation comes into effect, the Company plans to file a petition with the courts in late March 2025, requesting permission to sell the Company Shares equivalent to the total number of fractional shares resulting from the Share Consolidation in accordance with the provisions of Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the Companies Act, and for the purchase of the Company Shares by the Tender Offeror. The timing of obtaining permission may vary depending on the courts. However, the Company expects to sell the Company Shares by a method in which the Tender Offeror purchases the shares in late April 2025 with the permission of the courts. Thereafter, the Company will make the necessary preparations to deliver the proceeds from the sale to shareholders and expects to deliver the proceeds of such sale to shareholders in late May or early June 2025.

Considering the time required for a 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 fractional shares resulting from the Share Consolidation will be sold and the proceeds of such sale will be delivered to shareholders at the respective times described above.

(2) Matters concerning the amount of money expected to be delivered to shareholders as a result of the handling of fractions related to the Share Consolidation and the reasonableness of such amount

The amount of cash expected to be delivered to the shareholders as a result of the processing of fractions will be the number of the Company Shares held by the shareholders recorded in the Company's final shareholders' register as of March 19, 2025, which is the business day immediately preceding the effective date of the Share Consolidation, multiplied by 4,500 yen, the same amount as the Tender Offer Price, as stated in "(i) Whether the Company is planning handling pursuant to Article 235, Paragraph 1 of the Companies Act or Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the Companies Act, and the reasons thereof" in "(1) Method of handling fractions and amount of money expected to be delivered to shareholders as a result of such handling" above.

The Company has determined that the Tender Offer Price is an appropriate price that ensures the benefits that should be enjoyed by the Company's general shareholders in light of the following: (a) the Tender Offer Price was obtained through the Process described in "1. Reason for the share consolidation" above and, as a result of the Company securing opportunities to receive proposals for enhancing its corporate value from multiple Potential Partners, there were no candidates which proposed more advantageous terms and conditions to the Company's shareholders and the Stock Acquisition Rights Holders (including the terms and conditions proposed in the First-Round Process) as compared to the proposal offered by the Tender Offeror; (b) in the process of determining the terms and conditions of the Transaction, as a result of negotiations and discussions through the Process, a reasonable increase in the Tender Offer Price was achieved and reasonable efforts were made to ensure that the Transaction would be conducted on terms as advantageous to the Company's general shareholders as possible; (c) the price was agreed following sufficient negotiations with the Tender Offeror with the substantial involvement of the Special Committee, after sufficient measures were taken to ensure the fairness of the terms and conditions of the Transaction, including the Tender Offer Price, as described in "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" below; (d)with respect to the Tender Offer Price, the appropriateness of the terms and conditions of the Transaction is determined to be ensured considering, among others, the following: (i) the Tender Offer Price exceeds the range of the valuation results based on the market price analysis, (ii) the Tender Offer Price exceeds the range of the valuation results based on the comparable company comparison analysis, (iii) the Tender Offer Price is within the range of the valuation results based on the DCF Analysis and exceeds the midpoint of such range, (iv) while the premium level of the Tender Offer Price cannot necessarily be said to be high when compared with other similar cases,

as the median premium levels for the 109 cases of tender offers (cases of tender offers with the premise of delisting, where the price-to-book ratio of the target company before the transaction was more than 1; excluding tender offers for treasury shares, so-called discounted tender offers and tender offers which had not completed by the last day of September 2024 when the negotiation began) announced on or after June 28, 2019, when the Ministry of Economy, Trade and Industry published the Fair M&A Guidelines, were 40.13% of the closing price on the business day before the announcement, 39.80% of the simple average of closing prices over the period of one month prior to the business day before the announcement, 41.66% of the simple average of closing prices over the period of three months prior to the business day before the announcement, and 42.62% of the simple average of closing prices for the period of six months prior to the business day before the announcement, considering that the share price of the Company Shares is in an upward phase and has recently been volatile, recording the highest price since the beginning of the year in terms of closing price three business days before the announcement, it is more appropriate to consider the share prices of the Company Shares over a longer period of time than to consider only the most recent share prices of the Company Shares, and thus the premium level of the Tender Offer Price cannot be said to be unreasonable when compared with the premium levels of other cases of tender offers, (v) the Tender Offer Prices can be said to be a price with a reasonable premium in light of the most recent other cases of tender offers, since the number of cases in which the premium level is relatively low has increased in the cases of successful tender offers in 2024 against the backdrop of the recent rise in the Nikkei Stock Average, and cases with a premium of less than 40% accounted for about 50%, and cases with a premium of less than 30% accounted for 20% to 30%, of the cases of successful tender offer cases in 2024, and (vi) the Tender Offer Price is above 3,970 yen, which is the highest closing price of the shares of the Company in the last three years, and 4,010 yen, which is the highest price during trading sessions in the last three years, in the share valuation report (the "Share Valuation Report") described in "D. Obtainment by the Company of a Share Valuation Report from an Independent Financial Advisor and Third-Party Valuation Agent" in "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" below; and (e) as described in "B. Establishment of an Independent Special Committee by the Company and Obtainment of a Report from the Special Committee" in "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" below, the report dated November 5, 2024, obtained from the Special Committee, also determined that the fairness and appropriateness of the terms and conditions of the Transaction (including the Tender Offer Price) have been recognized as being ensured.

In addition, after the Company resolved, at its Board of Directors meeting held on November 6, 2024, to the effect that it shall (i) express its opinion in support of the Tender Offer, (ii) recommend that the Company's shareholders tender their shares in the Tender Offer and the holders of the American Depositary Receipts tender in the Tender Offer after receiving delivery of the Company Shares related to the American Depositary Receipts in advance, and (iii) leave the decision to the Stock Acquisition Rights Holders as to whether or not to tender in the Tender Offer, the Company confirmed that there have been no material changes to the terms and conditions that form the basis for the calculation of the Tender Offer Price up to the time of the resolution at the Board of Directors meeting held on January 14, 2025 at which the Board of Directors resolved to convene this Extraordinary Shareholders Meeting.

Based on the above, the Company has determined that the amount of money expected to be delivered to shareholders as a result of fractional shares is appropriate.

(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest

The Company is not a subsidiary of the Tender Offeror, and the Tender Offer does not constitute a tender offer by a controlling shareholder. It is not planned that all or part of the Company's management will directly or indirectly invest in the Tender Offeror, and the Transaction, including the Tender Offer, does not constitute a so-called management buyout (MBO) transaction. However, considering the fact that the Tender Offeror intends to make the Company a wholly-owned subsidiary of the Tender Offeror through the Transaction, the Company and the Tender Offeror have implemented the following measures in order to ensure the fairness of the Transaction, including the Tender Offer, from the perspective of (i) ensuring the fairness of the Transaction terms and conditions including the Tender Offer Price and the Stock Acquisition Right Purchase Price, (ii) eliminating arbitrariness in the decision-making process leading to the

decision to conduct the Tender Offer and (iii) avoiding conflicts of interest. Of the measures set out below, statements regarding the measures that have been implemented by the Tender Offeror are based on the explanations given by the Tender Offeror.

A. Implementation of the Process

As stated in "1. Reason for the share consolidation" above, after implementing the First-Round Process targeted for three Potential Partners from February 29, 2024, and then providing an opportunity for two of the Potential Partners, including the Tender Offeror, to conduct due diligence from late July 2024 to mid-September 2024, the Company received a legally binding final proposal only from the Tender Offeror out of the two Potential Partners. Therefore, the Company decided to conduct final negotiations with the Tender Offeror for the implementation of the Transaction. Subsequently, the Company and the Tender Offeror continued negotiations, and the Tender Offeror finally proposed to set the Tender Offer Price at 4,500 yen and the Stock Acquisition Right Purchase Price at 1 yen. There were no candidates which proposed more advantageous terms and conditions to the Company's shareholders and the Stock Acquisition Rights Holders (including terms and conditions proposed in the First-Round Process) as compared to the proposal offered by the Tender Offeror. As described above, the Company implemented the Process and secured an opportunity to receive proposals from several Potential Partners for the enhancement of corporate value of the Company.

B. Establishment of an Independent Special Committee by the Company and Obtainment of a Report from the Special Committee

(i) Process of Establishment of Special Committee, Etc.

As stated in "1. Reason for the share consolidation" above, by a resolution at the Company's Board of Directors Meeting held on February 28, 2024, the Company established the Special Committee consisting of three members, i.e., Ms. Maya Ito (the Company's Independent Outside Executive Director), Mr. Kazuhiro Noguchi (the Company's Independent Outside Executive Director and Full-time Member of the Audit & Supervisory Committee) and Mr. Masayoshi Wada (the Company's Independent Outside Executive Director), who are independent from the Company and the Tender Offeror. Ms. Maya Ito was nominated as the Chairperson of the Special Committee among the members of the Special Committee. The members of the Special Committee have not changed since its establishment. In addition, it has been decided that a fixed amount of remuneration is to be paid to each member of the Special Committee as compensation for his or her duties regardless of the contents of their report, and such remuneration does not include contingency fees, which are payable subject to completion of the Transaction.

Subsequently, as stated in "1. Reason for the share consolidation" above, while establishing the Special Committee by a resolution at its Board of Directors Meeting, the Company consulted with the Special Committee regarding (i) the reasonableness of the purpose of the Transaction (including whether the Transaction will contribute to the enhancement of the corporate value of the Company), (ii) the appropriateness of the terms and conditions of the Transaction (including the appropriateness of the method of implementation of, and the type of consideration for the Transaction), (iii) the fairness of the procedures for the Transaction (including the process of selecting the potential partners), (iv) whether the Transaction is not disadvantageous to the Company's general shareholders in light of (i) through (iii), and (v) the propriety for the Company's Board of Directors, in the event that the Transaction involves a tender offer for the Company Shares, the Stock Acquisition Rights, and the American Depositary Receipts, to (x) express an opinion in support of the Tender Offer, (y) recommend that the Company's shareholders and the Stock Acquisition Rights Holders tender in the Tender Offer; and (z) recommend that the holders of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Company Shares related to the American Depositary Shares represented by their American Depositary Receipts. Further, in regards to establishing the Special Committee, the Company's Board of Directors passed a resolution that the decisions of the Company's Board of Directors shall be made with the highest degree of

respect for the opinion of the Special Committee. Moreover, the Company's Board of Directors passed a resolution that it would authorize the Special Committee (i) to secure conditions in which the Special Committee would be able to substantially affect the process of negotiations regarding the transaction terms and conditions by, among others, reviewing in advance the policy for the negotiations between the Company and the Potential Partners, receiving reports on the status of such negotiations in a timely manner, and expressing its opinion, giving directions and making requests in crucial phases of such negotiations, (ii) to appoint its own advisors at the Company's expense if necessary when deliberating and making decisions regarding the Consulted Matters or approve (including ex post facto approval) the advisors selected by the Company, and to receive from such advisors expert advice as necessary, and (iii) to collect or receive from the Company's officers and employees and advisors information that is necessary for deliberating and making decisions regarding the Consulted Matters.

(ii) Process of Review

The Special Committee held a total of 14 meetings for approximately 13 hours in total during the period from February 28, 2024 to November 5, 2024. In addition, the members of the Special Committee performed their duties regarding the Consulted Matters by, among others, frequently reporting to and sharing information with each other, deliberating, and making decisions through e-mails, online meetings, etc. between meetings.

Specifically, the Special Committee first confirmed that there was no problem in terms of the independence and expertise of each of Mitsubishi UFJ Morgan Stanley Securities, Nagashima Ohno & Tsunematsu and QuestHub, and approved them as the financial advisor and third-party valuation agent, the legal advisor and the strategic advisor of the Company, respectively. In addition, the Special Committee acknowledged that the Special Committee would receive expert advice from Mitsubishi UFJ Morgan Stanley Securities, Nagashima Ohno & Tsunematsu and QuestHub as necessary.

Subsequently, when reviewing the Consulted Matters, the Special Committee received explanations from the Company about the status of evaluation and deliberation, etc. of the proposal from the Potential Partners and details of the discussions with the Potential Partners, conducted a Q&A session and other actions regarding these matters, and made inquiries to and received answers from the Company regarding matters such as the Company's management policy, the status of evaluation and deliberation of privatization and delisting, and the status of evaluation and deliberation of the Transaction.

Moreover, the Special Committee received explanations from Mitsubishi UFJ Morgan Stanley Securities, which is the financial advisor and third-party valuation agent of the Company, on matters such as the details and progress of the Transaction, the contents of the share valuation report, and the status of discussions and negotiations with the Potential Partners and held Q&A sessions on these matters.

In addition, taking into consideration the advice from a financial perspective from Mitsubishi UFJ Morgan Stanley Securities, the Special Committee confirmed the reasonableness of the content, material assumptions, and the circumstances surrounding preparation of the Business Plan and approved its disclosure to the Potential Partners.

Furthermore, the Special Committee deliberated and discussed the policy on negotiations between the Company and the Tender Offeror after obtaining Mitsubishi UFJ Morgan Stanley Securities' opinion and taking into consideration the advice from a financial perspective from Mitsubishi UFJ Morgan Stanley Securities, and confirmed the Company's negotiation policy.

(iii) Decisions by the Special Committee

Under the above circumstances, the Special Committee submitted the Report outlined below to the Company's Board of Directors on November 5, 2024, with the unanimous agreement of its members, as a result of carefully and repeatedly discussing and deliberating the Consulted Matters, taking into consideration the legal advice from

Nagashima Ohno & Tsunematsu, the advice from a financial perspective from Mitsubishi UFJ Morgan Stanley Securities, and the content of the Share Valuation Report submitted on the same day.

(a) Contents of the Report

i. The purpose of the Transaction is considered to be reasonable, and the Transaction is considered to contribute to the enhancement of the corporate value of the Company.

ii. The terms and conditions of the Transaction (including the method of implementation (the method by which the Squeeze-Out Procedures will be implemented after the completion of the Tender Offer if the Tender Offeror is unable to acquire all of the Company Shares through the Tender Offer (including the Company Shares to be delivered upon exercise of the Stock Acquisition Rights but excluding the treasury shares owned by the Company) and all of the Stock Acquisition Rights) of the Transaction and the type of consideration for the Transaction) are considered to be appropriate.

iii. The procedures for the Transaction (including the process of selecting the Potential Partners) are considered to be fair.

iv. The Transaction is considered to be not disadvantageous to the Company's general shareholders (for the avoidance of doubt, the "general shareholders" here include "Minority Shareholders" as defined in the Securities Listing Regulations of the Tokyo Stock Exchange) in light of i through iii. Therefore, it is appropriate for the Board of Directors to pass a resolution to approve the Squeeze-Out Procedure, which is part of the Transaction.

v. It is appropriate for the Company's Board of Directors to pass a resolution to (a) express an opinion in support of the Tender Offer, (b) recommend that the Company's shareholders tender in the Tender Offer, (c) recommend that the holders of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Company Shares related to the American Depositary Shares represented by their American Depositary Receipts, and (d) leave the decision to the Stock Acquisition Rights Holders as to whether or not to tender in the Tender Offer.

(b) Rationale of the Report

i. Appropriateness of the purpose of the Transaction (including whether the Transaction will contribute to the enhancement of the corporate value of the Company)

The Special Committee believes that the explanations on the significance and purpose of the Transaction by the management teams of the Tender Offeror and the Company are reasonable. In addition, the explanations by the Tender Offeror's and the Company's respective management teams regarding the synergistic effects and benefits of the Transaction are considered to be reasonable, and there seems to be no concrete possibility that the Transaction will cause disadvantages that would clearly outweigh the expected benefits. Further, there is nothing particularly unreasonable regarding the method of making the Company a wholly-owned subsidiary of the Tender Offeror as a method of business integration, and from the perspective of comparing with the enhancement of corporate value through the stand-alone management option, it is considered reasonable to evaluate that the implementation of the Transaction will exceed it both from quantitative and qualitative aspects.

Based on the above, the Special Committee carefully deliberated and examined the Transaction, and concluded that the purpose of the Transaction has legitimacy and reasonableness, and that the Transaction will contribute to the enhancement of the corporate value of the Company.

ii. Appropriateness of the terms and conditions of the Transaction (including the method of implementation (the method by which the Squeeze-Out Procedures will be implemented after the completion of the Tender Offer if the Tender Offeror is unable to acquire all of the Company Shares through the Tender Offer (including the Company Shares to be delivered upon exercise of the Stock Acquisition Rights but excluding the treasury shares owned by the Company) and all of the Stock Acquisition Rights) of the Transaction and the type of consideration for the Transaction)

It is recognized that (i) the terms and conditions of the Transaction, including the Tender Offer Price, were obtained through the implementation of the Process described in "A. Implementation of the Process" above, and (ii) as a result of the Company having secured an opportunity to receive proposals from several Potential Partners for the enhancement of its corporate value, there were no candidates which proposed more advantageous terms and conditions to the Company's shareholders and the Stock Acquisition Rights Holders (including the terms and conditions proposed in the First-Round Process) as compared to the proposal offered by the Tender Offeror.

It is recognized that, through the implementation of the measures to ensure fairness, such as the establishment of the Special Committee and its involvement and obtainment of expert advice from outside experts, a situation was secured in the process of forming the terms and conditions of the Transaction such that reasonable efforts were made to ensure that the Transaction would be conducted on terms as advantageous to the general shareholders as possible on an arm's length basis, while enhancing the corporate value of the Company. It is also recognized that the Tender Offer Price was determined based on the results of negotiations that, under such situation, the Company seriously engaged in with the Tender Offeror in order for the Transaction to be conducted on terms as advantageous to the general shareholders as possible.

With respect to the Tender Offer Price, the appropriateness of the terms and conditions of the Transaction is determined to be ensured considering, among others, the following: (i) the Tender Offer Price exceeds the range of the valuation results based on the market price analysis; (ii) the Tender Offer Price exceeds the range of the valuation results based on the comparable company comparison analysis; (iii) the Tender Offer Price is within the range of the valuation results based on the DCF Analysis and exceeds the midpoint of such range; (iv) while the premium level of the Tender Offer Price cannot necessarily be said to be high when compared with other similar cases, as the median premium levels for the 109 cases of tender offers (cases of tender offers with the premise of delisting, where the price-to-book ratio of the target company before the transaction was more than 1; excluding tender offers for treasury shares, so-called discounted tender offers and tender offers which had not completed by the last day of September 2024 when the negotiation began) announced on or after June 28, 2019, when the Ministry of Economy, Trade and Industry published the Fair M&A Guidelines, were 40.13% of the closing price on the business day before the announcement, 39.80% of the simple average of closing prices over the period of one month prior to the business day before the announcement, 41.66% of the simple average of closing prices over the period of three months prior to the business day before the announcement, and 42.62% of the simple average of closing prices for the period of six months prior to the business day before the announcement, considering that the share price of the Company Shares is in an upward phase and has recently been volatile, recording the highest price since the beginning of the year in terms of closing price three business days before the announcement, it is more appropriate to consider the share prices of the Company Shares over a longer period of time than to consider only the most recent share prices of the Company Shares, and thus the premium level of the Tender Offer Price cannot be said to be unreasonable when compared with the

premium levels of other cases of tender offers; (v) the Tender Offer Price can be said to be a price with a reasonable premium in light of the most recent other cases of tender offers, since the number of cases in which the premium level is relatively low has increased in the cases of successful tender offers in 2024 against the backdrop of the recent rise in the Nikkei Stock Average, and cases with a premium of less than 40% accounted for about 50%, and cases with a premium of less than 30% accounted for 20% to 30%, of the cases of successful tender offer cases in 2024; and (vi) the Tender Offer Price is above 3,970 yen, which is the highest closing price of the shares of the Company in the last three years, and 4,010 yen, which is the highest price during trading sessions in the last three years. In addition, given, among others, that the Stock Acquisition Rights have been issued as stock options to the executives and employees of the Company and its subsidiaries, it cannot be said to be unreasonable to set the Stock Acquisition Right Purchase Price at 1 yen, and further, there is nothing unreasonable in terms of the treatment of the American Depositary Receipts and the American Depositary Shares or in terms of the tender offer price per share of the Company Shares related to the American Depositary Shares represented by the American Depositary Receipts.

The Transaction is to be carried out in two steps: in the first step, the Tender Offeror will conduct the Tender Offer by setting a minimum number of shares to be purchased at the number of shares which will result in the Tender Offeror's holding of two-thirds or more of the total number of voting rights of the Company when acquired; and in the second step, the Tender Offeror will implement the Squeeze-Out Procedures through the Demand for Share Cash-out (pursuant to the provisions of Part II, Chapter 2, Section 4-2 of the Companies Act, this refers to demanding that all shareholders of the Company (excluding the Tender Offeror and the Company) sell all of their Company Shares) or the Share Consolidation method. Such scheme is a method commonly used to delist a listed company, and shareholders of the Company who are not satisfied with the Tender Offer Price can file a petition with the court for determination of the price after requesting the purchase of their shares.

Further, it is scheduled to be disclosed that (i) the Squeeze-Out Procedures will be conducted promptly after the completion of the Tender Offer, and (ii) the amount of money to be delivered to the Company's general shareholders in the Squeeze-Out Procedures is planned to be equal to the Tender Offer Price.

In addition, the cash consideration for the Tender Offer has low risk in terms of value fluctuation, is highly liquid and, in addition, is relatively easy to evaluate when shareholders determine whether to tender their shares in the Tender Offer. Therefore, such cash consideration can be considered to be appropriate from the perspective of shareholder protection.

Based on the foregoing, the method of implementation of and consideration for the Transaction is considered to be not disadvantageous to the Company's general shareholders.

iii. The fairness of the procedures for the Transaction (including the process of selecting the Potential Partners)

In accordance with the Fair M&A Guidelines, (i) the Company has established the Special Committee which fulfills the role that a special committee is supposed to serve according to the Fair M&A Guidelines, (ii) the Company has obtained, among others, expert advice from outside experts, (iii) measures have been taken to ensure the opportunity for other offerors to conduct a tender offer for the Company Shares, (iv) in this press release, sufficient disclosure, including disclosure of important information that will help general shareholders make judgments about the appropriateness of the terms of the transaction, is made, and it is recognized that sufficient information is being provided to general shareholders, and (v) it is recognized that measures are being taken to eliminate

coercion against the Company's general shareholders in relation to the Transaction. Considering the above, it is recognized, with respect to the Transaction, from both (a) the perspective of securing a situation in which reasonable efforts would be made, in the process of determining the terms and conditions of the Transaction, to ensure that the Transaction would be conducted on terms as advantageous to the general shareholders and the Stock Acquisition Rights Holders as possible on an arm's length basis, while enhancing the corporate value of the Company, and (b) the perspective of securing an opportunity for general shareholders to make appropriate decisions based on sufficient information (see 2.4 of the Fair M&A Guidelines), that measures to secure fairness were adopted with substance necessary and sufficient for the Transaction, and that such measures to secure fairness are actually being implemented effectively.

Therefore, fairness is recognized in the negotiations and decision-making processes of the Transaction.

iv. Whether the Transaction is not disadvantageous to the Company's general shareholders in light of (i) through (iii)

The Special Committee concluded that the purpose of the Transaction is legitimate and reasonable and that the Transaction will contribute to the enhancement of the corporate value of the Company, and, in addition, for the entire Transaction, including the Tender Offer, the appropriateness of the Tender Offer Price and other terms and conditions of the Transaction, including the Tender Offer, has been ensured for the Company's general shareholders, and sufficient consideration has been given to the interests of the Company's general shareholders through fair procedures.

Therefore, it is recognized that the Transaction is not disadvantageous to the Company's general shareholders.

v. The propriety for the Company's Board of Directors, in the event that the Transaction involves a tender offer for the Company Shares, the Stock Acquisition Rights and the American Depositary Receipts, to (x) express an opinion in support of the Tender Offer, (y) recommend that the Company's shareholders and the Stock Acquisition Rights Holders tender in the Tender Offer; and (z) recommend that the holders of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Company Shares related to the American Depositary Shares represented by their American Depositary Receipts

It is recognized that it is appropriate for the Company's Board of Directors to pass a resolution to (a) express an opinion in support of the Tender Offer, (b) recommend that the Company's shareholders tender in the Tender Offer, (c) recommend that the holders of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Company Shares related to the American Depositary Shares represented by their American Depositary Receipts, and (d) leave the decision to the Stock Acquisition Rights Holders as to whether or not to tender in the Tender Offer.

C. Obtainment by the Company of Advice from an Independent Legal Advisor

As stated in "1. Reason for the share consolidation" above, the Company appointed Nagashima Ohno & Tsunematsu as its legal advisor independent from the Potential Partners, including the Tender Offeror, and the Company and received from Nagashima Ohno & Tsunematsu legal advice including advice concerning measures to be taken to ensure the fairness of the procedures in the Transaction, various procedures of the Transaction, and the method, process,

etc. of the Company's decision-making regarding the Transaction.

Nagashima Ohno & Tsunematsu is not a related party of the Potential Partners, including the Tender Offeror, or the Company and does not have any significant interest in relation to the Transaction including the Tender Offer. The Special Committee confirmed that there was no issue in terms of the independence of Nagashima Ohno & Tsunematsu and approved the appointment of Nagashima Ohno & Tsunematsu as the legal advisor of the Company. Also, the remuneration for Nagashima Ohno & Tsunematsu does not include contingency fees, which would be payable subject to completion, etc. of the Transaction.

D. Obtainment by the Company of a Share Valuation Report from an Independent Financial Advisor and Third-Party Valuation Agent

As stated in "(3) Matters Related to the Valuation" in "3. Details of and Grounds and Reasons for the Opinion on the Tender Offer" in the Press Release Concerning the Opinion on the Tender Offer, the Company requested Mitsubishi UFJ Morgan Stanley Securities, as its financial advisor and third-party valuation agent independent from the Potential Partners, including the Tender Offeror, and the Company, to calculate the share value of the Company Shares and obtained the Share Valuation Report from Mitsubishi UFJ Morgan Stanley Securities on November 5, 2024. Please refer to "(3) Matters Related to the Valuation" in "3. Details of and Grounds and Reasons for the Opinion on the Tender Offer" in the Press Release Concerning the Opinion on the Tender Offer for the summary of the Share Valuation Report.

Mitsubishi UFJ Morgan Stanley Securities is not a related party of the Potential Partners, including the Tender Offeror, or the Company and does not have any significant interest in relation to the Transaction including the Tender Offer. In addition, Mitsubishi UFJ Morgan Stanley Securities is a company which has the same parent company as MUFG Bank, Ltd. ("MUFG Bank"), and MUFG Bank conducts loan transactions with the Company as part of ordinary banking transactions. According to Mitsubishi UFJ Morgan Stanley Securities, in accordance with applicable laws and regulations, such as Article 36, Paragraph 2 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) and Article 70-4 of the Cabinet Office Order on Financial Instruments Business (Cabinet Office Order No. 52 of 2007, as amended), as measures to prevent adverse effects, appropriate conflict of interest management systems, such as information barrier measures to strictly manage the Company's information, have been established and implemented between, and within each of, Mitsubishi UFJ Morgan Stanley Securities as a financial advisor and MUFG Bank. Therefore, Mitsubishi UFJ Morgan Stanley Securities provides services as a financial advisor without being affected by the judgment of MUFG Bank and calculated the share value of the Company Shares from an independent standpoint. Considering that a strict information management system has been established in respect of the information management between, and within each of, Mitsubishi UFJ Morgan Stanley Securities and MUFG Bank, the Company appointed Mitsubishi UFJ Morgan Stanley Securities as its financial advisor and third-party valuation agent independent from the Potential Partners, including the Tender Offeror, and the Company. The Special Committee confirmed that there was no problem in terms of the independence of Mitsubishi UFJ Morgan Stanley Securities and approved the appointment of Mitsubishi UFJ Morgan Stanley Securities as the financial advisor and third-party valuation agent of the Company. Further, since the Company deems that sufficient consideration has been given to the interests of the Company's general shareholders in light of the other measures to ensure the fairness of the Tender Offer Price and the measures to avoid conflicts of interest implemented in the Transaction, the Company has not obtained from Mitsubishi UFJ Morgan Stanley Securities any opinion concerning the fairness of the Tender Offer Price (fairness opinion).

The remuneration for Mitsubishi UFJ Morgan Stanley Securities includes contingency fees to be paid subject to conditions such as the completion of the Transaction. Considering general customary practices in similar kinds of transactions and the propriety of the remuneration system that would cause the Company to incur a reasonable monetary burden even in the event of a failure of completion of the Transaction, the Company determined that the independence of Mitsubishi UFJ Morgan Stanley Securities would not be denied by the fact that the remuneration for Mitsubishi UFJ Morgan Stanley Securities includes contingency fees to be paid subject to the completion of the Tender Offer and, accordingly, appointed Mitsubishi UFJ

Morgan Stanley Securities as its financial advisor and third-party valuation agent based on the above remuneration system.

E. Approval of All Disinterested Directors (Including Audit & Supervisory Committee Members) of the Company

As stated in "1. Reason for the share consolidation" above, the Company's Board of Directors carefully discussed and deliberated whether the Transaction including the Tender Offer will contribute to the enhancement of the corporate value of the Company and whether the terms and conditions of the Transaction including the Tender Offer Price are appropriate, taking into consideration the legal advice from Nagashima Ohno & Tsunematsu, advice from a financial perspective from Mitsubishi UFJ Morgan Stanley Securities, and the content of the Share Valuation Report, with the highest degree of respect for the content of the decisions of the Special Committee expressed in the Report.

As a result, as stated in "1. Reason for the share consolidation" above, the Company has determined that the Transaction will contribute to the enhancement of the corporate value of the Company and that the terms and conditions of the Transaction including the Tender Offer Price are appropriate. Accordingly, the Company resolved, at its Board of Directors meeting held on November 6, 2024 and with unanimous approval of all of the Company's disinterested directors who participated in the deliberation and resolution (including those who are Audit & Supervisory Committee members) (unanimous approval of all of the Company's nine directors), to the effect that it shall (i) express its opinion in support of the Tender Offer, (ii) recommend that the Company's shareholders tender their shares in the Tender Offer and the holders of the American Depositary Receipts tender in the Tender Offer after surrendering their American Depositary Receipts to the Depositary Banks in advance and receiving delivery of the Company Shares related to the American Depositary Shares represented by their American Depositary Receipts, and (iii) leave the decision to the Stock Acquisition Rights Holders as to whether or not to tender in the Tender Offer.

F. Measures to Secure an Opportunity for Other Offerors to Conduct a Tender Offer

The Tender Offeror and the Company have not executed any agreement that restricts persons other than the Tender Offeror (the "Competing Acquisition Offerors") from contacting the Company, such as an agreement containing a transaction protection clause that prohibits the Company from contacting Competing Acquisition Offerors.

Furthermore, while the shortest tender offer period specified in the applicable laws and regulations is 20 business days, the Tender Offeror set the Tender Offer Period at a longer period of 30 business days. By setting the Tender Offer Period at a longer period than the shortest tender offer period specified in laws and regulations, the Tender Offeror secures an opportunity for the Company's general shareholders to make an appropriate judgement on whether to tender their shares in the Tender Offer and an opportunity for persons other than the Tender Offeror to conduct a competing offer, thereby aiming to ensure fairness of the Tender Offer.

Moreover, as stated in "1. Reason for the share consolidation" above, the Company decided to perform the Transaction with the Tender Offeror after providing several Potential Partners, including the Tender Offeror, an opportunity to make a proposal through the implementation of the Process. Therefore, it can be said that the Transaction came to be performed after other transaction opportunities, such as the purchase of the Company Shares and the Stock Acquisition Rights by persons other than the Tender Offeror, was provided proactively.

Thus, the Company believes that opportunities for persons other than the Tender Offeror to purchase the Company Shares have been sufficiently secured.

4. Disposal of material property, burden of material liabilities, and other events that have a material impact on the Company's assets that occur after the last day of the final fiscal year of the Company

(1) The Tender Offer

As described in "1. Reason for the share consolidation" above, the Tender Offeror conducted the

Tender Offer for the Tender Offer Period from November 7, 2024 to December 18, 2024, and as a result, as of December 25, 2024, the settlement commencement date of the Tender Offer, the Tender Offeror holds 63,304,886 shares of the Company Shares (ownership ratio: 79.69%).

(2) Revision of the dividend forecast (non-dividend distribution)

As announced in the "Notice Regarding Revision of Term-End Dividend Forecast for the Year Ending March 2025 (Non-dividend Distribution)" dated November 6, 2024, at a meeting of the Board of Directors held on the same day, the Company passed a resolution to revise the dividend forecast for the year ending March 2025 and not to pay the term-end dividend for the year ending March 2025 on the condition that the Tender Offer is completed. For details, please refer to the Notice.

(3) Cancellation of treasury shares

The Company resolved at the Board of Directors meeting held on January 14, 2025 to cancel its 1,096,770 treasury shares (equivalent to the 952,570 treasury shares held by the Company as of December 26, 2024, plus the 144,200 Company Shares granted as restricted stock remuneration to the Company's Executive Directors (excluding Outside Executive Directors and Executive Directors who are members of the Audit & Supervisory Committee) and Vice Presidents, which the Company intends to acquire without consideration on March 18, 2025) on March 19, 2025. The cancellation of treasury shares is subject to the approval of the proposal on the Share Consolidation at this Extraordinary Shareholders Meeting as originally proposed, and the Company's total number of issued shares after the cancellation will be 79,211,930 shares.

Proposal 2: Partial amendments to the Articles of Incorporation

1. Reasons for the proposal

(1) If Proposal 1 is approved as originally proposed and the Share Consolidation takes effect, the number of authorized shares to be issued of the Company Shares will be reduced to 16 shares in accordance with the provisions of Article 182, Paragraph 2 of the Companies Act. In order to clarify this, the Company proposes to change Article 6 (Total Number of Shares Authorized to be Issued by the Company) of the current Articles of Incorporation, on the condition that the Share Consolidation takes effect.

(2) If Proposal 1 is approved as originally proposed and the Share Consolidation takes effect, the Company's total number of issued shares will be four shares, and there will be no need to determine the number of share units. Therefore, in order to abolish the provisions on share unit numbers of the Company Shares, which are currently 100 shares per unit, on the condition that the Share Consolidation takes effect, the entire text of Article 7 (Number of Share Constituting One Unit of Shares) of the current Articles of Incorporation will be deleted, and the article numbers will be adjusted in accordance with such change.

(3) If Proposal 1 is approved as originally proposed and the Share Consolidation takes effect, the Tender Offeror will be the Company's only shareholder, and the provisions regarding the record date of an Annual Shareholders Meeting will lose its necessity. Therefore, on the condition that the Share Consolidation takes effect, the entire text of Article 11 (Record Date for Ordinary Shareholders' Meeting) of the Articles of Incorporation will be deleted, and the article numbers will be adjusted in accordance with such change.

(4) If Proposal 1 is approved as originally proposed and the Share Consolidation takes effect, the Company Shares will be delisted as a result of the implementation of the Share Consolidation, and the Tender Offeror will be the Company's only shareholder, and the provisions regarding the measures for electronic provision of materials for shareholders meetings will lose its necessity. Therefore, on the condition that the Share Consolidation takes effect, the entire text of Article 16 (Measures for Electronic Provision, etc.) of the Articles of Incorporation will be deleted, and the article numbers will be adjusted in accordance with such change.

2. Contents of the amendments

The contents of the amendments are as follows.

These amendments to the Articles of Incorporation shall take effect on March 21, 2025, the effective date of the Share Consolidation, on the condition that Proposal 1 is approved as originally proposed and the Share Consolidation takes effect.

(Underlines indicate amended sections)

Current Articles of Incorporation	Proposed amendments
Articles 1 to 5 (Omitted)	Articles 1 to 5 (Unchanged)
Article 6 (Number of Authorized Shares to Be Issued) The number of authorized shares to be issued by the Company shall be <u>200,000,000 shares</u>.	Article 6 (Number of Authorized Shares to Be Issued) The number of authorized shares to be issued by the Company shall be <u>16 shares</u>.
<u>Article 7 (Number of Share Units)</u> <u>The number of share units of the Company shall be 100 shares.</u>	(Deleted)
Articles <u>8</u> to <u>10</u> (Omitted)	Articles <u>7</u> to <u>9</u> (Unchanged)

Current Articles of Incorporation	Proposed amendments
Article 11 (Record Date of Annual Shareholders Meeting) The record date for voting rights at an Annual Shareholders Meeting of the Company shall be March 31 of each year.	(Deleted)
Articles 12 to 15 (Omitted)	Articles 10 to 13 (Unchanged)
Article 16 (Measures for Electronic Provision, etc.) 1. In the convocation of general meetings of shareholders, the Company shall provide electronically information that is the content of reference documents for the general meeting of shareholders, etc. 2. Of the matters to which electronic provision measures apply, the Company may choose not to record all or part of matters stipulated in the Ordinance of the Ministry of Justice in the physical documents provided to shareholders who made requests for the provision of physical documents by the record date for voting rights.	(Deleted)
Articles 17 to 29 (Omitted)	Articles 14 to 26 (Unchanged)
(Supplementary Provisions) (Omitted)	(Supplementary Provisions) (Unchanged)

Proposal 3: Election of one (1) Executive Director (excluding Executive Director who is an Audit & Supervisory Committee Member)

Subject to the approval of Proposal 1 and Proposal 2, the Company proposes to increase the number of Executive Directors (excluding Executive Directors who are Audit & Supervisory Committee Members) by one (1) in order to proceed with the promotion of the business integration of SCSK Corporation and the Company ("Business Integration").

A candidate was selected based on the report of the voluntary Nomination Advisory Committee, consisting solely of independent Outside Executive Directors. It has been reported by the Audit & Supervisory Committee that, as a result of checking the policy and process of determination with respect to the candidate on which the Nomination Advisory Committee has reported to the Board of Directors, the policy and process are appropriate and the candidate is suitable as the Company's Executive Director (excluding Executive Director who is an Audit & Supervisory Committee Member).

The candidate for Executive Director (excluding Executive Director who is an Audit & Supervisory Committee Member) is as follows.

Name (Date of birth)	Career summary, position and responsibilities at the Company, and significant concurrent positions		Number of the Company's shares owned
[New appointment] [Male] Tsutomu Ozaki (July 29, 1963)	April 1987 April 2016 April 2017 April 2018 April 2019 April 2020 April 2021 April 2023 June 2023 	Joined Sumitomo Corporation Corporate Officer of Sumitomo Corporation Assistant General Manager for Middle East Corporate Officer of Sumitomo Corporation Assistant General Manager for Middle East Managing Director of Sumitomo Corporation Middle East FZE Corporate Officer of Sumitomo Corporation Assistant General Manager for Middle East COO of Sumitomo Corporation Middle East Group Managing Director of Sumitomo Corporation Middle East FZE Corporate Officer of Sumitomo Corporation Assistant General Manager for Europe, Middle East, Africa & CIS General Manager, European Corporate Management Unit, Sumitomo Corporation Europe Group Executive Officer of Sumitomo Corporation Assistant General Manager for Europe, Middle East, Africa & CIS General Manager, European Corporate Management Unit, Sumitomo Corporation Europe Group Executive Officer of Sumitomo Corporation General Manager, Planning & Coordination Dept., Media & Digital Business Unit Managing Executive Officer of Sumitomo Corporation Assistant to General Manager, Media & Digital Business Unit Concurrent position as Senior Managing Executive Officer of SCSK Corporation Director of SCSK Corporation Senior Managing Executive Officer Chief Information Security Officer General Manager, Legal & Risk Management	0 shares

	April 2024	Director of SCSK Corporation Senior Managing Executive Officer Chief Information Security Officer General Manager, General Affairs & Legal & Risk Management General Manager, Global	
	October 2024	Director of SCSK Corporation (present) Senior Managing Executive Officer (present) Chief Information Security Officer (present) General Manager, General Affairs & Legal & Risk Management (present) General Manager, Global (present) General Manager, ProActive Business Solutions (present)	
	(Significant concurrent positions) Director of SCSK Corporation		
	Reasons for selection as a candidate for an Executive Director: Mr. Tsutomu Ozaki has extensive experience and broad knowledge of legal affairs and risk management through his work at Sumitomo Corporation and SCSK Corporation. The Board of Directors expects that he will contribute to the promotion of the Business Integration based on the experience and knowledge he has cultivated in his career to date; therefore, the Board of Directors has selected him as a candidate for an Executive Director.		

(Notes) 1. SCSK Corporation is currently the Company's parent company.

2. The Company and SCSK Corporation have concluded the Business Integration and Tender Offer Agreement. There are no other special interests between Mr. Tsutomu Ozaki and the Company.

3. If his election is approved, the Company will enter into a limited liability agreement with him to limit liability as provided for in Article 423, Paragraph 1 of the Companies Act. The maximum liability amount shall be the amount stipulated in applicable laws and regulations.

4. The Company has entered into an agreement of Directors and Officers liability insurance policy with an insurance company in accordance with Paragraph 1 of Article 430-3 of the Companies Act and if claim for damages is made by shareholder(s) or any third party, the compensation for the damage, fees for legal actions, etc. shall be paid for by said insurance agreement. Mr. Tsutomu Ozaki will be included in the insured of the said insurance agreement. The Company plans to renew said insurance agreement under the same conditions as stated above.