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April 16, 2025

To whom it may concern:

Company Name: Topcon Corporation
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(Securities Code: 7732, Prime Market of the Tokyo Stock Exchange)
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(Amendment) Partial Amendment to “Notice Concerning the Supporting Opinion and Tender Recommendation Opinion for the Planned Commencement of the Tender Offer for Company Share Certificates by TK Co., Ltd. as part of the implementation of MBO, and capital participation by KKR Japan and JIC Capital, Ltd.”

Topcon Corporation (the “**Company**”) hereby announces that certain revisions have been made to the “Notice Concerning the Supporting Opinion and Tender Recommendation Opinion for the Planned Commencement of the Tender Offer for Company Share Certificates by TK Co., Ltd. as part of the implementation of MBO, and capital participation by KKR Japan and JIC Capital, Ltd.,” originally published by the Company on March 28, 2025, as set forth below.

As stated in the “(Amendment) Partial Amendment to “Notice Regarding the Planned Commencement of Tender Offer for the Shares of Topcon Corporation (Securities Code: 7732) by TK Co., Ltd. as part of the MBO Implementation and Capital Participation by KKR and JICC.” released today by TK Co., Ltd. (the “**Tender Offeror**”), the Tender Offeror, TK Holdings, Co. Ltd., and TK Investment L.P. (“**KKR Fund**”) have entered into an agreement with ValueAct Japan Master Fund, L.P. (number of shares: 9,754,700 shares, Ownership Ratio: 9.25%) and ValueAct Strategic Master Fund II, L.P. (number of shares: 5,671,100 shares, Ownership Ratio: 5.37%) (collectively referred to as “**VAC**”) under which VAC agreed to tender all Company Share Certificates it holds in the tender offer to be conducted by the Tender Offeror (the “**Tender Offer**”) and, subject to the completion of the Tender Offer, to make a reinvestment of a specified amount in the KKR Fund on the settlement commencement date of the Tender Offer.

At its meeting held on April 16, 2025, the Company’s board of directors resolved to maintain its

resolution adopted at its meeting held on March 28, 2025, under which, if the Tender Offer is commenced, the board of directors would express its opinion in support of the Tender Offer and recommend that the Company's shareholders and holders of Share Options tender their shares and options in the Tender Offer. The Company's board of directors also maintain its recommendation that holders of American Depositary Shares (ADSs) deliver their ADSs to the depositary bank in advance, receive the Company Share Certificates related to such ADSs, and thereafter tender such shares in the Tender Offer.

The amended portions are underlined.

3. Details of, and grounds and reasons for, the opinion on the Tender Offer

(1) Details of the opinion

(Before Amendment)

The Company resolved at its board of directors meeting held today, based on the rationale and reasons stated in “(2) Grounds and reasons for the opinion” below, as its current opinion, to express its opinion in support of the Tender Offer and recommend that the Company's shareholders and Share Option Holders tender their shares and options in the Tender Offer and that the ADRs Holders deliver their ADRs to the depositary bank in advance and receive the Company Shares related to the ADSs represented by the ADRs and tender the shares in the Tender Offer Company Share Certificates in the Tender Offer, if the Tender Offer commences. The above resolution of the board of directors was resolved in the manner described in “(VII) Approval of disinterested directors of the Company and opinion of all auditors of the Company that they had no objection” in “(6) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer” below.

The Tender Offeror plans to promptly commence the Tender Offer when the Conditions Precedent are completely satisfied or waived. As of today, the Tender Offeror aims to commence the Tender Offer around end of July 2025, but since it is difficult to accurately estimate the period required for the procedures involving the relevant domestic and foreign competition authorities and authorities in charge of inward direct investment, the detailed schedule for the Tender Offer will be promptly announced as soon as it is determined. As of today, there are no prior notifications for this clearance procedure. In addition, as stated in “(i) The business environment surrounding the Company” of “(II) Background, purpose, and decision-making process leading to the decision by the Tender Offeror to conduct the Tender Offer and management policy after the Tender Offer” in “(2) Grounds and reasons for the opinion”, the Company group designs, manufactures and sells optical and device products for the space and defense industries, and the Company's space and defense business is designated as a designated industry (an industry related to inward direct investment, etc. that may impair national security, impede the maintenance of public order, or hinder the protection of public safety) that requires prior notification for the purpose of restricting investment in the

Company by foreign investors from the perspective of national security of Japan, and it is expected that it will take a reasonable amount of time to obtain this clearance under the Foreign Exchange and Foreign Trade Act of Japan.

Therefore, the Company resolved at the aforementioned board of directors meeting, to request the Strategic Special Committee to consider at the time the Tender Offer commences whether or not the opinion expressed in the report submitted by the Strategic Special Committee to the board of directors of the Company as of today has changed, and to report to the board of directors of the Company to that effect if the previous opinion on the report has not changed, or to provide a revised opinion if it has changed, and to express its opinion on the Tender Offer anew based on the Strategic Special Committee's opinion at the time the Tender Offer commences.

(After Amendment)

The Company resolved at its board of directors meeting held today, based on the rationale and reasons stated in “(2) Grounds and reasons for the opinion” below, as its current opinion, to express its opinion in support of the Tender Offer and recommend that the Company's shareholders and Share Option Holders tender their shares and options in the Tender Offer and that the ADRs Holders deliver their ADRs to the depositary bank in advance and receive the Company Shares related to the ADSs represented by the ADRs and tender the shares in the Tender Offer Company Share Certificates in the Tender Offer, if the Tender Offer commences. The above resolution of the board of directors was resolved in the manner described in “(VI) Approval of disinterested directors of the Company and opinion of all auditors of the Company that they had no objection” in “(6) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer” below.

The Tender Offeror plans to promptly commence the Tender Offer when the Conditions Precedent are completely satisfied or waived. As of today, the Tender Offeror aims to commence the Tender Offer around end of July 2025, but since it is difficult to accurately estimate the period required for the procedures involving the relevant domestic and foreign competition authorities and authorities in charge of inward direct investment, the detailed schedule for the Tender Offer will be promptly announced as soon as it is determined. As of today, there are no prior notifications for this clearance procedure. In addition, as stated in “(i) The business environment surrounding the Company” of “(II) Background, purpose, and decision-making process leading to the decision by the Tender Offeror to conduct the Tender Offer and management policy after the Tender Offer” in “(2) Grounds and reasons for the opinion”, the Company group designs, manufactures and sells optical and device products for the space and defense industries, and the Company's space and defense business is designated as a designated industry (an industry related to inward direct investment, etc. that may impair national security, impede the maintenance of public order, or hinder the protection of public safety) that requires prior notification for the purpose of restricting investment in the

Company by foreign investors from the perspective of national security of Japan, and it is expected that it will take a reasonable amount of time to obtain this clearance under the Foreign Exchange and Foreign Trade Act of Japan.

Therefore, the Company resolved at the aforementioned board of directors meeting, to request the Strategic Special Committee to consider at the time the Tender Offer commences whether or not the opinion expressed in the report submitted by the Strategic Special Committee to the board of directors of the Company as of today has changed, and to report to the board of directors of the Company to that effect if the previous opinion on the report has not changed, or to provide a revised opinion if it has changed, and to express its opinion on the Tender Offer anew based on the Strategic Special Committee's opinion at the time the Tender Offer commences

Subsequently, on April 16, 2025, the Tender Offeror, Tender Offeror Parent Company, and KKR Funds entered into the Tender Offer Agreement (VAC) (defined below) with VAC, which includes the LP Interest Acquisition (defined below). In connection with the execution of the Tender Offer Agreement (VAC), the company received an additional written report from the Strategic Special Committee dated April 16, 2025 (the "Supplemental Opinion"). For further details of the Supplemental Opinion, please refer to "(IV) Establishment of an independent special committee and obtainment of a report from the special committee by the Company" under "(6) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer" below). Giving the utmost consideration to the Supplemental Opinion, the Company carefully considered the terms and conditions of the Tender Offer. As a result, the Company has determined that neither the execution of the Tender Offer Agreement (VAC) nor the contemplated LP Interest Acquisition gives rise to any circumstances that would impair the appropriateness and fairness of the terms and procedures of the Transaction. Accordingly, at its meeting held on April 16, 2025, the board of directors of the Company resolved to maintain the resolution adopted at its meeting held on March 28, 2025, to express its opinion in support of the Tender Offer and to recommend that the Company's shareholders and holders of Share Options tender their shares and options in the Tender offer and that holders of ADRs deliver their ADRs to the depositary bank in advance, receive the Company Share Certificates related to such ADSs, and thereafter tender such shares in the Tender Offer.

(2) Grounds and reasons for the opinion

(I) Outline of the Tender Offer

(Before Amendment)

<Omitted>

Furthermore, on March 17, 2025, KKR Fund entered into a confidentiality agreement with KKR and the Company's shareholder, ValueAct Japan Master Fund, L.P. (number of shares: 9,754,700, Ownership Ratio: 9.25%) and ValueAct Strategic Master Fund II, L.P. (number of shares:

5,671,100, Ownership Ratio: 5.37%) (collectively referred to as “VAC”). KKR Fund has commenced discussions with VAC regarding the tendering or non-tendering of VAC's Company Shares (number of shares: 15,425,800, Ownership Ratio: 14.62%) to the Tender Offer and/or reinvesting or non re-investing in KKR Fund, etc., and the method thereof, etc., and as of today, these discussions are ongoing.

(Note 2) The valuation of the Company Shares, which is the basis for determining the price per share for the Tender Offeror Parent Company shares in the Reinvestment, is planned to be set at 3,300 yen, which is the same as the Tender Offer Price, so as not to conflict with the purpose of the tender offer price uniformity rule (Article 27-2, Paragraph 3 of the Act) (however, a formal adjustment is planned to be made based on the consolidation ratio of the Company Shares in the Share Consolidation (as defined in “(II) Share Consolidation” in “(5) Policy on Post-Tender Offer Organizational Restructuring, Etc. (Matters Relating to the Two-Step Acquisition)” below; the same shall apply hereinafter) to be implemented as part of the Squeeze-out Procedure (as defined below; the same shall apply hereinafter)). The issuance of shares at a valuation lower than this amount, that is, at a price lower than the Tender Offer Price, is not planned.

<Omitted>

In the Tender Offer, the Tender Offeror has set 52,861,561 shares (Ownership Ratio (Note 6): 50.10%) as the minimum number of shares to be purchased, and if the total number of the shares, etc. tendered in the Tender Offer (“**Tendered Securities**”) is less than the minimum number of shares to be purchased (52,861,561 shares), the Tender Offeror will not purchase any of the Tendered Securities. On the other hand, as the Tender Offeror aims to take the Company private by acquiring all of the Company Shares, all of the Share Options and all of the ADRs, the Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer, and if the total number of Tendered Securities equals to or exceeds the minimum number of shares to be purchased, which is 52,861,561 shares, the Tender Offeror will purchase all of the Tendered Securities.

With respect to the reason for setting the minimum number of shares to be purchased at 52,861,561 shares, the “Fair M&A Guidelines”, formulated by the Ministry of Economy, Trade and Industry on June 28, 2019, state that “in recent years, especially in Japan's capital market trends, the scale of passive index management funds (Note 7) has been expanding, and some investors do not, in principle, tender their shares in a tender offer regardless of the suitability of the transaction conditions.” As indicated in the guidelines, the Tender Offeror has confirmed that there are some passive index management funds that own the Company Shares that will not tender their shares in a tender offer, in principle, regardless of the suitability of the terms of the tender offer, but intend to vote in favor of the proposal on the share consolidation at the general shareholders meeting in the subsequent squeeze-out procedure, and against this background there have been several cases of take-private deals where the number of shares held by passive index funds have been deducted from the minimum number of shares to be purchased, and among these, several cases where share consolidation proposals were passed at the shareholders meeting for the squeeze-out procedure despite the voting rights ownership ratio of the tender offeror being

less than two-thirds after the completion of the tender offer. For this reason, in the Transaction, if the number of voting rights representing the total number of Company Shares to be acquired through the Tender Offer and the number of Restricted Shares held by the Company's directors (excluding Director Takayuki Yamazaki, who expressed an opinion against the resolution to express an opinion in support of the Tender Offer on the premise of delisting the Company's shares at the Company's board of directors meeting held today) (Note 8) (94,800 shares) can be added to the number of voting rights representing the total number of Company Shares held by passive index management funds to amount to more than two-thirds of the total voting rights of all shareholders of the Company, the Tender Offeror believes that it is highly likely that the proposal for the Share Consolidation will be approved at the Extraordinary General Shareholders Meeting (as defined in “(5) Policy for organizational restructuring after the Tender Offer (matters relating to a so-called Two-Step Acquisition)” below), and this will increase the certainty of the completion of the Tender Offer, while reducing the possibility that the proposal for the Share Consolidation will not be approved at the Extraordinary General Shareholders Meeting after the completion of the Tender Offer. In addition, the Tender Offeror reviewed a survey conducted by the Company to identify institutional investors among the shareholders of the Company as of February 10, 2025, which was shared with the Tender Offeror on March 3, 2025, and even if limited to domestic passive index funds, the Tender Offeror is aware that at that time a total of 14,963,800 Company Shares (Ownership Ratio: 14.18%) are held by passive index management funds. As a result, the Tender Offeror believes that the Company Shares held by the Company shareholders who will decide whether or not to tender in the Tender Offer based on their judgement as to whether the terms of the Transaction, including the terms of the Tender Offer, are appropriate, will remain at 99.91%, which is calculated by subtracting the Ownership Ratio of the Restricted Shares held by the directors (excluding Director Takayuki Yamazaki, who expressed an opinion against the resolution to express an opinion in support of the Tender Offer on the premise of delisting the Company's shares at the Company's board of directors meeting held today) (0.09%) from 100%, which is 85.73%, minus the aforementioned 14.18%. In this situation, if a minimum Ownership Ratio for the Tender Offeror is set at two-thirds, even if the Ownership Ratio of the Company shareholders who deem the terms of the Transaction, including the terms of the Tender Offer, to be appropriate exceed two-thirds, the Tender Offeror believes there is a possibility that the Transaction will not be completed, and the Company shareholders will not be provided with a reasonable opportunity to sell their shares on the economic terms determined through discussions and negotiations with the Company, after taking into consideration all of the factors in “(I) Basis for Calculation” in “(4) Basis for Calculation of Purchase Price” in “(Reference) Outline of Purchase, etc.” below.

Based on the above considerations, the Tender Offeror has determined that it should set a minimum limit for the Tender Offer to maximize the possibility of achieving the purpose of the Tender Offer, which is the take-private of the Company, while respecting the decision of the general shareholders of the Company to tender their shares.

In addition, when considering the number of voting rights required for the approval of the proposal for the Share Consolidation, the Tender Offeror has referred to the voting rights exercise ratio (Note 9) at past ordinary general shareholders meetings of the Company, and in light of the sum of the number of shares held by the Tender Offeror after the completion of the Tender Offer (the expected minimum Ownership Ratio in that case would be 50.10%), the number of Restricted Shares held by directors (excluding Director Takayuki Yamazaki, who expressed an opinion against the resolution to express an opinion in support of the Tender Offer on the premise of

delisting the Company's shares at the Company's board of directors meeting held today) (the expected minimum Ownership Ratio in that case would be 0.09%), and the number of shares held by passive index management funds (the expected minimum Ownership Ratio in that case would be 14.18%) (the sum total of such expected minimum Ownership Ratios in that case would be 64.37%), the Tender Offer believes that unless the voting rights exercise ratio at the Extraordinary General Shareholders Meeting reaches 96.56%, which is significantly higher than the past voting rights exercise ratio performance, the proposal for the Share Consolidation will be able to be passed. The minimum number of shares to be purchased is a tentative figure based on information as of today, and the actual minimum number of shares to be purchased in the Tender Offer may differ from the figure above due to factors such as changes in the number of treasury shares held by the Company after such date. In addition, as mentioned above, KKR Fund is holding discussions with VAC regarding the tendering or non-tendering of VAC's Company Shares (number of shares: 15,425,800, Ownership Ratio: 14.62%) to the Tender Offer and/or re-investing or non re-investing in the Tender Offeror Parent Company, etc., and the method thereof, etc. If an agreement is reached with VAC regarding the handling of Company Shares owned by VAC in the Tender Offer by the time the Tender Offer commences, the minimum number of shares to be purchased may be set at a level that takes into account the content of that agreement. Prior to the commencement of the Tender Offer, it is planned that the final minimum number of shares to be purchased taking into account the latest information available at the time of commencement of the Tender Offer will be determined.

- (Note 6) “Ownership Ratio” means the percentage (figures are rounded to the nearest two decimal places) of the number of shares (105,512,097 shares) (hereinafter referred to as the “**Total Shares Outstanding on a Fully Diluted Basis**”), obtained by (i) the total number of outstanding shares of the Company as of December 31, 2024 (108,382,642 shares), as stated in the Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2025 (Under Japanese GAAP) (“**Company Financial Results**”) submitted by the Company on January 30, 2025, less (ii) the number of treasury shares owned by the Company as of December 31, 2024 as reported in the Company Financial Results (2,970,545 shares) (such amount being 105,412,097 shares), and adding (iii) the number of shares subject to the Share Options (1,000 options) remaining as of today, reported by the Company (100,000 shares); the same shall apply hereinafter.
- (Note 7) “Passive index management funds” are funds that aim to secure a return on par with market averages by managing the fund for the purpose of linking investment results with indices, such as stock price indices, which serve as benchmarks for the market of stocks and other investment assets.
- (Note 8) Although the restricted shares of the Company granted to the directors of the Company as restricted stock compensation (the “**Restricted Shares**”) cannot be tendered in the Tender Offer due to transfer restrictions attached thereto, at the meeting of the board of directors of the Company held today, a resolution was adopted expressing an opinion in support of the Tender Offer, it is therefore expected that after the Tender Offer is completed, if a proposal regarding the Share Consolidation is made at the Extraordinary General Shareholders Meeting (as defined in “(4) Policy on Post-Tender Offer Organizational Restructuring, Etc. (Matters Relating to the Two-Step Acquisition) below), it is expected that the

directors will vote in favor, and thus in determining the minimum number of shares to be purchased, the number of voting rights for the Restricted Shares held by directors (excluding Director Takayuki Yamazaki, who expressed an opinion against the resolution to express an opinion in support of the Tender Offer on the premise of taking the Company's Shares private at the Company's board of directors meeting held today) is deducted (94,800 shares, Ownership Ratio: 0.09%).

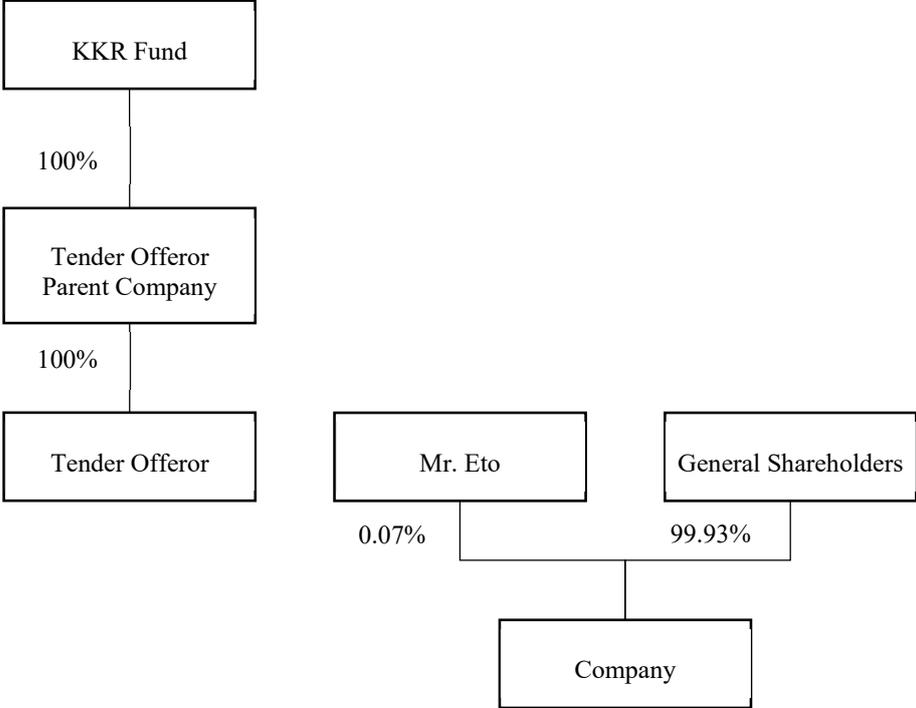
(Note 9) According to the Annual Securities Report for the 131st Fiscal Year submitted by the Company on June 27, 2024, the number of voting rights as of the record date for the 131st Ordinary General Meeting of Shareholders held in June 2024 was 1,053,088 rights. However, according to the Extraordinary Report submitted on June 27, 2024, the average number of voting rights actually exercised for all proposals was 899,161 rights (figures are rounded to the nearest whole number), which corresponds to approximately 85.38% of the total number of voting rights (figures are rounded to the nearest two decimal places; the same shall apply hereinafter in the calculation of the voting rights exercise ratio unless otherwise specified). If the voting rights exercise ratio is similarly calculated, it would be approximately 79.21% for the 130th Ordinary General Meeting of Shareholders, and 86.51% for the 129th Ordinary General Meeting of Shareholders, and thus the maximum voting rights exercise ratio for the three most recent ordinary general meetings of shareholders of the Company is approximately 86.51%.

<Omitted>

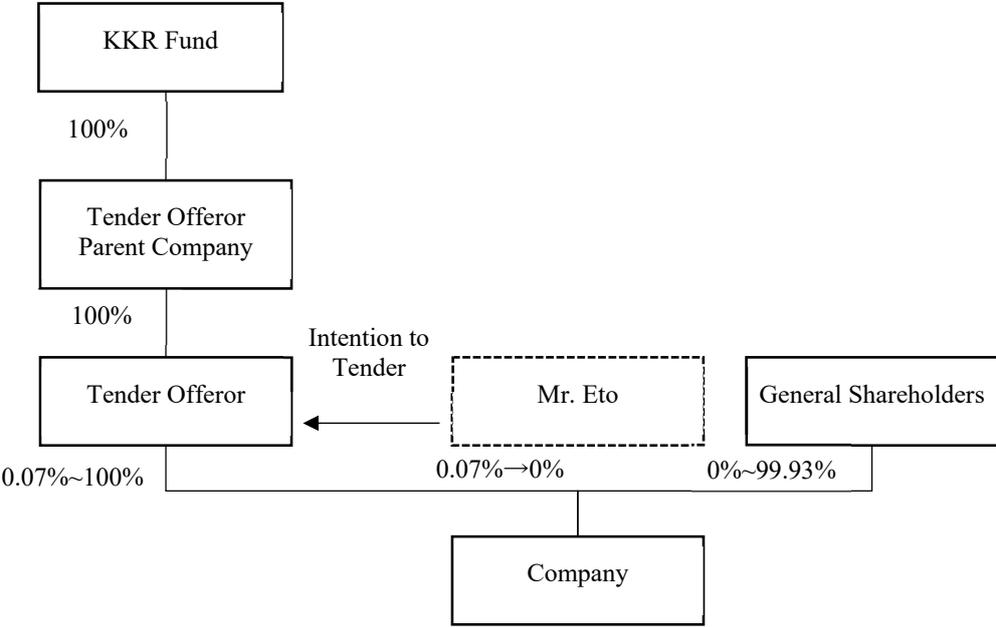
<Overview of Structure of the Tender Offer and Anticipated Subsequent Procedures>

The following charts outline the structure of the Tender Offer and each of the anticipated subsequent procedures.

I. Current State (as of today)

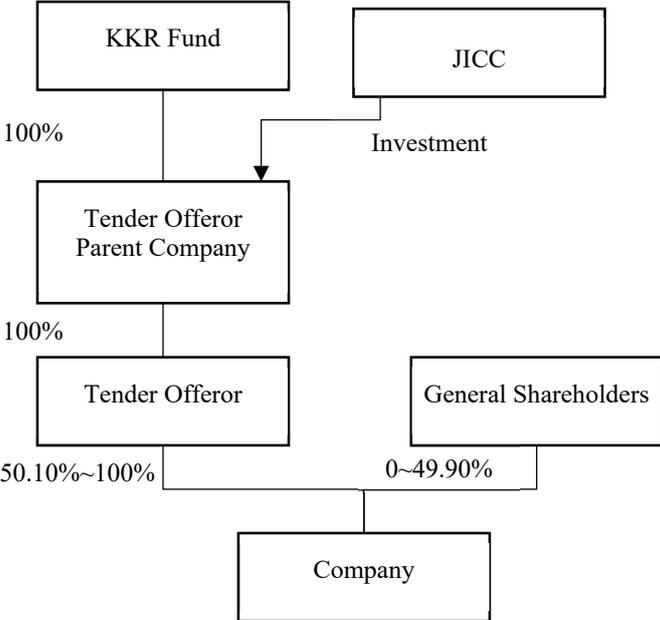


II. Tender Offer (end of July, 2025 to end of August 2025) (planned)

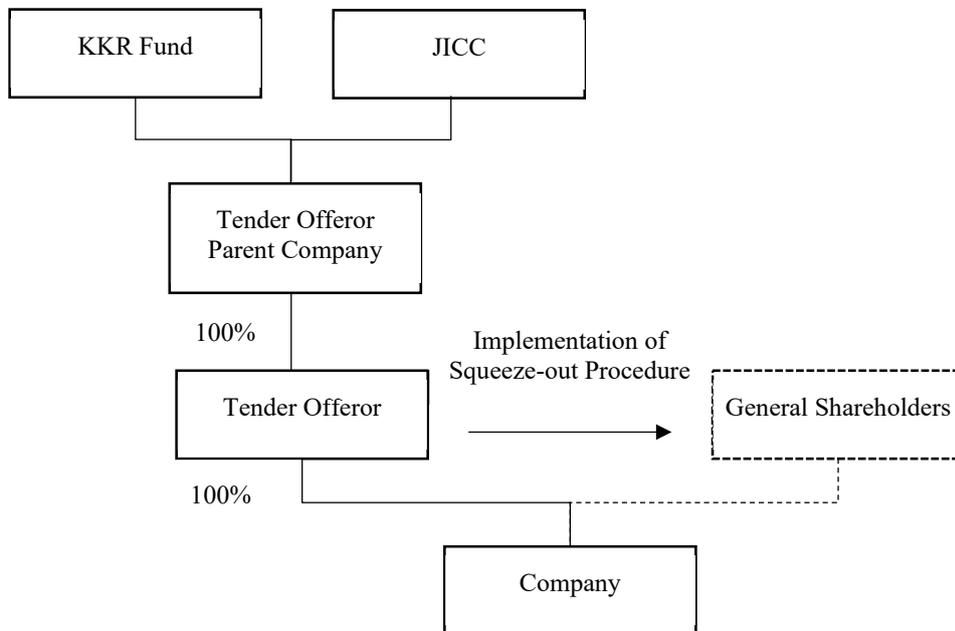


III. After Completion of the Tender Offer (from September 2025 onwards) (planned)

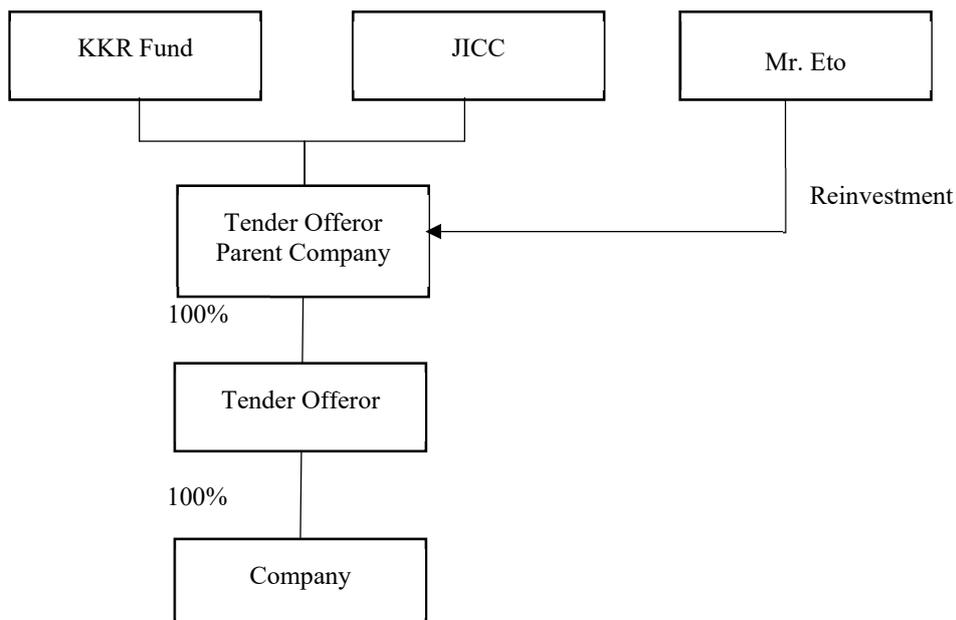
(1) The Investment



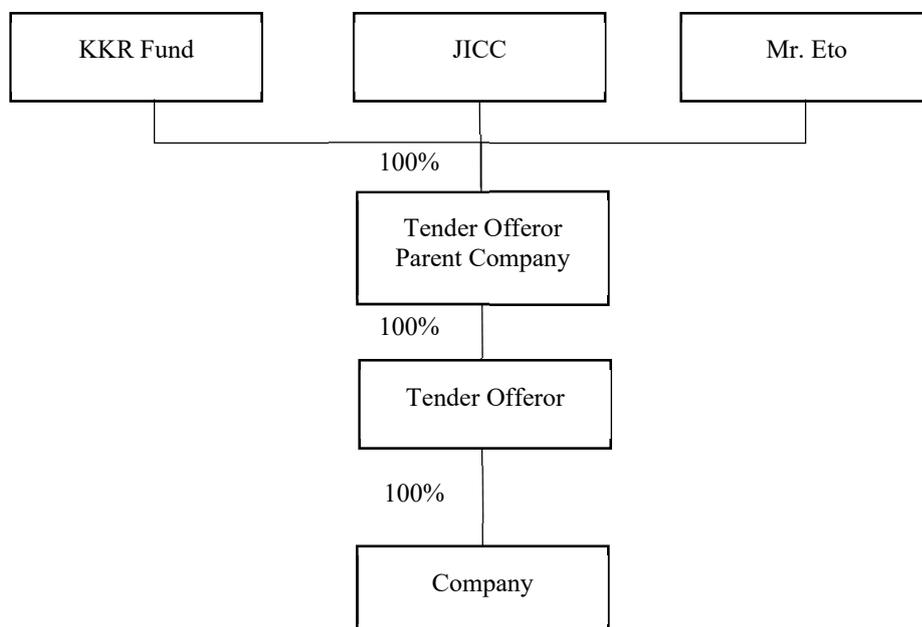
(2) (After Implementation of the Investment) The Squeeze-out Procedure



(3) (After Completion of the Squeeze-out Procedure) The Reinvestment



(4) (After Implementation of the Reinvestment)



(After Amendment)

<Omitted>

Furthermore, on March 17, 2025, KKR Fund entered into a confidentiality agreement with KKR and the Company's shareholder, ValueAct Japan Master Fund, L.P. (number of shares: 9,754,700, Ownership Ratio: 9.25%) and ValueAct Strategic Master Fund II, L.P. (number of shares: 5,671,100, Ownership Ratio: 5.37%) (collectively referred to as “VAC”) and having done so, with the aim of increasing the likelihood of the Tender Offer being successful, KKR Fund commenced negotiations with VAC regarding tendering the shares of the Company held by VAC (15,425,800 shares, Ownership Ratio: 14.62%; the “Tendered Shares”) in the Tender Offer, and subsequently, considering that VAC would have a certain level of knowledge about the Company's business and measures to improve corporate value as VAC has held the shares of the Company over the medium to long term, and that KKR Fund would be shared in this knowledge from VAC, negotiations were also commenced regarding the non-tendering of a portion of the Tendered Shares and re-investment in KKR Fund. Thereafter, the Tender Offeror, the Tender Offeror Parent Company, and KKR Fund entered into an agreement with VAC on April 16, 2025 (the “Tender Offer Agreement (VAC)”), under which (i) VAC will tender all of the Tendered Shares in the Tender Offer and (ii) subject to the successful completion of the Tender Offer, VAC will, on the settlement commencement date of the Tender Offer, invest in KKR Fund in an amount to be determined by VAC up to a maximum limit of 28,050,000,000 yen, and acquire limited partner interests in KKR Fund (the “LP Interest Acquisition”). For an overview of the Tender Offer Agreement (VAC), please refer to “(IV) Tender Offer Agreement (VAC)” in “4. Details of material agreements between the Tender Offeror and the Company’s shareholders, directors, etc. concerning tendering in the Tender Offer” below. (Notes 2 and 6)

(Note 2) The valuation of the Company Shares, which is the basis for determining the price to be paid per share for the Tender Offeror Parent Company shares in the Reinvestment and the price to be paid for the limited partner interest of KKR Fund in the LP Interest Acquisition, is planned to be set at 3,300 yen, which is the same as the Tender Offer Price, so as not to conflict with the purpose of the tender offer price uniformity rule (Article 27-2, Paragraph 3 of the Act) (however, a formal adjustment is planned to be made based on the consolidation ratio of the Company Shares in the Share Consolidation (as defined in “(II) Share Consolidation” in “(5) Policy on Post-Tender Offer Organizational Restructuring, Etc. (Matters Relating to the Two-Step Acquisition)” below; the same shall apply hereinafter) to be implemented as part of the Squeeze-out Procedure (as defined below; the same shall apply hereinafter)). The issuance of shares at a valuation lower than this amount, that is, at a price lower than the Tender Offer Price, is not planned.

<Omitted>

(Note 6) The reason for KKR Fund’s decision to accept the LP Interest Acquisition from VAC is that VAC will hold the Company’s shares for the medium to long term, and that KKR shares in that knowledge. As such, the LP Interest Acquisition by VAC was considered independently of the decision to accept or reject the Tender Offer by VAC, and it is believed that this does not conflict with the purpose of the tender offer price uniformity rule (Article 27-2, Paragraph 3 of the Act).

In the Tender Offer, the Tender Offeror has set 52,861,561 shares (Ownership Ratio (Note 7): 50.10%) as the minimum number of shares to be purchased, and if the total number of the shares, etc. tendered in the Tender Offer (“**Tendered Securities**”) is less than the minimum number of shares to be purchased (52,861,561 shares), the Tender Offeror will not purchase any of the Tendered Securities. On the other hand, as the Tender Offeror aims to take the Company private by acquiring all of the Company Shares, all of the Share Options and all of the ADRs, the Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer, and if the total number of Tendered Securities equals to or exceeds the minimum number of shares to be purchased, which is 52,861,561 shares, the Tender Offeror will purchase all of the Tendered Securities.

With respect to the reason for setting the minimum number of shares to be purchased at 52,861,561 shares, the “Fair M&A Guidelines”, formulated by the Ministry of Economy, Trade and Industry on June 28, 2019, state that “in recent years, especially in Japan’s capital market trends, the scale of passive index management funds (Note 8) has been expanding, and some investors do not, in principle, tender their shares in a tender offer regardless of the suitability of the transaction conditions.” As indicated in the guidelines, the Tender Offeror has confirmed that there are some passive index management funds that own the Company Shares that will not tender their shares in a tender offer, in principle, regardless of the suitability of the terms of the tender offer, but intend to vote in favor of the proposal on the share consolidation at the general shareholders meeting in the subsequent squeeze-out procedure, and against this background there have been several cases of take-private deals where the number of shares held by passive index funds have been deducted from the minimum number of shares to be purchased, and among these, several cases where share consolidation proposals were passed at the shareholders meeting for

the squeeze-out procedure despite the voting rights ownership ratio of the tender offeror being less than two-thirds after the completion of the tender offer. For this reason, in the Transaction, if the number of voting rights representing the total number of Company Shares to be acquired through the Tender Offer and the number of Restricted Shares held by the Company's directors (excluding Director Takayuki Yamazaki, who expressed an opinion against the resolution to express an opinion in support of the Tender Offer on the premise of delisting the Company's shares at the Company's board of directors meeting held today) (Note 9) (94,800 shares) can be added to the number of voting rights representing the total number of Company Shares held by passive index management funds to amount to more than two-thirds of the total voting rights of all shareholders of the Company, the Tender Offeror believes that it is highly likely that the proposal for the Share Consolidation will be approved at the Extraordinary General Shareholders Meeting (as defined in “(5) Policy for organizational restructuring after the Tender Offer (matters relating to a so-called Two-Step Acquisition)” below), and this will increase the certainty of the completion of the Tender Offer, while reducing the possibility that the proposal for the Share Consolidation will not be approved at the Extraordinary General Shareholders Meeting after the completion of the Tender Offer. In addition, the Tender Offeror reviewed a survey conducted by the Company to identify institutional investors among the shareholders of the Company as of February 10, 2025, which was shared with the Tender Offeror on March 3, 2025, and even if limited to domestic passive index funds, the Tender Offeror is aware that at that time a total of 14,963,800 Company Shares (Ownership Ratio: 14.18%) are held by passive index management funds. As a result, the Tender Offeror believes that the Company Shares held by the Company shareholders who will decide whether or not to tender in the Tender Offer based on their judgement as to whether the terms of the Transaction, including the terms of the Tender Offer, are appropriate, will remain at 99.91%, which is calculated by subtracting the Ownership Ratio of the Restricted Shares held by the directors (excluding Director Takayuki Yamazaki, who expressed an opinion against the resolution to express an opinion in support of the Tender Offer on the premise of delisting the Company's shares at the Company's board of directors meeting held today) (0.09%) from 100%, which is 85.73%, minus the aforementioned 14.18%. In this situation, if a minimum Ownership Ratio for the Tender Offeror is set at two-thirds, even if the Ownership Ratio of the Company shareholders who deem the terms of the Transaction, including the terms of the Tender Offer, to be appropriate exceed two-thirds, the Tender Offeror believes there is a possibility that the Transaction will not be completed, and the Company shareholders will not be provided with a reasonable opportunity to sell their shares on the economic terms determined through discussions and negotiations with the Company, after taking into consideration all of the factors in “(I) Basis for Calculation” in “(4) Basis for Calculation of Purchase Price” in “(Reference) Outline of Purchase, etc.” below.

Based on the above considerations, the Tender Offeror has determined that it should set a minimum limit for the Tender Offer to maximize the possibility of achieving the purpose of the Tender Offer, which is the take-private of the Company, while respecting the decision of the general shareholders of the Company to tender their shares.

In addition, when considering the number of voting rights required for the approval of the proposal for the Share Consolidation, the Tender Offeror has referred to the voting rights exercise ratio (Note 10) at past ordinary general shareholders meetings of the Company, and in light of the sum of the number of shares held by the Tender Offeror after the completion of the Tender Offer (the expected minimum Ownership Ratio in that case would be 50.10%), the number of Restricted Shares held by directors (excluding Director Takayuki Yamazaki, who expressed an

opinion against the resolution to express an opinion in support of the Tender Offer on the premise of delisting the Company's shares at the Company's board of directors meeting held today) (the expected minimum Ownership Ratio in that case would be 0.09%), and the number of shares held by passive index management funds (the expected minimum Ownership Ratio in that case would be 14.18%) (the sum total of such expected minimum Ownership Ratios in that case would be 64.37%), the Tender Offer believes that unless the voting rights exercise ratio at the Extraordinary General Shareholders Meeting reaches 96.56%, which is significantly higher than the past voting rights exercise ratio performance, the proposal for the Share Consolidation will be able to be passed. The minimum number of shares to be purchased is a tentative figure based on information as of today, and the actual minimum number of shares to be purchased in the Tender Offer may differ from the figure above due to factors such as changes in the number of treasury shares held by the Company after such date.

(Note 7) “Ownership Ratio” means the percentage (figures are rounded to the nearest two decimal places) of the number of shares (105,512,097 shares) (hereinafter referred to as the “**Total Shares Outstanding on a Fully Diluted Basis**”), obtained by (i) the total number of outstanding shares of the Company as of December 31, 2024 (108,382,642 shares), as stated in the Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2025 (Under Japanese GAAP) (“**Company Financial Results**”) submitted by the Company on January 30, 2025, less (ii) the number of treasury shares owned by the Company as of December 31, 2024 as reported in the Company Financial Results (2,970,545 shares) (such amount being 105,412,097 shares), and adding (iii) the number of shares subject to the Share Options (1,000 options) remaining as of today, reported by the Company (100,000 shares); the same shall apply hereinafter.

(Note 8) “Passive index management funds” are funds that aim to secure a return on par with market averages by managing the fund for the purpose of linking investment results with indices, such as stock price indices, which serve as benchmarks for the market of stocks and other investment assets.

(Note 9) Although the restricted shares of the Company granted to the directors of the Company as restricted stock compensation (the “**Restricted Shares**”) cannot be tendered in the Tender Offer due to transfer restrictions attached thereto, at the meeting of the board of directors of the Company held today, a resolution was adopted expressing an opinion in support of the Tender Offer, it is therefore expected that after the Tender Offer is completed, if a proposal regarding the Share Consolidation is made at the Extraordinary General Shareholders Meeting (as defined in “(4) Policy on Post-Tender Offer Organizational Restructuring, Etc. (Matters Relating to the Two-Step Acquisition) below), it is expected that the directors will vote in favor, and thus in determining the minimum number of shares to be purchased, the number of voting rights for the Restricted Shares held by directors (excluding Director Takayuki Yamazaki, who expressed an opinion against the resolution to express an opinion in support of the Tender Offer on the premise of taking the Company's Shares private at the Company's board of directors meeting held today) is deducted (94,800 shares, Ownership Ratio: 0.09%).

(Note 10) According to the Annual Securities Report for the 131st Fiscal Year submitted by the Company on June 27, 2024, the number of voting rights as of the record date

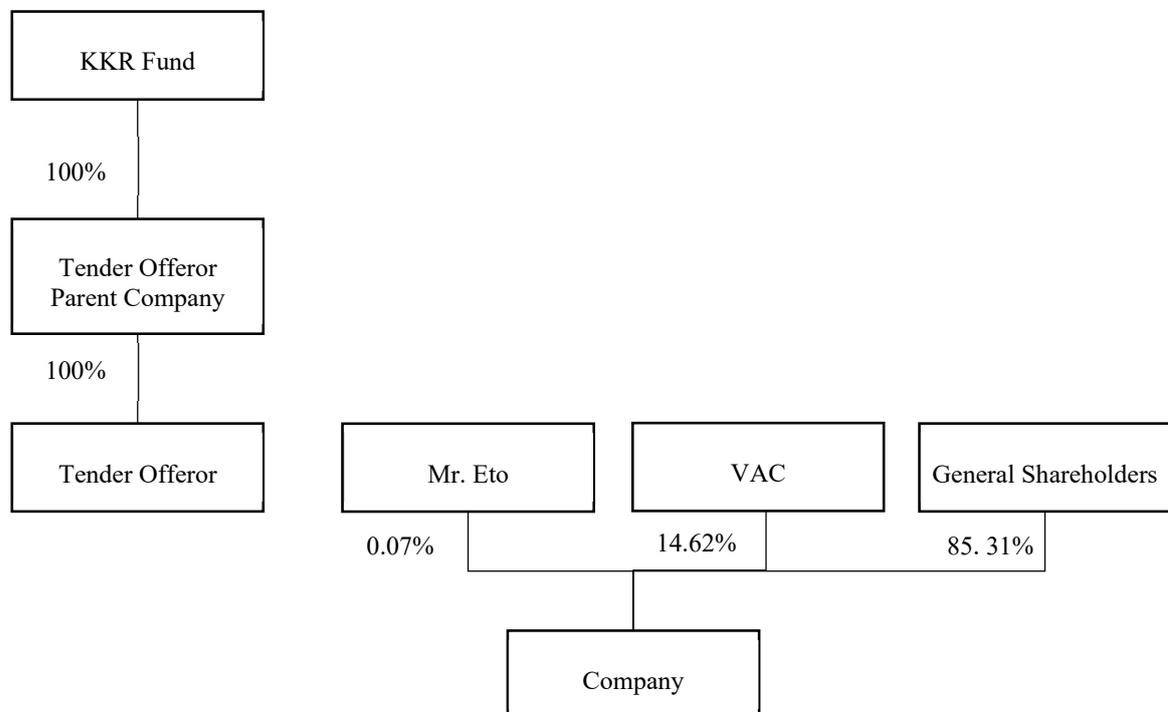
for the 131st Ordinary General Meeting of Shareholders held in June 2024 was 1,053,088 rights. However, according to the Extraordinary Report submitted on June 27, 2024, the average number of voting rights actually exercised for all proposals was 899,161 rights (figures are rounded to the nearest whole number), which corresponds to approximately 85.38% of the total number of voting rights (figures are rounded to the nearest two decimal places; the same shall apply hereinafter in the calculation of the voting rights exercise ratio unless otherwise specified). If the voting rights exercise ratio is similarly calculated, it would be approximately 79.21% for the 130th Ordinary General Meeting of Shareholders, and 86.51% for the 129th Ordinary General Meeting of Shareholders, and thus the maximum voting rights exercise ratio for the three most recent ordinary general meetings of shareholders of the Company is approximately 86.51%.

<Omitted>

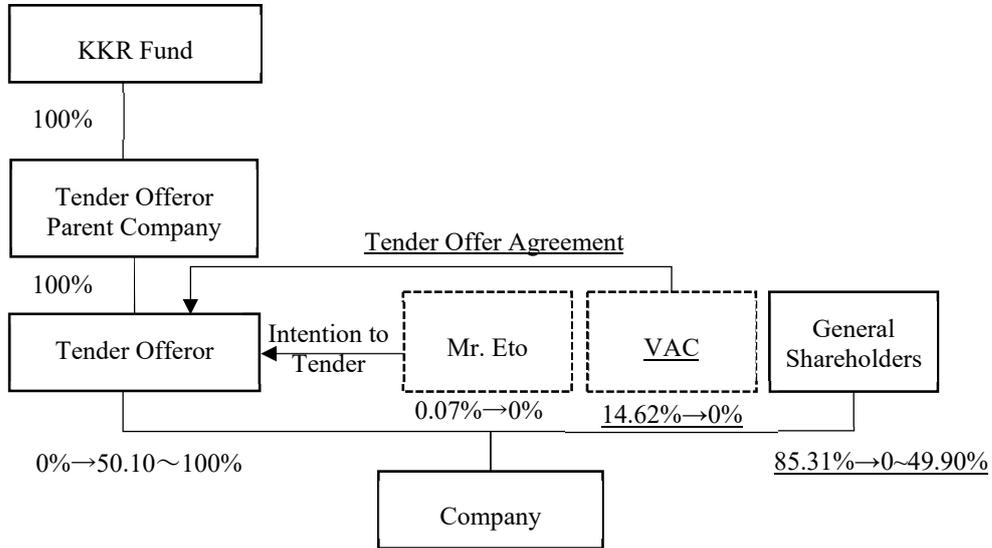
<Overview of Structure of the Tender Offer and Anticipated Subsequent Procedures>

The following charts outline the structure of the Tender Offer and each of the anticipated subsequent procedures.

I. Current State (as of today)

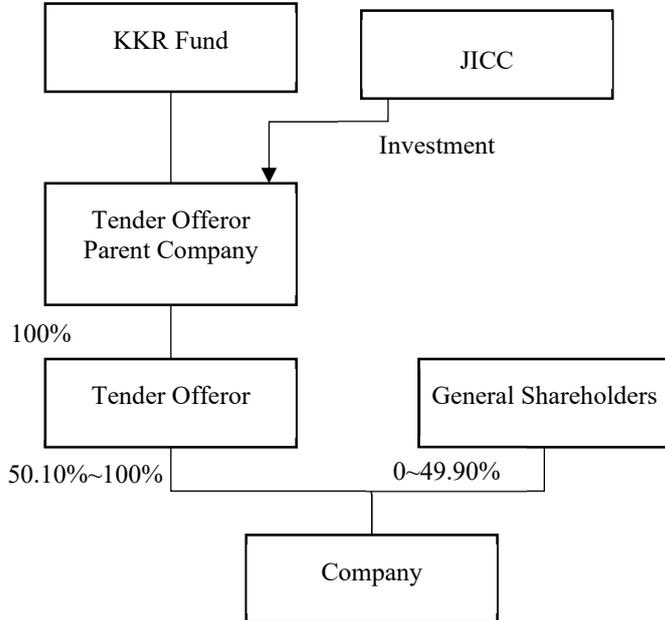


II. Tender Offer (end of July, 2025 to end of August 2025) (planned)

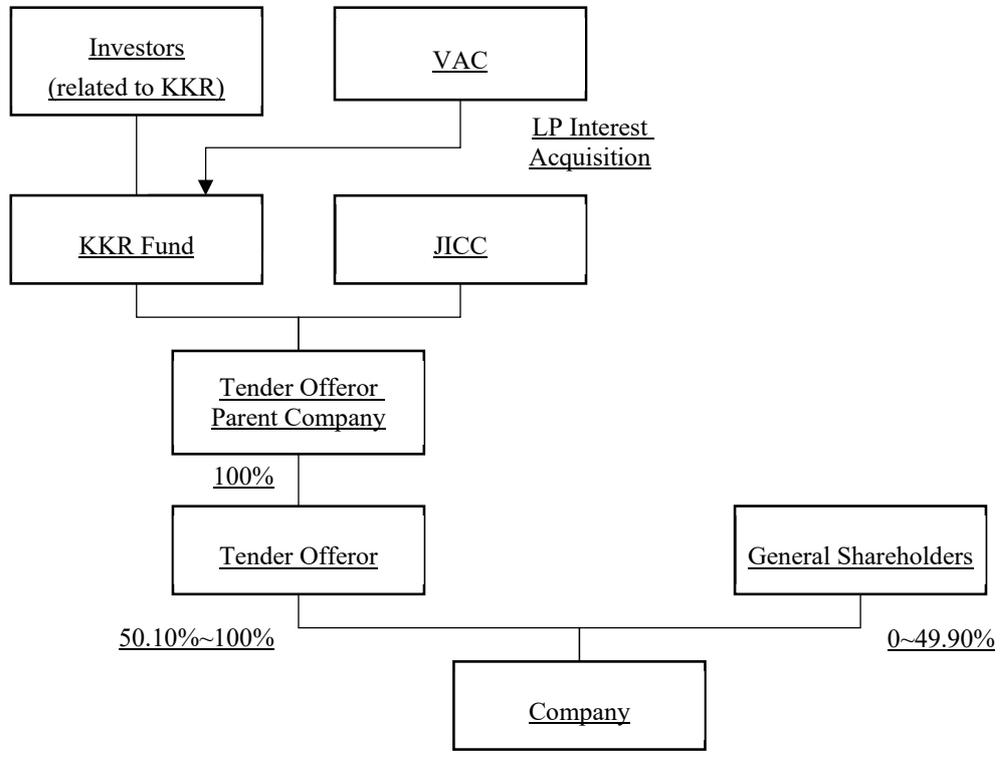


III. After Completion of the Tender Offer (from September 2025 onwards) (planned)

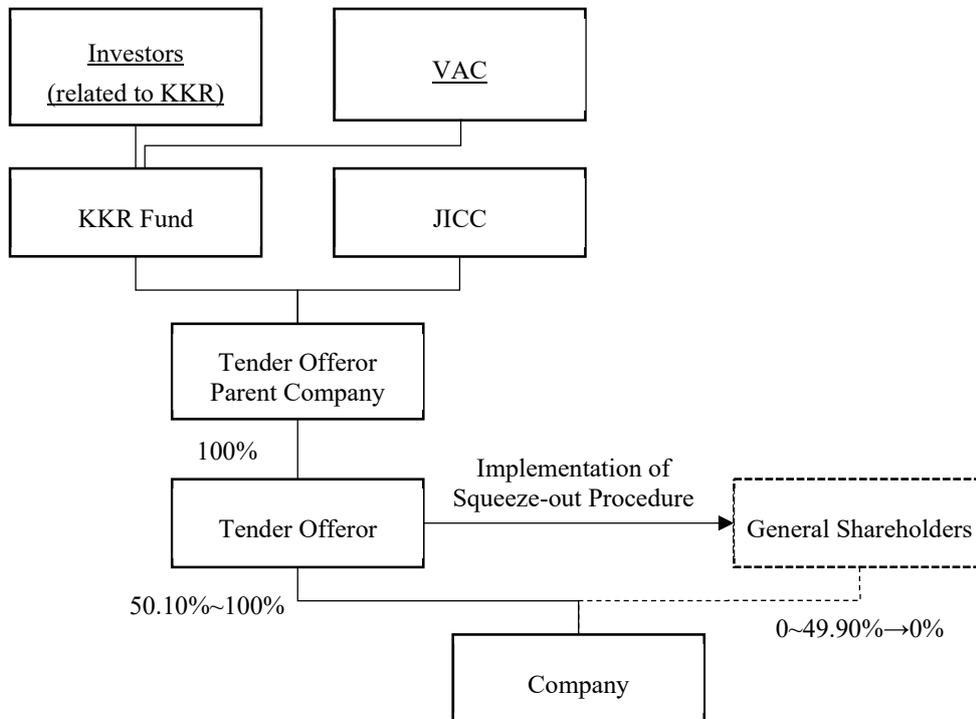
(1) The Investment



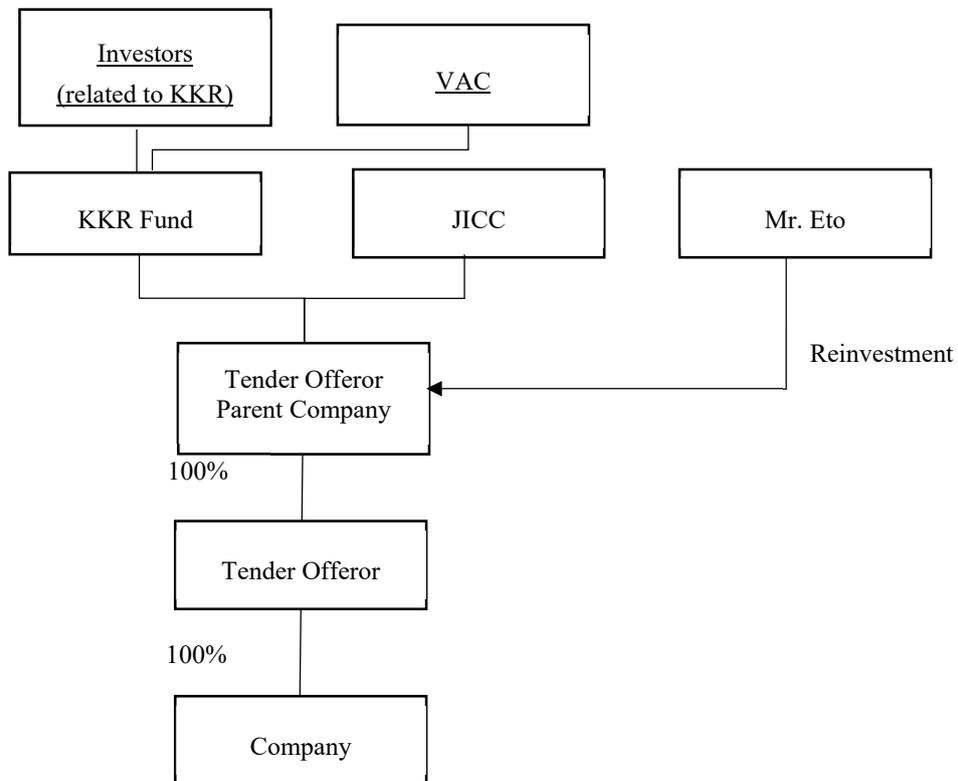
(2) LP Interest Acquisition



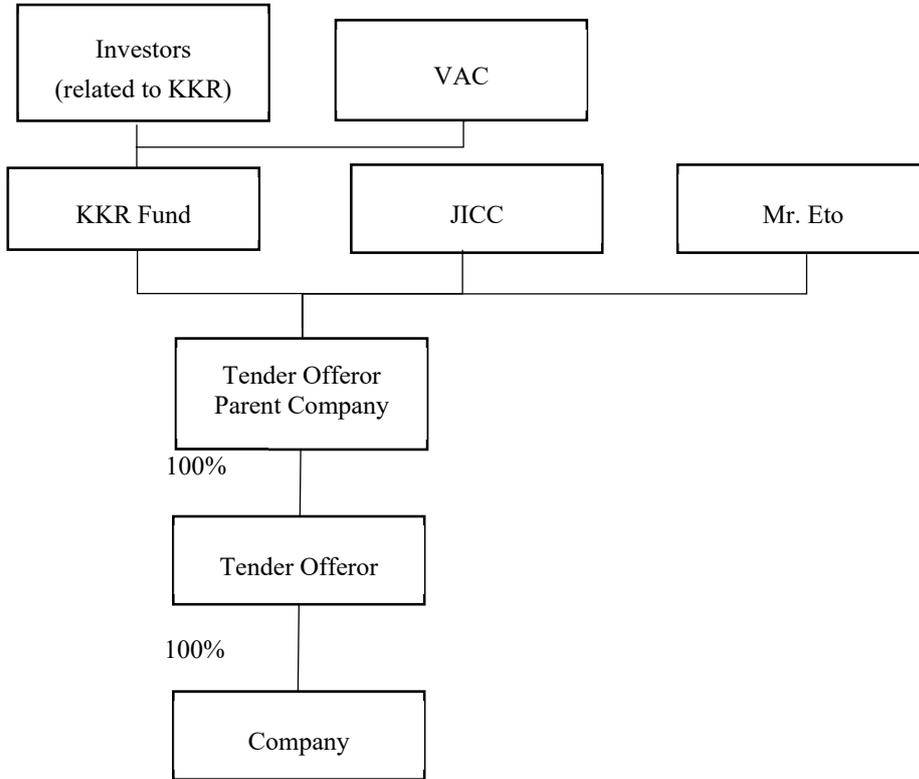
(3) (After Implementation of the Investment and LP Interest Acquisition) the Squeeze-out Procedure



(4) (After Completion of the Squeeze-out Procedure) Reinvestment



(5) After Completion of the Reinvestment



(II) Background, purpose, and decision-making process leading to the decision by the Tender Offeror to conduct the Tender Offer and management policy after the Tender Offer

(Before Amendment)

<Omitted>

Subsequently, on March 3, 2025, KKR was notified by the Company that KKR was granted exclusive negotiation rights for the Transaction. After continuing discussions with the Company from early to late March 2025 regarding practical measures toward the implementation of the Transaction, such as the coordination of the business and financial information of the Company necessary towards completion of the procedures with the domestic and overseas competition authorities and authorities with jurisdiction over inward direct investment, KKR submitted a legally binding final proposal for the Transaction on March 26, 2025 to implement the Transaction by setting the tender offer price of the Company Shares at 3,300 yen per Company Share and a purchase price per Share Option at the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price for the Share Options per Company Share by the number of the Company Shares underlying each Share Option. And today, since KKR and the Company have reached an agreement to implement the Transaction, with the Tender Offer Price set at 3,300 yen, the Share Option Purchase Price set at 193,400 yen, and the purchase price for the Company Shares related to the ADSs represented by the ADRs set at the same as the Tender Offer Price, the Tender Offeror decided to implement the Tender Offer.

(After Amendment)

<Omitted>

Subsequently, on March 3, 2025, KKR was notified by the Company that KKR was granted exclusive negotiation rights for the Transaction. After continuing discussions with the Company from early to late March 2025 regarding practical measures toward the implementation of the Transaction, such as the coordination of the business and financial information of the Company necessary towards completion of the procedures with the domestic and overseas competition authorities and authorities with jurisdiction over inward direct investment, KKR submitted a legally binding final proposal for the Transaction on March 26, 2025 to implement the Transaction by setting the tender offer price of the Company Shares at 3,300 yen per Company Share and a purchase price per Share Option at the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price for the Share Options per Company Share by the number of the Company Shares underlying each Share Option. And today, since KKR and the Company have reached an agreement to implement the Transaction, with the Tender Offer Price set at 3,300 yen, the Share Option Purchase Price set at 193,400 yen, and the purchase price for the Company Shares related to the ADSs represented by the ADRs set at the same as the Tender Offer Price, the Tender Offeror decided to implement the Tender Offer.

Furthermore, after KKR and VAC, a shareholder of the Company, executed a confidentiality agreement between them on March 17, 2025, KKR Fund began negotiations with VAC regarding the tendering of the Tendered Shares in the Tender Offer for the purpose of increasing the likelihood of the implementation of the Tender Offer. Thereafter, taking into account the fact that VAC would have a certain level of knowledge about the Company's business and measures to

improve corporate value as VAC has held the shares of the Company over the medium to long term, and that KKR Fund would be shared in this knowledge from VAC, KKR Fund commenced negotiations regarding the non-tendering of a portion of the Tendered Shares and re-investment in KKR Fund. Thereafter, on April 16, 2025, the Tender Offeror Parent Company and KKR Fund entered into the Tender Offer Agreement (VAC), under which (i) VAC will tender all of the Tendered Shares in the Tender Offer and (ii) subject to the completion of the Tender Offer, VAC will, on the settlement commencement date of the Tender Offer, invest in KKR Fund in an amount to be determined by VAC up to a maximum limit of 28,050,000,000 yen, and acquire limited partner interests in KKR Fund. For an overview of the Tender Offer Agreement (VAC), please refer to “(IV) Tender Offer Agreement (VAC)” of “4. Details of material agreements between the Tender Offeror and the Company’s shareholders, directors, etc. concerning tendering in the Tender Offer” below.

(III) Process and reasons for the decision-making of the Company

(i) Background to deliberation and negotiations at the Company

(Before Amendment)

<Omitted>

In connection with the above deliberations, on January 30, 2025, in light of the fact that, among other things, the Tender Offer is being implemented as part of a Management Buyout (MBO), which raises issues of structural conflicts of interest, and that it is a transaction involving a squeeze-out, the board of directors of the Company consulted the Strategic Special Committee on the rationality of the purpose of the Transaction, the appropriateness and fairness of the terms and procedures of the Transaction, and other matters (for details of the composition of the members of the Strategic Special Committee, other specific matters on which the Strategic Special Committee was consulted, and other matters related thereto, please refer to “(IV) Establishment of an independent special committee and obtainment of a report from the special committee by the Company” in “(6) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer”). In addition, the Company has taken each of the measures described in “(6) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer” below and has obtained an opinion (the “**Fairness Opinion**”) from the Company’s financial advisor, J.P. Morgan, to the effect that the Tender Offer Price is fair to the Company’s common shareholders (excluding the Tender Offeror, Tender Offeror Parent Company, KKR and their related companies) from a financial point of view based on the assumptions described in the note in “(ii) Outline of valuation” in “(3) Matters related to the valuation” below. The Company also received necessary legal advice from Nagashima Ohno & Tsunematsu, its legal advisor, regarding the decision-making process of the Company’s board of directors that concerns the Transaction and other issues to note, as well as an opinion (the “**Opinion**”) today from the Strategic Special Committee (for details of the content of the Opinion and the activities of the Strategic Special Committee, please refer to “(IV) Establishment of an independent special committee and obtainment of a report from the special committee by the Company” in “(6) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer” below).

(After Amendment)

<Omitted>

In connection with the above deliberations, on January 30, 2025, in light of the fact that, among other things, the Tender Offer is being implemented as part of a Management Buyout (MBO), which raises issues of structural conflicts of interest, and that it is a transaction involving a squeeze-out, the board of directors of the Company consulted the Strategic Special Committee on the rationality of the purpose of the Transaction, the appropriateness and fairness of the terms and procedures of the Transaction, and other matters (for details of the composition of the members of the Strategic Special Committee, other specific matters on which the Strategic Special Committee was consulted, and other matters related thereto, please refer to “(IV) Establishment of an independent special committee and obtainment of a report from the special committee by the Company” in “(6) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer”). In addition, the Company has taken each of the measures described in “(6) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer” below and has obtained an opinion (the “**Fairness Opinion**”) from the Company’s financial advisor, J.P. Morgan, to the effect that the Tender Offer Price is fair to the Company’s common shareholders (excluding the Tender Offeror, Tender Offeror Parent Company, KKR and their related companies) from a financial point of view based on the assumptions described in the note in “(ii) Outline of valuation” in “(3) Matters related to the valuation” below. The Company also received necessary legal advice from Nagashima Ohno & Tsunematsu, its legal advisor, regarding the decision-making process of the Company’s board of directors that concerns the Transaction and other issues to note, as well as an opinion (the “**Opinion**”) March 28, 2025 from the Strategic Special Committee (for details of the content of the Opinion and the activities of the Strategic Special Committee, please refer to “(IV) Establishment of an independent special committee and obtainment of a report from the special committee by the Company” in “(6) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer” below). Thereafter, the Tender Offeror, the Tender Offeror Parent Company and KKR Fund entered into the Tender Offer Agreement (VAC) with VAC on April 16, 2025, which includes contents regarding the implementation of the LP Interest Acquisition. In conjunction with this, the Company received the Supplemental Opinion from the Strategic Special Committee (for the specific content of the Supplemental Opinion please refer to “(IV) Establishment of an independent special committee and obtainment of a report from the special committee by the Company” in “(6) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer” below).

- (ii) Reasons leading the Company to decide to support the Tender Offer

(Before Amendment)

<Omitted>

- (g) Regarding the Tender Offer Period (as defined in “(VIII) Measures to ensure opportunities for purchase from other purchasers” in “(6) Measures to ensure the fairness of the Tender

Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer” below), although the Tender Offer Period is generally planned to be set at 21 business days, as it is expected to take approximately 4 months from the announcement of the scheduled commencement of the Tender Offer to the actual commencement of the Tender Offer, it can be said that, as well as ensuring that the Company’s shareholders, the Share Options Holders and the ADRs Holders will have an opportunity to make an appropriate decision as to whether to tender their shares in the Tender Offer, it is ensured that persons other than the Tender Offeror are given the opportunity to make competing tender offers for the Company Share Certificates.

(After Amendment)

<Omitted>

- (g) Regarding the Tender Offer Period (as defined in “(VII) Measures to ensure opportunities for purchase from other purchasers” in “(6) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer” below), although the Tender Offer Period is generally planned to be set at 21 business days, as it is expected to take approximately 4 months from the announcement of the scheduled commencement of the Tender Offer to the actual commencement of the Tender Offer, it can be said that, as well as ensuring that the Company’s shareholders, the Share Options Holders and the ADRs Holders will have an opportunity to make an appropriate decision as to whether to tender their shares in the Tender Offer, it is ensured that persons other than the Tender Offeror are given the opportunity to make competing tender offers for the Company Share Certificates.

(Before Amendment)

<Omitted>

It is planned that the Tender Offeror will promptly commence the Tender Offer if all of the Conditions Precedent are satisfied or waived. As of today, the Tender Offeror aims to commence the Tender Offer around the end of July 2025, but since it is difficult to accurately estimate the period required for the procedures at the authorities that have jurisdiction over the procedures related to the Clearance, the detailed schedule for the Tender Offer will be promptly announced as soon as it has been decided. As of today, there are no pre-notifications for the Clearance procedure. In addition, as described in “(i) The business environment surrounding the Company, etc.” in “(II) Background, purpose, and decision-making process leading to the decision by the Tender Offeror to conduct the Tender Offer and management policy after the Tender Offer The Company’s operating environment and related matters” in “(2) Grounds and

reasons for the opinion”, the Company Group designs, manufactures and sells optical products and devices for the space and defense industries, and the Company's space and defense business is designated as a business that requires pre-notification for inward direct investment, etc. under the Foreign Exchange and Foreign Trade Act to prevent national security from being impaired, the maintenance of public order from being disturbed, or the protection of public safety from being hindered, with the aim of restricting investment in the Company by foreign investors from the perspective of national security in Japan. Accordingly, it is expected that a reasonable period of time will be required to obtain the Clearance under Japan's Foreign Exchange and Foreign Trade Act. Therefore, the Company resolved at the aforementioned board of directors meeting, to request the Strategic Special Committee to consider, when the Tender Offer commences, whether the opinion expressed in the report submitted by the Strategic Special Committee to the board of directors of the Company as of today has changed, and to report to the board of directors of the Company to that effect if the previous opinion on the report has not changed, or to provide a revised opinion if it has changed, and to express its opinion on the Tender Offer anew at the time the Tender Offer commences, based on the Strategic Special Committee's opinion.

(After Amendment)

<Omitted>

It is planned that the Tender Offeror will promptly commence the Tender Offer if all of the Conditions Precedent are satisfied or waived. As of today, the Tender Offeror aims to commence the Tender Offer around the end of July 2025, but since it is difficult to accurately estimate the period required for the procedures at the authorities that have jurisdiction over the procedures related to the Clearance, the detailed schedule for the Tender Offer will be promptly announced as soon as it has been decided. As of today, there are no pre-notifications for the Clearance procedure. In addition, as described in “(i) The business environment surrounding the Company, etc.” in “(II) Background, purpose, and decision-making process leading to the decision by the Tender Offeror to conduct the Tender Offer and management policy after the Tender Offer The Company's operating environment and related matters” in “(2) Grounds and reasons for the opinion”, the Company Group designs, manufactures and sells optical products and devices for the space and defense industries, and the Company's space and defense business is designated as a business that requires pre-notification for inward direct investment, etc. under the Foreign Exchange and Foreign Trade Act to prevent national security from being impaired, the maintenance of public order from being disturbed, or the protection of public safety from being hindered, with the aim of restricting investment in the Company by foreign investors from the perspective of national security in Japan. Accordingly, it is expected that a reasonable period of time will be required to obtain the Clearance under Japan's Foreign Exchange and Foreign Trade Act. Therefore, the Company resolved at the aforementioned board of directors meeting, to

request the Strategic Special Committee to consider, when the Tender Offer commences, whether the opinion expressed in the report submitted by the Strategic Special Committee to the board of directors of the Company as of today has changed, and to report to the board of directors of the Company to that effect if the previous opinion on the report has not changed, or to provide a revised opinion if it has changed, and to express its opinion on the Tender Offer anew at the time the Tender Offer commences, based on the Strategic Special Committee's opinion.

Thereafter, the Tender Offeror, the Tender Offeror Parent Company and KKR Fund entered into the Tender Offer Agreement (VAC) with VAC on April 16, 2025, which includes contents regarding the implementation of the LP Interest Acquisition. In conjunction with this, the Company carefully re-discussed and reviewed the terms and conditions of the Tender Offer again while giving the utmost consideration to the Supplemental Opinion received from the Strategic Special Committee (for the specific content of the Supplemental Opinion please refer to "(IV) Establishment of an independent special committee and obtainment of a report from the special committee by the Company" in "(6) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer" below). As a result, it having been determined that there were no circumstances that should cause the Company to judge that the execution of the Tender Offer Agreement (VAC) and the LP Interest Acquisition would cause the terms and conditions and fairness of the procedures for the Transaction to be lost, at the Company's board of directors meeting held on April 16, 2025, (i) it having been previously resolved at the Company's board of directors meeting held on March 28, 2025, that if the Tender Offer were commenced, the Company would express its opinion in support of the Tender Offer and recommend that the Company's shareholders and holders of Share Options tender their shares or share options in the Tender Offer and (ii) provided that the holders of American Depositary Shares (ADSs) deliver their ADSs to the depositary bank in advance and receive the Company's shares represented by the ADSs and then tender such shares in the Tender Offer, it was resolved that the Company would maintain such resolution.

(6) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer

(Before Amendment)

<Omitted>

(IV) Establishment of an independent special committee and obtainment of a report from the special committee by the Company

(i) Background to Establishment

<Omitted>

(V) Setting the minimum number to meet the majority of minority conditions

In the Tender Offer, the Tender Offeror has set 52,861,561 shares as the minimum number

of shares to be purchased, and if the total number of Tendered Securities is less than the minimum number of shares to be purchased (52,861,561 shares), the Tender Offeror will not purchase any of the Tendered Securities. Such minimum number of shares to be purchased exceeds a majority of the number of shares (such amount being 105,442,043 shares) obtained by subtracting the number of Company Shares held by Mr. Eto (70,054 shares), who is in a structural conflict of interest with the minority shareholders as he is expected to invest in the Tender Offeror Parent Company after the completion of the Transaction and continue to manage the Company as the President & CEO of the Company, from the Total Shares Outstanding on a Fully Diluted Basis (105,512,097 shares) (such majority being 52,721,022 shares, the amount corresponding to the so-called majority of minority). As a result, if the Tender Offeror does not obtain the approval of a majority of the Company shareholders that have no vested interest in the Tender Offeror, the Tender Offeror will respect the intention of the Company minority shareholders, and will not conduct the Transaction, including the Tender Offer.

(VI) Obtainment by the Strategic Special Committee of advice from an independent law firm

The Strategic Special Committee, appointed Nakamura, Tsunoda & Matsumoto as a legal advisor independent from a related party of the Tender Offeror, Tender Offeror Parent Company, KKR and the Company, and has received legal advice that includes advice regarding the measures that should be adopted to confirm the fairness, objectivity and reasonableness of the procedures in the Transaction, the various procedures in the Transaction, and the method and course of decision making of the Company regarding the Transaction, and other matters. Furthermore, Nakamura, Tsunoda & Matsumoto is not a related party of the Tender Offeror, Tender Offeror Parent Company, KKR or the Company, and does not have any material interests in the opinion on the Tender Offer. In addition, the fees to be paid to Nakamura, Tsunoda & Matsumoto are calculated by multiplying an hourly rate by the number of hours worked, regardless of the outcome of the Transaction, and do not include any contingency fee subject to the successful completion of the Transaction.

(VII) Approval of disinterested directors of the Company and opinion of all auditors of the Company that they had no objection

The Company, based on the Share Price Valuation Report obtained from J.P. Morgan and the legal advice obtained from Nagashima Ohno & Tsunematsu, has given careful consideration to the terms and conditions of the Transaction, including the Tender Offer, while giving the utmost deference to the content of the Opinion. As a result thereof, the Company's board of directors determined that the Transaction would contribute to the improvement of the Company's corporate value, and determined that the Tender Offer would provide a reasonable opportunity to sell the Company Shares, and at a meeting of the board of directors of the Company convened today, all the directors except one of the Company participating in the deliberations and resolution unanimously (9 directors out of the 10 total directors, excluding Mr. Eto) resolved to express an opinion in support of the Tender Offer and recommending that all of the Company's shareholders tender their shares in the Tender Offer, recommending that all the Share Options Holders tender their share options in the Tender Offer and recommending that the ADRs Holders deliver their ADRs to the depositary

bank in advance and receive the Company Shares related to the ADSs represented by the ADRs and tender the shares in the Tender Offer. At the above Board of directors meeting, Director Takayuki Yamazaki expressed his opinion to the effect that he opposes the Tender Offer, because he was unable to obtain sufficient time to consider the Tender Offer and therefore cannot judge whether or not the Tender Offer will contribute to the enhancement of the Company's corporate value. Furthermore, of the Company's directors, Mr. Eto is scheduled to acquire common shares of the Tender Offeror using a portion of the consideration he will receive upon the completion of the Tender Offer through the tendering of the Company Shares he holds in the Tender Offer, and as such, from the perspective of avoiding any suspicion of a conflict of interest from the Company's standpoint, he did not participate in any of the deliberations and resolutions of the board of directors of the Company in connection with the Transaction, including the deliberations and resolutions at the above-mentioned board of directors meeting, and additionally he has not participated in any discussions and negotiations with the Tender Offeror.

(VIII) Measures to ensure opportunities for purchase from other purchasers

Although the Tender Offeror will set the purchase period in the Tender Offer (“**Tender Offer Period**”) at 21 business days in principle, as it is expected that it will take about 4 months from the announcement of the planned commencement of the Tender Offer until the actual commencement of the Tender Offer, the shareholders of the Company, Share Option Holders and the ADRs Holders will have the opportunity to make appropriate judgments as to whether to tender in the Tender Offer, and the Tender Offeror will ensure that those other than the Tender Offeror have an opportunity to make competing offers to purchase the Company Securities. In this manner, the Tender Offeror intends to secure the fairness of the Tender Offer Price.

(IX) Consideration for avoiding coercion

As described in “(5) Policy for organizational restructuring, after the Tender Offer (matters relating to a “Two-Step Acquisition”)” above, (i) promptly after completion of settlement of the Tender Offer, the Tender Offeror plans to request that the Company perform the Share Cash-out Demand or the Share Consolidation and plans to request that the Company hold an Extraordinary General Shareholders Meeting, which is to include a proposal about a partial amendment to the Company's Articles of Incorporation whereby the provision concerning the number of shares that constitute one unit shall be abolished subject to effectuation of the Share Consolidation. It has been made clear that the amount of money that will be delivered to each shareholder, Share Option Holder and ADRs Holder that did not tender in the Tender Offer will be calculated to be equal to be the same price that would have been received if they had tendered in the Tender Offer, that in the event of the Share Cash-out Demand, the shareholders of the Company, Share Option Holders and the ADRs Holders who receive the Company Shares related to the ADSs will have the right to petition the court for a price determination, and in the event of the Share Consolidation, the shareholders of the Company will have the right to demand the purchase of their shares, and the accompanying right to petition the court for a price determination. As a result of these measures, the Company's shareholders will have the opportunity to make appropriate judgments as to whether to tender

in the Tender Offer, thereby ensuring that there is no coercion. The Tender Offeror has set 52,861,561 shares (Ownership Ratio: 50.10%) as the minimum number of shares to be purchased in the Tender Offer, and as described in “(I) Outline of the Tender Offer” in “(2) Grounds and reasons for the opinion” above, when considering the number of voting rights required for the approval of the proposal for the Share Consolidation, the Tender Offeror has referred to the voting rights exercise ratio at past ordinary general shareholders meetings of the Company, and in light of the sum of the number of shares held by the Tender Offeror after the completion of the Tender Offeror (the expected minimum Ownership Ratio in that case would be 50.10%), the number of Restricted Shares held by directors (excluding Director Takayuki Yamazaki, who expressed an opinion against the resolution to express an opinion in support of the Tender Offer on the premise of delisting the Company's shares at the Company's board of directors meeting held today) (the expected minimum Ownership Ratio in that case would be 0.09%), and the number of shares held by passive index management funds (the expected minimum Ownership Ratio in that case would be approximately 14%) (the sum total of such expected minimum Ownership Ratios in that case would be approximately 64.37%), the Tender Offer believes that unless the voting rights exercise ratio at the Extraordinary General Shareholders Meeting reaches approximately 96.56%, which is significantly higher than the past voting rights exercise ratio performance, the proposal for the Share Consolidation will be able to be passed, thereby ensuring there is no coercion.

(After Amendment)

<Omitted>

(IV) Establishment of an independent special committee and obtainment of a report from the special committee by the Company

A. The Opinion

(i) Background to Establishment

<Omitted>

B. Supplemental Opinion

(i) Background of deliberations

In delivering the Supplemental Opinion, the Strategic Special Committee held a meeting on April 16, 2025, with all five members present and deliberating.

In doing so, the Strategic Special Committee examined (i) the draft of the press release dated April 16, 2025 regarding partial changes to the Company's press release as of the date of preparation of the Supplemental Opinion, (ii) materials relating to the Transaction from March 28, 2025, the date on which the Transaction was announced (the "Announcement Date") until the date of preparation of the Supplemental Opinion (including reporting materials submitted by KKR), and other materials reported to the Strategic Special Committee (the "Reference Documents").

(ii) Details of the decision

Under the above background, on April 16, 2025, the Strategic Special Committee submitted to the Company's board of directors, by the unanimous vote of the committee members, the Supplemental Opinion, whose content is outlined below.

a. Contents of the Opinion

There is no change to the opinion of the Strategic Special Committee after the submission of the Opinion, even after considering the circumstances that have arisen until the date of preparation of the Supplemental Opinion.

b. Reasons for Supplemental Opinion

I. Reasonableness of the purpose of the Transaction

Considering the following points, we do not see any circumstance that should change the content of our opinion in the Opinion regarding the reasonableness of the purpose of the Transaction, including whether the Transaction will contribute to the enhancement of the Company's corporate value.

- With respect to the structure of the Transaction, VAC will tender all of its Company Shares in the Tender Offer, and it is intended that VAC will make a new investment in the KKR Fund.
- The reason why KKR Fund is accepting the LP Interest Acquisition by VAC is that VAC is holding the Company Shares in the medium to long term and has a certain level of knowledge about the Company's business and measures to improve corporate value, and KKR would be able to receive such knowledge shared by VAC. However, the equity interest to be acquired by VAC through the LP Interest Acquisition is a limited partner interest in the KKR Fund, and VAC will not acquire voting rights in the Tender Offeror Parent Company, the Tender Offeror, or the Company, and it is not intended that VAC will dispatch directors to the Tender Offeror Parent Company, the Tender Offeror, or the Company. Accordingly, it is not expected that VAC will be involved in the decision-making of the Company after the completion of the Transaction. There would be no change to the support provided by KKR and the continued support of JICC that are envisaged after the Transaction, and even if the LP Interest Acquisition is implemented, there would be no change in the assumptions regarding the enhancement of the Company's corporate value that is envisaged after the Transaction, which is an MBO. Therefore, there are no

circumstances that should change the judgment of the Strategic Special Committee in the Opinion.

- VAC's tender in the Tender Offer can be evaluated as increasing the certainty of the Transaction contributing to the enhancement of the Company's corporate value.
- There have been no new circumstances that have arisen since the Announcement Date that would reduce the value of the Company's business.

II. Appropriateness of the terms and conditions of the Transaction

Considering the following points, there are no circumstances that should change the content of the opinion set forth in the Opinion, and it can be said that the fairness and appropriateness of the terms and conditions of the Transaction (including the method of implementation of the Transaction and the appropriateness of the price) continue to be secured, from the perspective of the Company's general shareholders.

- With respect to the appropriateness of the terms and conditions of the Transaction, the Company currently has no plan to change the Business Plan, nor has it updated the Share Price Valuation Report prepared by J.P. Morgan based on the Business Plan. In this regard, given that no circumstances that could have a material impact on the value of the Company's business have occurred since the Announcement Date, there is no need to make any changes to the Business Plan, nor is there any need to update the Share Price Valuation Report.
- The Fairness Opinion obtained by the Company from J.P. Morgan is maintained as of the date of submission of the Supplemental Opinion.
- In addition to the above, it can be said that (i) the valuation of the Company Shares, which is the premise for determining the amount to be paid for the limited partner interest of KKR Fund in the LP Interest Acquisition, is intended to be set at 3,300 yen, which is the same price as the Tender Offer Price, and the tender in the Tender Offer and the LP Interest Acquisition do not constitute a transaction that gives to VAC benefits that differ from those of Company's minority shareholders, and (ii) the Company's market share price has remained below the Tender Offer Price from the Announcement Date until the date of submission of the Supplemental Opinion, and there have been no circumstances requiring special consideration regarding the appropriateness of the Tender Offer Price relative to the market share price.

III. Fairness of the Procedures Relating to the Transaction

With regard to securing the interests of general shareholders through the implementation

of fair procedures in the Transaction, the minimum number of shares to be purchased in the Tender Offer is set at 52,861,561 shares in the Opinion, and since such minimum number of shares to be purchased exceeds the majority of the number of shares obtained by deducting the number of Company Shares held by Mr. Eto from the Total Shares Outstanding on a Fully Diluted Basis, it was decided that the same opportunity to make a decision is secured as in the case where a majority of minority condition is effectively set.

In this regard, since the LP Interest Acquisition is newly planned, VAC will fall under the category of a shareholder that shares a material common interest with KKR, the acquirer. Considering the number of Company Shares held by VAC (15,425,800 shares; shareholding; 14.62%), as the minimum number of shares to be purchased in the Tender Offer is not changed, the minimum number of shares to be purchased in the Tender Offer will be lower than the level that satisfies the majority of minority condition.

However, in the M&A Guidelines, concerns have been raised about the hindering effect on M&A transactions that contribute to the enhancement of corporate value in cases where the ratio of shares of the target company held by the acquirer is high. Although this Transaction is different from an acquisition of a subordinate company by a controlling shareholder, it cannot be completely denied that there is a possibility that raising the number of shares to be purchased in the Tender Offer to a level that satisfies the majority of minority condition could impede opportunities for general shareholders to sell Company Shares at a fair and reasonable price.

Also, in this Transaction, it can be concluded that it continues to function effectively and no changes are made to any of the following fairness assurance measures as of the date of preparation of the Supplemental Opinion: (i) the establishment of the Strategic Special Committee, (ii) the decision-making process of the Company, (iii) the obtaining of professional advice from outside experts, (iv) market checks, (v) the enhancement of the provision of information to general shareholders and the transparency of processes, and (vi) the considerations that are made to avoid coercion. Therefore, it can be said that, even if a majority of minority condition is not set, it is supplemented by other comprehensive fairness assurance measures, and the fairness of the terms and conditions of the transaction is secured as a whole.

In light of the above, no circumstances that should change the content of the opinion set forth in the Opinion with respect to securing the interests of general shareholders through fair procedures implemented in the Transaction have been found.

(V) Obtainment by the Strategic Special Committee of advice from an independent law firm

The Strategic Special Committee, appointed Nakamura, Tsunoda & Matsumoto as a legal advisor independent from a related party of the Tender Offeror, Tender Offeror Parent

Company, KKR and the Company, and has received legal advice that includes advice regarding the measures that should be adopted to confirm the fairness, objectivity and reasonableness of the procedures in the Transaction, the various procedures in the Transaction, and the method and course of decision making of the Company regarding the Transaction, and other matters. Furthermore, Nakamura, Tsunoda & Matsumoto is not a related party of the Tender Offeror, Tender Offeror Parent Company, KKR or the Company, and does not have any material interests in the opinion on the Tender Offer. In addition, the fees to be paid to Nakamura, Tsunoda & Matsumoto are calculated by multiplying an hourly rate by the number of hours worked, regardless of the outcome of the Transaction, and do not include any contingency fee subject to the successful completion of the Transaction.

(VI) Approval of disinterested directors of the Company and opinion of all auditors of the Company that they had no objection

The Company, based on the Share Price Valuation Report obtained from J.P. Morgan and the legal advice obtained from Nagashima Ohno & Tsunematsu, has given careful consideration to the terms and conditions of the Transaction, including the Tender Offer, while giving the utmost deference to the content of the Opinion. As a result thereof, the Company's board of directors determined that the Transaction would contribute to the improvement of the Company's corporate value, and determined that the Tender Offer would provide a reasonable opportunity to sell the Company Shares, and at a meeting of the board of directors of the Company convened today, all the directors except one of the Company participating in the deliberations and resolution unanimously (9 directors out of the 10 total directors, excluding Mr. Eto) resolved to express an opinion in support of the Tender Offer and recommending that all of the Company's shareholders tender their shares in the Tender Offer, recommending that all the Share Options Holders tender their share options in the Tender Offer and recommending that the ADRs Holders deliver their ADRs to the depository bank in advance and receive the Company Shares related to the ADSs represented by the ADRs and tender the shares in the Tender Offer. At the above Board of directors meeting, Director Takayuki Yamazaki expressed his opinion to the effect that he opposes the Tender Offer, because he was unable to obtain sufficient time to consider the Tender Offer and therefore cannot judge whether or not the Tender Offer will contribute to the enhancement of the Company's corporate value. Furthermore, of the Company's directors, Mr. Eto is scheduled to acquire common shares of the Tender Offeror using a portion of the consideration he will receive upon the completion of the Tender Offer through the tendering of the Company Shares he holds in the Tender Offer, and as such, from the perspective of avoiding any suspicion of a conflict of interest from the Company's standpoint, he did not participate in any of the deliberations and resolutions of the board of directors of the Company in connection with the Transaction, including the deliberations and resolutions at the above-mentioned board of directors meeting, and additionally he has not participated in any discussions and negotiations with the Tender Offeror.

(VII) Measures to ensure opportunities for purchase from other purchasers

Although the Tender Offeror will set the purchase period in the Tender Offer ("**Tender Offer Period**") at 21 business days in principle, as it is expected that it will take about 4 months

from the announcement of the planned commencement of the Tender Offer until the actual commencement of the Tender Offer, the shareholders of the Company, Share Option Holders and the ADRs Holders will have the opportunity to make appropriate judgments as to whether to tender in the Tender Offer, and the Tender Offeror will ensure that those other than the Tender Offeror have an opportunity to make competing offers to purchase the Company Securities. In this manner, the Tender Offeror intends to secure the fairness of the Tender Offer Price.

(VIII) Consideration for avoiding coercion

As described in “(5) Policy for organizational restructuring, after the Tender Offer (matters relating to a “Two-Step Acquisition”)” above, (i) promptly after completion of settlement of the Tender Offer, the Tender Offeror plans to request that the Company perform the Share Cash-out Demand or the Share Consolidation and plans to request that the Company hold an Extraordinary General Shareholders Meeting, which is to include a proposal about a partial amendment to the Company’s Articles of Incorporation whereby the provision concerning the number of shares that constitute one unit shall be abolished subject to effectuation of the Share Consolidation. It has been made clear that the amount of money that will be delivered to each shareholder, Share Option Holder and ADRs Holder that did not tender in the Tender Offer will be calculated to be equal to be the same price that would have been received if they had tendered in the Tender Offer, that in the event of the Share Cash-out Demand, the shareholders of the Company, Share Option Holders and the ADRs Holders who receive the Company Shares related to the ADSs will have the right to petition the court for a price determination, and in the event of the Share Consolidation, the shareholders of the Company will have the right to demand the purchase of their shares, and the accompanying right to petition the court for a price determination. As a result of these measures, the Company’s shareholders will have the opportunity to make appropriate judgments as to whether to tender in the Tender Offer, thereby ensuring that there is no coercion. The Tender Offeror has set 52,861,561 shares (Ownership Ratio: 50.10%) as the minimum number of shares to be purchased in the Tender Offer, and as described in “(I) Outline of the Tender Offer” in “(2) Grounds and reasons for the opinion” above, when considering the number of voting rights required for the approval of the proposal for the Share Consolidation, the Tender Offeror has referred to the voting rights exercise ratio at past ordinary general shareholders meetings of the Company, and in light of the sum of the number of shares held by the Tender Offeror after the completion of the Tender Offer (the expected minimum Ownership Ratio in that case would be 50.10%), the number of Restricted Shares held by directors (excluding Director Takayuki Yamazaki, who expressed an opinion against the resolution to express an opinion in support of the Tender Offer on the premise of delisting the Company's shares at the Company's board of directors meeting held today) (the expected minimum Ownership Ratio in that case would be 0.09%), and the number of shares held by passive index management funds (the expected minimum Ownership Ratio in that case would be approximately 14%) (the sum total of such expected minimum Ownership Ratios in that case would be approximately 64.37%), the Tender Offer believes that unless the voting rights exercise ratio at the Extraordinary General Shareholders Meeting reaches approximately 96.56%, which is significantly higher than the past voting rights exercise ratio performance, the proposal for the Share Consolidation will be able to be passed, thereby ensuring there is

no coercion.

4. Details of material agreements between the Tender Offeror and the Company's shareholders, directors, etc. concerning tendering in the Tender Offer

(Before Amendment)

<Omitted>

(III) Agreement (Mr. Eto)

KKR Fund and Mr. Eto entered into the Agreement (Mr. Eto) as of today. In the Agreement (Mr. Eto), the parties agreed that (i) a management services agreement will be entered into by May 30, 2025 (the main terms of the management services agreement agreed to in the Agreement (Mr. Eto) are summarized in (a) through (c) below), and (ii) on or after the execution date of the Agreement (Mr. Eto), Mr. Eto shall not (a) engage in any provision of information, proposal, solicitation, discussions, negotiations or the execution of any transaction to or between any third party, directly or indirectly, in connection with a Conflicting Transaction (However, this does not prevent Mr. Eto from representing the Company in discussions or negotiations with third parties based on his position as President of the Company, only after the time when the Company is relieved of its obligation to express, publicize and maintain the Supporting Opinion in accordance with the Tender Offer Agreement.), and (b) if a third party makes a proposal or solicitation in connection with a Conflicting Transaction, Mr. Eto shall immediately notify KKR Fund of the details (This does not apply if the same information has been notified to KKR Fund by the Company.) and consult with KKR Fund in good faith as to how to respond. In addition, the Agreement (Mr. Eto) will automatically become invalid on the earlier of the date on which a tender offer for the Company Share Certificates by a party other than the Tender Offeror or its related parties is completed (a tender offer that (i) has no maximum number of shares to be purchased, (ii) has a minimum of more than half of the total voting rights, and (iii) guarantees an exit opportunity at the same price as the tender offer price to shareholders who do not tender their shares in the tender offer) or the date on which the Tender Offer Agreement is terminated.

(a) Management Delegation

- KKR Fund shall delegate to Mr. Eto the duty of faithfully performing the duties of the representative director of the Company, and Mr. Eto shall accept this delegation
- The initial management delegation period (“**Initial Management Delegation Period**”) shall be from the day which follows the completion of the take-private of the Company until the conclusion of the ordinary general shareholders meeting of the Company for the fiscal year ending March 31, 2029, unless a decision not to re-delegate is made by the voluntary nomination and compensation committee appointed by the Company (“**Nomination and Compensation Committee**”)

- After the expiration of the Initial Management Delegation Period, if Mr. Eto is nominated as President & CEO of the Company by the Nomination and Compensation Committee, Mr. Eto shall accept the nomination
- If Mr. Eto breaches any material obligation under the management services agreement, materially breaches laws and regulations or the articles of incorporation or other internal rules of the Company, KKR Fund may cause Mr. Eto to resign or may dismiss Mr. Eto from his position as a representative director or another position of the Company, irrespective of Mr. Eto's term of office

(b) Compensation

- Mr. Eto's compensation and incentive plan shall be determined by the Nomination and Compensation Committee of the Company

(c) Other Matters

- Mr. Eto's duty to remain dedicated, non-compete and non-solicit
- Matters concerning the governance structure and management policies of the Company
- General provisions such as compensation for damages and confidentiality

(After Amendment)

<Omitted>

(III) Agreement (Mr. Eto)

KKR Fund and Mr. Eto entered into the Agreement (Mr. Eto) as of today. In the Agreement (Mr. Eto), the parties agreed that (i) a management services agreement will be entered into by May 30, 2025 (the main terms of the management services agreement agreed to in the Agreement (Mr. Eto) are summarized in (a) through (c) below), and (ii) on or after the execution date of the Agreement (Mr. Eto), Mr. Eto shall not (a) engage in any provision of information, proposal, solicitation, discussions, negotiations or the execution of any transaction to or between any third party, directly or indirectly, in connection with a Conflicting Transaction (However, this does not prevent Mr. Eto from representing the Company in discussions or negotiations with third parties based on his position as President of the Company, only after the time when the Company is relieved of its obligation to express, publicize and maintain the Supporting Opinion in accordance with the Tender Offer Agreement.), and (b) if a third party makes a proposal or solicitation in connection with a Conflicting Transaction, Mr. Eto shall immediately notify KKR Fund of the details (This does not apply if the same information has been notified to KKR Fund by the Company.) and consult with KKR Fund in good faith as to how to respond. In addition, the Agreement (Mr. Eto) will automatically become invalid on the earlier of the date on which a tender offer for the Company Share Certificates by a party other than the Tender Offeror or its related parties is completed (a

tender offer that (i) has no maximum number of shares to be purchased, (ii) has a minimum of more than half of the total voting rights, and (iii) guarantees an exit opportunity at the same price as the tender offer price to shareholders who do not tender their shares in the tender offer) or the date on which the Tender Offer Agreement is terminated.

(a) Management Delegation

- KKR Fund shall delegate to Mr. Eto the duty of faithfully performing the duties of the representative director of the Company, and Mr. Eto shall accept this delegation
- The initial management delegation period (“**Initial Management Delegation Period**”) shall be from the day which follows the completion of the take-private of the Company until the conclusion of the ordinary general shareholders meeting of the Company for the fiscal year ending March 31, 2029, unless a decision not to re-delegate is made by the voluntary nomination and compensation committee appointed by the Company (“**Nomination and Compensation Committee**”)
- After the expiration of the Initial Management Delegation Period, if Mr. Eto is nominated as President & CEO of the Company by the Nomination and Compensation Committee, Mr. Eto shall accept the nomination
- If Mr. Eto breaches any material obligation under the management services agreement, materially breaches laws and regulations or the articles of incorporation or other internal rules of the Company, KKR Fund may cause Mr. Eto to resign or may dismiss Mr. Eto from his position as a representative director or another position of the Company, irrespective of Mr. Eto’s term of office

(b) Compensation

- Mr. Eto’s compensation and incentive plan shall be determined by the Nomination and Compensation Committee of the Company

(c) Other Matters

- Mr. Eto’s duty to remain dedicated, non-compete and non-solicit
- Matters concerning the governance structure and management policies of the Company
- General provisions such as compensation for damages and confidentiality

(IV) Tender Offer Agreement (VAC)

The Tender Offeror, the Tender Offeror Parent Company and KKR Fund entered into the Tender Offer Agreement (VAC) with VAC on April 16, 2025. Under the Tender Offer Agreement (VAC), KKR Fund and VAC (i) have agreed that subject to all of the conditions set forth in (a) below being satisfied or waived by VAC, VAC will tender all of its Tendered Shares (15,425,800 shares, ownership ratio: 14.62%) in the Tender Offer (in this “(IV) Tender Offer Agreement (VAC)”

referred to as the “**Tender**”) and (ii) agreed to the contents described in (a) through (k) below.

(a) Preconditions for the Tender

- The Tender Offer has commenced and has not been withdrawn
- The Company’s board of directors has resolved to express its Supporting Opinion and has not changed or withdrawn such resolution
- The representations and warranties made by the Tender Offeror, the Tender Offeror Parent Company and KKR Fund in the Tender Offer Agreement (VAC) are true and accurate in all material respects (Note 1)
- The obligations of the Tender Offeror, the Tender Offeror Parent Company and the KKR Fund to be performed or complied with by the commencement date of the Tender Offer as set forth in the Tender Offer Agreement (VAC) have been performed or complied with in all material respects (Note 2)
- There is no judgment, etc. by a judicial or administrative organ, etc. that restricts or prohibits the Tender Offer, the Tender or the LP Interest Acquisition, and there is no reasonable risk that such a judgment, etc. will be made
- (i) VAC, the Tender Offeror Parent Company and KKR Fund have entered into a definitive agreement regarding the LP Interest Acquisition (the “**Tender Offer Agreement (VAC)**”); (ii) the Tender Offer Agreement (VAC) has not been terminated; (iii) none of VAC, the Tender Offeror Parent Company or KKR Fund have breached any material obligation under Tender Offer Agreement (VAC); and (iv) all of the conditions for the performance of VAC’s obligations to implement the LP Interest Acquisition set forth in Tender Offer Agreement (VAC) (excluding those that, by their nature, can only be satisfied at the time of completion of the LP Interest Acquisition, and limited to those that can be satisfied at the time of completion of the LP Interest Acquisition) have been satisfied

(Note 1) In the Tender Offer Agreement (VAC), the Tender Offeror, the Tender Offeror Parent Company and KKR Fund represent and warrant (i) that they have been validly established and are continuing to validly exist; (ii) that they have the necessary authority and power to enter into and perform the Tender Offer Agreement (VAC); (iii) that the Tender Offer Agreement (VAC) is valid and enforceable; (iv) that they have obtained all necessary permits and approvals; (v) the absence of any conflict with laws and regulations regarding the execution and performance of the Tender Offer Agreement (VAC); (vi) the absence of any relationship with antisocial forces and the absence of any affiliation with antisocial forces; (vii) their compliance with laws and regulations; and (viii) the absence of any bankruptcy proceedings, etc.

(Note 2) Under the Tender Offer Agreement (VAC), as obligations required to be performed or complied with prior to the commencement of the Tender Offer, the Tender Offeror, the Tender Offeror Parent Company and KKR Fund are required to comply with the Tender Offer Agreement, enter into Tender Offer Agreement (VAC) described in (b) below, and assume obligations regarding compensation, confidentiality, etc.

(b) LP Interest Acquisition

- Subject to the successful completion of the Tender Offer, on the settlement commencement date of the Tender Offer, VAC will invest an amount up to 28,050,000,000 yen to be determined by VAC in KKR Fund and acquire limited partner interests in KKR Fund.
- Promptly after execution of the Tender Offer Agreement (VAC), KKR Fund, the Tender Offeror Parent Company, and the investment vehicle newly established by the Tender Offeror Parent Company as a limited partner of KKR Fund, KKR Fund, the Tender Offeror, and VAC will make reasonable efforts to the maximum extent possible and negotiate in good faith to execute Tender Offer Agreement (VAC).

(Note 3) Under the LP Interest Acquisition, as stated in Tender Offer Agreement (VAC), agreement has been reached on matters concerning the governance and monitoring of the Tender Offeror Parent Company, including that VAC can dispatch one observer to board of directors' meetings of the Tender Offeror Parent Company limited to when important matters are discussed at board of directors' meetings of the Tender Offeror Parent Company, matters concerning the handling of the KKR Fund's limited partner interests held by VAC, such as transfer restrictions, the drag-along right of KKR Fund, the tag-along right of VAC, and the exit right of VAC, as well as on general provisions such as the grounds for termination of the agreement, etc.

(c) Prohibition on acquisitions, etc.

- VAC will not, directly or indirectly, acquire or transfer, etc. the Company's shares or Stock Options, except for the Tender Offer, from the date of execution of the Tender Offer Agreement (VAC) to the commencement date of settlement for the Tender Offer (excluding the termination of existing cash-settled derivative contracts related to the Company's shares held by VAC or its affiliates).

(d) Matters concerning conflicting transactions, etc.

- From the date of execution of the Tender Offer Agreement (VAC) to the last day of the Tender Offer Period, VAC will not (i) execute any transaction that is reasonably likely to prevent the execution of the Tender Offer or the Tender (including tendering all or part of the Company shares held by VAC to a tender offer other than the Tender Offer, or agreeing to the acquisition or transfer, etc. of the Company's shares, excluding the termination of existing cash-settled derivative contracts related to the Company's shares held by VAC or its affiliates; in this "(IV) Tender Offer Agreement (VAC)" referred to as the "**Competing Transactions**") nor enter into any agreement relating to Competing Transactions, and (ii) not directly or indirectly (A) provide any information to any third party in relation to Competing Transactions, or (B) make any proposal, invitation, discussion or negotiation in relation to Competing Transactions, nor cause VAC's affiliates to engage in any of the acts set out in (i) and (ii) above.

- If VAC receives a proposal from a third party regarding a Competing Transaction between the date of the Tender Offer Agreement (VAC) and the last day of the Tender Offer Period, VAC will promptly notify the Tender Offeror of such fact and the content of the proposal, and will consult in good faith regarding how to respond.

(e) Matters related to general meetings of shareholders

- VAC will not request any general meeting of shareholders of the Company to be convened or discuss the exercise of voting rights at a general meeting of shareholders of the Company without the prior written consent of the Tender Offeror.
- If a general meeting of shareholders of the Company is held with a record date for the exercise of rights prior to the commencement date of settlement for the Tender Offer, VAC will exercise voting rights and other rights at such general meeting of shareholders in accordance with the instructions of the Tender Offeror.

(f) Counter proposals

- From the date of execution of the Tender Offer Agreement (VAC) until five business days prior to the last day of the Tender Offer Period, (i) (A) if a competing tender offer which targets all of the Company's shares and Share Options at a price that exceeds the Tender Offer Price is commenced in accordance with Article 27-2 of the Act, (in this "(IV) Tender Offer Agreement (VAC)" referred to as a "**Counter Proposal**") is commenced, and (B) the Company's board of directors expresses an opinion to the effect that it supports the said Counter Proposal and recommends that the Company's shareholders tender their shares in response to the said Counter Proposal (in this "(IV) Tender Offer Agreement (VAC)" such competing proposal is referred to as a "**Superior Proposal**"); (ii) VAC has not violated the provisions of the Tender Offer Agreement (VAC); and (iii) after consulting with its financial advisor(s) and outside legal advisor(s), if VAC determines in good faith that not tendering in the said Superior Proposal would be a breach of the obligations of the joint portfolio managers of VAC to investors under applicable laws and regulations, etc., then VAC may request that the Tender Offeror raise the Tender Offer Price to the same level or above the tender offer price in the said Superior Proposal, and if the Tender Offeror does not increase the Tender Offer Price to the same level or above the tender offer price of the said Superior Proposal in response to such request within three business days, VAC may tender to the said Superior Proposal.

In addition to the above, the Tender Offer Agreement (VAC) also stipulates representations and warranties by VAC (Note 4), indemnification clauses, grounds for ending and terminating the agreement, and general clauses.

- (Note 4) In the Tender Offer Agreement (VAC), VAC represents and warrants (i) that it has been validly established and is continuing to validly exist; (ii) that it has the necessary authority and power to enter into and perform the Tender Offer Agreement (VAC); (iii) that the Tender Offer Agreement (VAC) is valid and enforceable; (iv) that it has obtained all necessary permits and approvals; (v) the

absence of any conflict with laws and regulations regarding the execution and performance of the Tender Offer Agreement (VAC); (vi) the absence of any relationship with antisocial forces and the absence of any affiliation with antisocial forces; (vii) its compliance with laws and regulations; (viii) the absence of any bankruptcy proceedings, etc.; and (ix) matters concerning the Company's shares, etc.

End of Document