

Notice: This document is a translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

April 16, 2025

To whom it may concern:

Company Name: Topcon Corporation
Representative: Takashi Eto,
President & CEO
(Code Number: 7732; TSE Prime Market)
Contact: Haruhiko Akiyama,
Director, Senior Managing Executive
Officer, General Manager, Accounting &
Finance Division
(TEL 03 (3558) 2532)

Company Name: TK Co., Ltd.
Representative: Burke Malek, Representative Director

(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.”

TK Co., Ltd. hereby announces that today, it has published 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.” as attached hereto.

End

This press release is published by TK Co., Ltd. (Tender Offeror) in accordance with Article 30, paragraph (1), item (iv) of the Order for Enforcement of the Financial Instruments and Exchange Act based on a request made by Topcon Corporation (the Target Company in the Tender Offer).

(Attachment)

(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” dated April 16, 2025

April 16, 2025

To whom it may concern:

Company TK Co., Ltd.
Name:
Representative: Burke Malek, Representative Director

(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.”

TK Co., Ltd. (“Tender Offeror”) hereby announces that partial amendments have been made to the “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” published on March 28, 2025, as detailed below.

The Tender Offeror hereby announces that 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 Ownership Ratio: 9.25%) and ValueAct Strategic Master Fund II, L.P. (Number of Shares: 5,671,100, Ownership Ratio: 5.37%) (collectively, “VAC”), shareholders of Topcon Corporation (“Target Company”) and KKR, pursuant to which VAC will tender all of its Target Company Shares in the tender offer by the Tender Offeror (“Tender Offer”), and subject to the completion of the Tender Offer, VAC shall invest a certain amount in the KKR Fund on the commencement date of settlement of the Tender Offer.

The board of directors of the Target Company resolved at a meeting held on April 16, 2025 to maintain the resolution made at the board of directors meeting of the Target Company held on March 28, 2025 to express its opinion in support of the Tender Offer and to recommend that the Target Company’s shareholders and Share Option Holders tender in the Tender Offer, and for the ADR Holders to surrender their ADRs to the Depository Bank in advance and receive Target Company Shares relating to their ADS, and then tender in the Tender Offer, if the Tender Offer has commenced.

Revisions are underlined.

1. Purpose of the Tender Offer
- (1) Outline of the Tender Offer

(Prior to revision)

(omitted)

Furthermore, on March 17, 2025 the KKR Fund entered into a confidentiality agreement with 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%), shareholders of the Target Company and KKR (collectively, “VAC”), and has commenced discussions with VAC as to whether VAC will tender its Target Company Shares (15,425,800 shares, Ownership Ratio: 14.62%) in the Tender Offer, and/or whether and how to make a reinvestment in the KKR Fund, etc. As of today, such discussions are continuing.

- (Note 4) The valuation of the Target 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 (as defined in “(II) Discussion Between the Tender Offeror and the Target Company, and the Process of Decision-making by the Tender Offeror, etc.” in “(2) Background, Purpose, and Decision-making Process Leading to the Determination to Conduct the Tender Offer, and the Management Policy After the Tender Offer” below; the same shall apply hereinafter), 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 Target Company Shares in the Share Consolidation (as defined in “(II) Share Consolidation” in “(4) 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 8): 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 Target Company private by acquiring all of the Target 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”, published 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 2) 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 is aware that there are some passive index management funds that, in general, have a tendency to 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 that such a tendency is also shared

by some passive index management funds that hold Target Company Shares. 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 Target Company Shares to be acquired through the Tender Offer and the number of Restricted Shares (Note 10) (94,800 shares) for directors that supported the Tender Offer (excluding director Takayuki Yamazaki, who, at the meeting of the board of directors of the Target Company held today, expressed his opposition in the resolution to express an opinion in support of the Tender Offer, on the premise that the Target Company Shares are delisted) can be added to the number of voting rights representing the total number of Target 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 Target 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 “(4) Policy on Post-Tender Offer Organizational Restructuring, Etc. (Matters Relating to the Two-Step Acquisition); the same shall apply hereinafter), 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 Target Company to identify institutional investors among the shareholders of the Target 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 Target Company Shares (Ownership Ratio: 14.18%) are held by passive index management funds. As a result, the Tender Offeror believes that the Target Company Shares held by the Target 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 that supported the Tender Offer (0.09%) from 100% (excluding director Takayuki Yamazaki, who, at the meeting of the board of directors of the Target Company held today, expressed his opposition in the resolution to express an opinion in support of the Tender Offer, on the premise that the Target Company Shares are delisted), 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 Target 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 Target 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 Target Company, after taking into consideration all of the factors in “(I) Basis for Calculation” in “(4) Basis for Calculation of Purchase Price” under “(2) Outline of the Purchase” 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 Target Company, while respecting the decision of the general shareholders of the Target 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 11) at past ordinary general shareholders meetings of the Target 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 that supported the Tender Offer (the expected minimum Ownership Ratio in that case would be 0.09%) (excluding director Takayuki Yamazaki, who, at the meeting of the board of directors of the Target Company held today, expressed his opposition in the resolution to express an opinion

in support of the Tender Offer, on the premise that the Target Company Shares are delisted), 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 Target Company after such date. In addition, as described above, KKR is as of today, currently in discussions with VAC as to whether VAC will tender its Target Company Shares (15,425,800 shares, Ownership Ratio: 14.62%) in the Tender Offer, and/or whether and how to make a reinvestment in the KKR Fund, etc. If an agreement is reached with VAC prior to the commencement of the Tender Offer with respect to the handling of the Target Company Shares held by VAC, such minimum number of shares to be purchased may be set taking into account the terms of such 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 8) “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 Target 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) (“Target Company Financial Results”) submitted by the Target Company on January 30, 2025, less (ii) the number of treasury shares owned by the Target Company as of December 31, 2024 as reported in the Target 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 Target Company (100,000 shares); the same shall apply hereinafter.

(Note 9) “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 10) Although the restricted shares of the Target Company granted to the directors of the Target 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 Target Company held today, a resolution was adopted expressing an opinion in support of the Tender Offer, on the assumption of the delisting of the Target Company Shares. 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, it is expected that the directors that supported the Tender Offer 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 is deducted (94,800 shares, Ownership Ratio: 0.09%) (excluding director Takayuki Yamazaki, who, at the above-mentioned board of directors meeting expressed his opposition).

(Note 11) According to the Annual Securities Report for the 131st Fiscal Year submitted by the Target 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 Target Company is approximately 86.51%.

The Tender Offeror plans to finance the funds required for the settlement of the Tender Offer by borrowing from financial institutions and through capital contributions from the Tender Offeror Parent Company (including appropriation of the amount paid by JICC to the Tender Offeror Parent Company in the Investment).

If the Tender Offeror is unable to acquire all of the Target Company Shares, all of the Share Options, and all of the ADRs through the Tender Offer, the Tender Offeror intends to implement a series of procedures after the completion of the Tender Offer to make the Tender Offeror the sole shareholder of the Target Company (“Squeeze-out Procedure”; for details, please refer to “(4) Policy on Post-Tender Offer Organizational Restructuring, Etc. (Matters Relating to the Two-Step Acquisition)”.

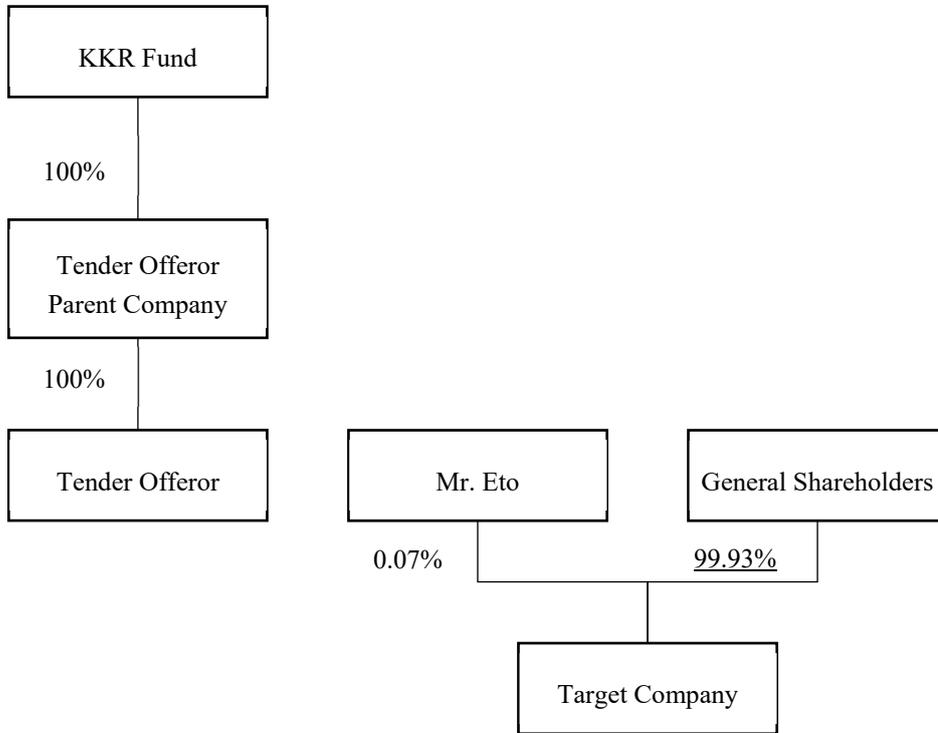
According to the “Notice Concerning the Supporting Opinion and Tender Recommendation Opinion for the Planned Commencement of the Tender Offer for the Company Share Certificates by TK Co., Ltd. as part of the Implementation of MBO, and Capital Participation by KKR Japan and JIC Capital, Ltd.”, which the Target Company released as of today (“Target Company Press Release”), the Target Company resolved at a meeting of its board of directors held today, as the current opinion of the Target Company, to express its opinion in support of the Tender Offer and to recommend that the Target Company’s shareholders and Share Option holders (“Share Option Holders”) tender in the Tender Offer, and for the ADR holders (“ADR Holders”) to surrender their ADRs to the Depository Bank in advance and receive Target Company Shares relating to their ADS, and then tender in the Tender Offer, if the Tender Offer has commenced.

In addition, the Tender Offer is scheduled to commence promptly if all of the Conditions Precedent are satisfied or waived, and as of today, the Tender Offer is scheduled to commence around the end of July 2025. However, since it is difficult to accurately estimate the period of time required for the procedures with the domestic and overseas competition authorities and authorities with jurisdiction over inward direct investment, the Target Company has resolved at the above-mentioned board of directors meeting that at the time of commencement of the Tender Offer, the board of directors of the Target Company will request that the Strategic Special Committee examine whether there has been any change in the opinion stated in the report submitted by the Strategic Special Committee to the Target Company’s board of directors today, and if there is no change in the previous opinion, to report as such to the Target Company’s board of directors, and if there is any change, to report the opinion of the Strategic Special Committee after such change. The Target Company also resolved that, taking into account such opinion, it will express its opinion on the Tender Offer again at the time of commencement of the Tender Offer. For details of the resolution of the board of directors of the Target Company, please refer to the Target Company Press Release and “(VII) Approval by Directors with No Interest in the Target Company and the Absence of Objections by All Statutory Auditors” in “(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below.

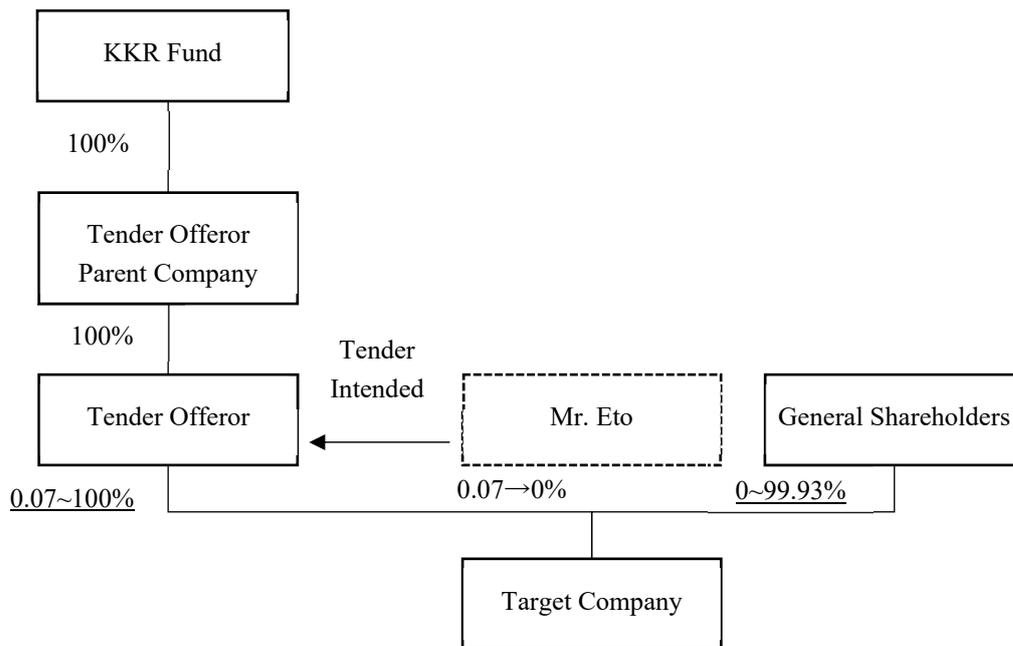
<Overview of Structure of the Tender Offer and Anticipated Subsequent Procedures>

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

I. Current State (as of today)

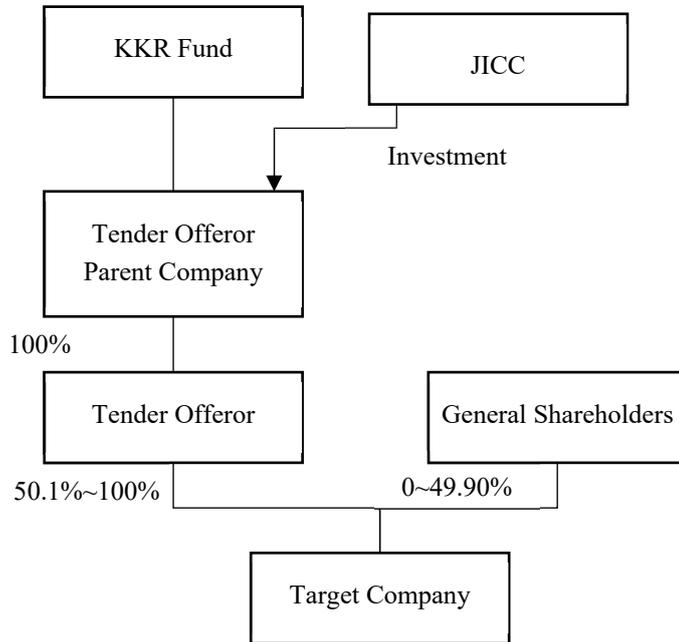


II. Tender Offer (around end of July, 2025 to around end of August 2025) (planned)

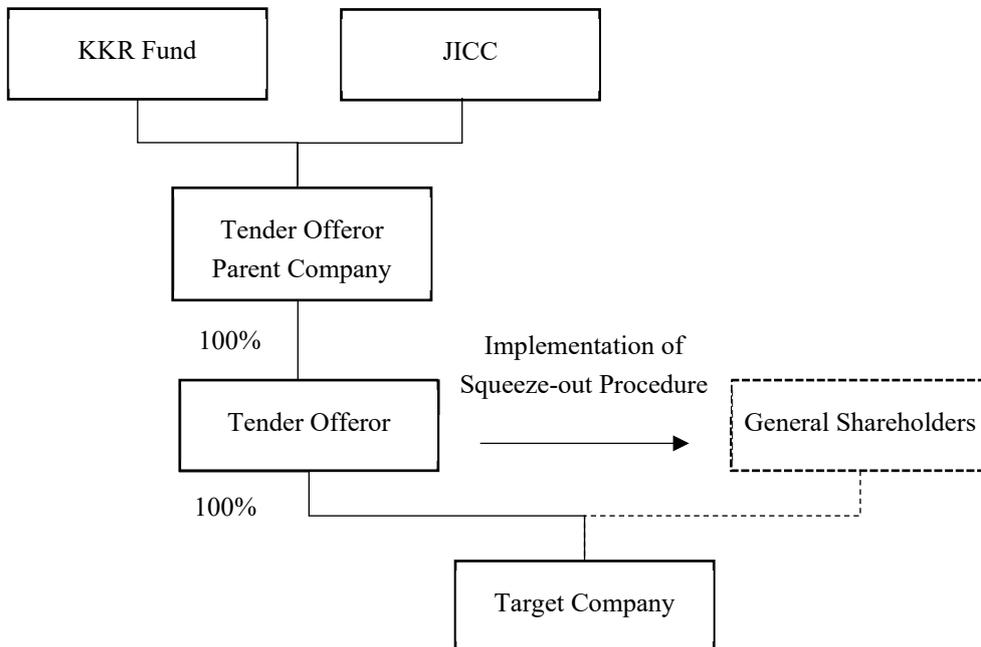


III. After Completion of the Tender Offer (from September 2025 onwards) (planned)

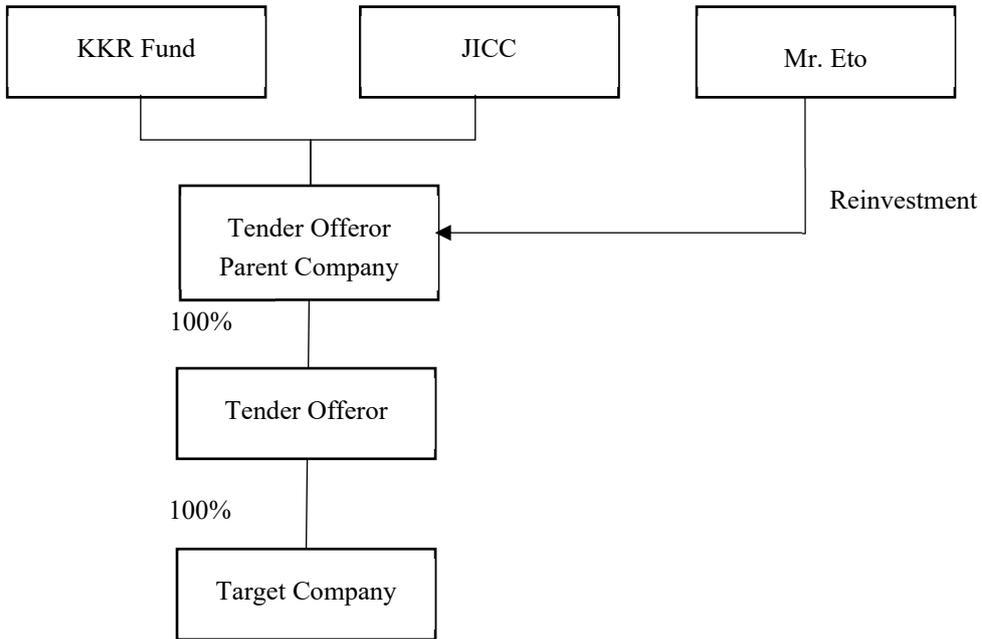
(1) The Investment



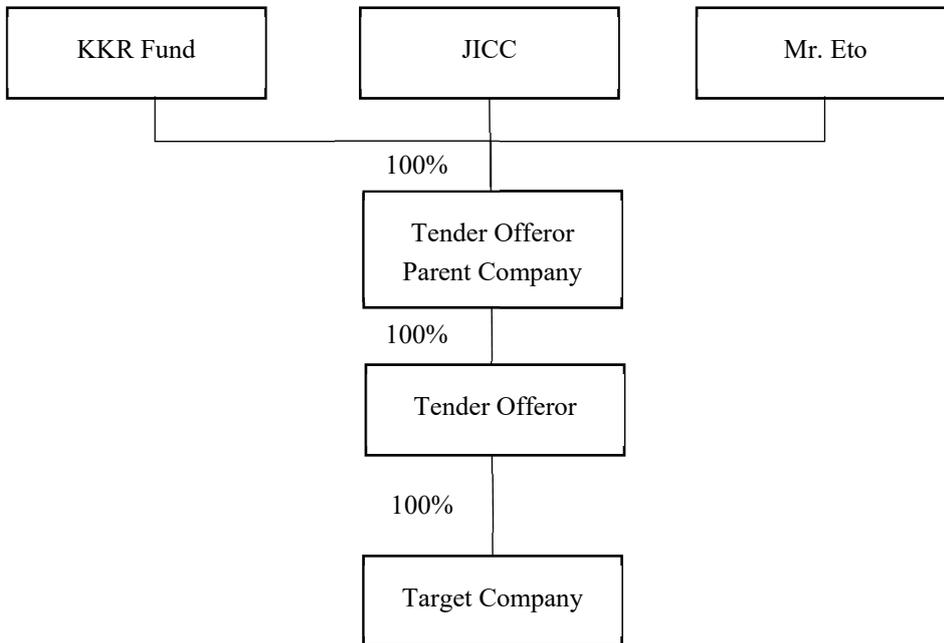
(2) (After Implementation of the Investment) The Squeeze-out Procedure



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



(4) (After Implementation of the Reinvestment)



(After revision)

(omitted)

Furthermore, on March 17, 2025 the KKR Fund entered into a confidentiality agreement with 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%), shareholders of the Target Company and KKR (collectively, “VAC”), and in order to increase the likelihood of the Tender Offer being successful, commenced negotiations with VAC regarding VAC tendering its Target Company Shares (15,425,800 shares, Ownership Ratio: 14.62%. “Agreed Tender Shares”) in the Tender Offer. Subsequently, taking into account that VAC has owned the Target Company Shares over a medium- to long-term period, and the fact that VAC will be able to share its insight with KKR, discussions also commenced regarding VAC not tendering a portion of the Agreed Tender Shares and making a reinvestment in the KKR Fund. Subsequently, the Tender Offeror, the Tender Offeror Parent Company, and the KKR Fund entered into an agreement with VAC on April 16, 2025 (“Tender Agreement (VAC)”), whereby (1) VAC agreed to tender all of the Agreed Tender Shares in the Tender Offer, and (2) subject to the completion of the Tender Offer, VAC shall make an investment in the KKR Fund, in the amount determined by VAC, up to a maximum of 28,050,000,000 yen, on the commencement date of settlement of the Tender Offer, and acquire limited partner interests in the KKR Fund (“LP Interest Acquisition”). For an overview of the Tender Agreement (VAC) please refer to “(IV) Tender Agreement (VAC)” in “(6) Matters Concerning Material Agreements Relating to the Tender Offer” below (Note 4) (Note 8).

(Note 4) The valuation of the Target Company Shares, which is the basis for determining the price per share for the Tender Offeror Parent Company shares in the Reinvestment, and the price for the limited partner interests in the 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 (as defined in “(II) Discussion Between the Tender Offeror and the Target Company, and the Process of Decision-making by the Tender Offeror, etc.” in “(2) Background, Purpose, and Decision-making Process Leading to the Determination to Conduct the Tender Offer, and the Management Policy After the Tender Offer” below; the same shall apply hereinafter), 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 Target Company Shares in the Share Consolidation (as defined in “(II) Share Consolidation” in “(4) 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 8) The reason that VAC will make the LP Interest Acquisition in the KKR Fund is that VAC has held the Target Company Shares over a medium- to long-term period, and as it is considered to have a certain degree of insight about the Target Company’s business and measures to increase its corporate value, it would be able to share such insight with KKR. Thus, given that the LP Interest Acquisition by VAC was considered independently of whether VAC would tender in the Tender Offer, it is considered that this 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 9): 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 Target Company private by acquiring all of the Target 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”, published 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 10) 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 is aware that there are some passive index management funds that, in general, have a tendency to 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 that such a tendency is also shared by some passive index management funds that hold Target Company Shares. 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 Target Company Shares to be acquired through the Tender Offer and the number of Restricted Shares (Note 11) (94,800 shares) for directors that supported the Tender Offer (excluding director Takayuki Yamazaki, who, at the meeting of the board of directors of the Target Company held today, expressed his opposition in the resolution to express an opinion in support of the Tender Offer, on the premise that the Target Company Shares are delisted) can be added to the number of voting rights representing the total number of Target 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 Target 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 “(4) Policy on Post-Tender Offer Organizational Restructuring, Etc. (Matters Relating to the Two-Step Acquisition); the same shall apply hereinafter), 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 Target Company to identify institutional investors among the shareholders of the Target 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 Target Company Shares (Ownership Ratio: 14.18%) are held by passive index management funds. As a result, the Tender Offeror believes that the Target Company Shares held by the Target 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 that supported the Tender Offer (0.09%) from 100% (excluding director Takayuki Yamazaki, who, at the meeting of the board of directors of the Target Company held today, expressed his opposition in the resolution to express an opinion in support of the Tender Offer, on the premise that the Target Company Shares are delisted), 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 Target 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 Target 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 Target Company, after taking into consideration all of the factors in “(I) Basis for Calculation” in “(4) Basis for Calculation of Purchase Price” under “(2) Outline of the Purchase” 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 Target Company, while respecting the decision of the general shareholders of the Target 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 12) at past ordinary general shareholders meetings of the Target 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 that supported the Tender Offer (the expected minimum Ownership Ratio in that case would be 0.09%) (excluding director Takayuki Yamazaki, who, at the meeting of the board of directors of the Target Company held today, expressed his opposition in the resolution to express an opinion in support of the Tender Offer, on the premise that the Target Company Shares are delisted), 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 Target Company after such date.

(Note 9) “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 Target 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) (“Target Company Financial Results”) submitted by the Target Company on January 30, 2025, less (ii) the number of treasury shares owned by the Target Company as of December 31, 2024 as reported in the Target 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 Target Company (100,000 shares); the same shall apply hereinafter.

(Note 10) “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 11) Although the restricted shares of the Target Company granted to the directors of the Target 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 Target Company held today, a resolution was adopted expressing an opinion in support of the Tender Offer, on the assumption of the delisting of the Target Company Shares. 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, it is expected that the directors that supported the Tender Offer 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 is deducted (94,800 shares, Ownership Ratio: 0.09%) (excluding

director Takayuki Yamazaki, who, at the above-mentioned board of directors meeting expressed his opposition).

(Note 12) According to the Annual Securities Report for the 131st Fiscal Year submitted by the Target 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 Target Company is approximately 86.51%.

The Tender Offeror plans to finance the funds required for the settlement of the Tender Offer by borrowing from financial institutions and through capital contributions from the Tender Offeror Parent Company (including appropriation of the amount paid by JICC to the Tender Offeror Parent Company in the Investment).

If the Tender Offeror is unable to acquire all of the Target Company Shares, all of the Share Options, and all of the ADRs through the Tender Offer, the Tender Offeror intends to implement a series of procedures after the completion of the Tender Offer to make the Tender Offeror the sole shareholder of the Target Company (“Squeeze-out Procedure”; for details, please refer to “(4) Policy on Post-Tender Offer Organizational Restructuring, Etc. (Matters Relating to the Two-Step Acquisition)”.

According to the “Notice Concerning the Supporting Opinion and Tender Recommendation Opinion for the Planned Commencement of the Tender Offer for the Company Share Certificates by TK Co., Ltd. as part of the Implementation of MBO, and Capital Participation by KKR Japan and JIC Capital, Ltd.”, which the Target Company released as of today (together with 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” dated April 16, 2025, the “Target Company Press Release”), the Target Company resolved at a meeting of its board of directors held today, as the current opinion of the Target Company, to express its opinion in support of the Tender Offer and to recommend that the Target Company’s shareholders and Share Option holders (“Share Option Holders”) tender in the Tender Offer, and for the ADR holders (“ADR Holders”) to surrender their ADRs to the Depository Bank in advance and receive Target Company Shares relating to their ADS, and then tender in the Tender Offer, if the Tender Offer has commenced.

In addition, the Tender Offer is scheduled to commence promptly if all of the Conditions Precedent are satisfied or waived, and as of today, the Tender Offer is scheduled to commence around the end of July 2025. However, since it is difficult to accurately estimate the period of time required for the procedures with the domestic and overseas competition authorities and authorities with jurisdiction over inward direct investment, the Target Company has resolved at the above-mentioned board of directors meeting that at the time of commencement of the Tender Offer, the board of directors of the Target Company will request that the Strategic Special Committee examine whether there has been any change in the opinion stated in the report submitted by the Strategic Special Committee to the Target Company’s board of directors today, and if there is no change in the previous opinion, to report as such to the Target Company’s board of directors, and if there is any change, to report the opinion of the Strategic Special Committee after such change. The Target Company also resolved that, taking into account such opinion, it will express its opinion on

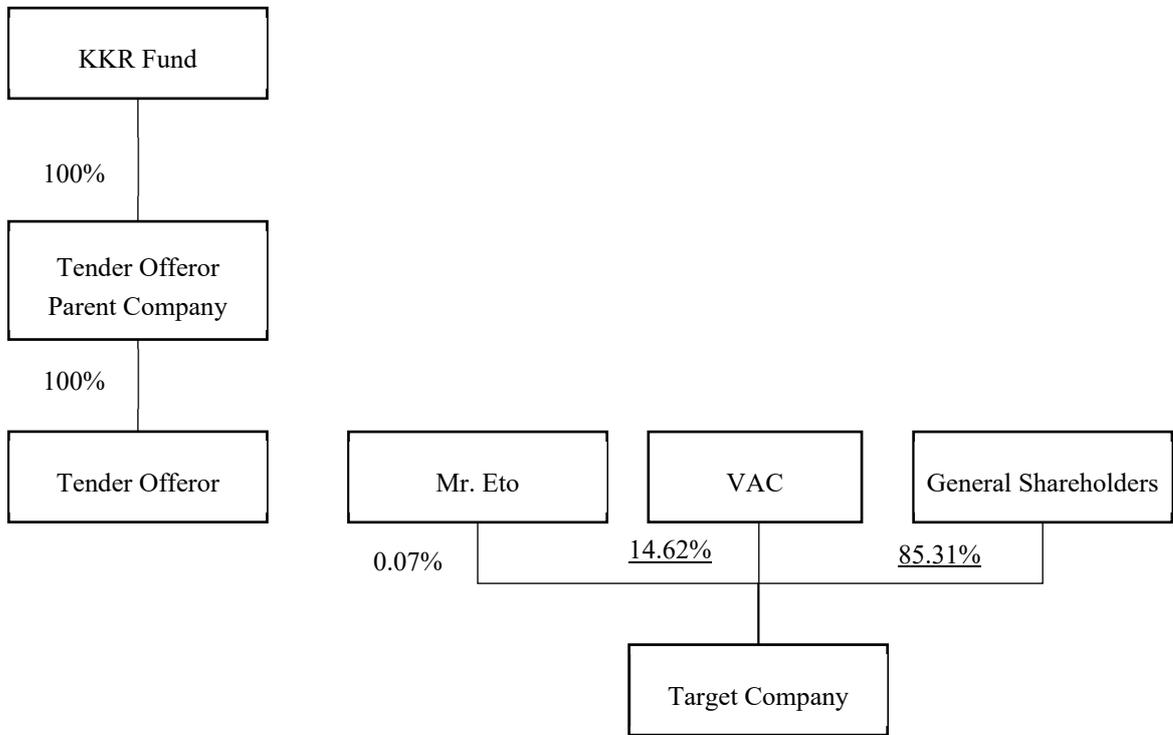
the Tender Offer again at the time of commencement of the Tender Offer.

Subsequently, the Tender Offeror, the Tender Offeror Parent Company, and the KKR Fund entered into the Tender Agreement (VAC) with VAC on April 16, 2024, which includes the implementation of the LP Interest Acquisition, and as a result, while respecting to the utmost the contents of the supplemental report received from the Strategic Special Committee dated April 16, 2025 (“Supplemental Report”. For the specific contents of the Supplemental Report, please refer to the Target Company Press Release and “(IV) Establishment of an Independent Special Committee by the Target Company and Obtaining a Report from the Special Committee” in “(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below”), the Target Company again carefully discussed and examined the terms of the Tender Offer. As a result, as there are no circumstances that would lead to the determination that the execution of the Tender Agreement (VAC) and the LP Interest Acquisition would undermine the appropriateness or fairness of the terms and procedures of the Transaction, the board of directors of the Target Company resolved at a meeting held on April 16, 2025 to maintain the resolution made at the board of directors meeting of the Target Company held on March 28, 2025 to express its opinion in support of the Tender Offer and to recommend that the Target Company’s shareholders and Share Option Holders tender in the Tender Offer, and for the ADR Holders to surrender their ADRs to the Depository Bank in advance and receive Target Company Shares relating to their ADS, and then tender in the Tender Offer, if the Tender Offer has commenced. For details of the resolution of the board of directors of the Target Company, please refer to the Target Company Press Release and “(VI) Approval by Directors with No Interest in the Target Company and the Absence of Objections by All Statutory Auditors” in “(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below.

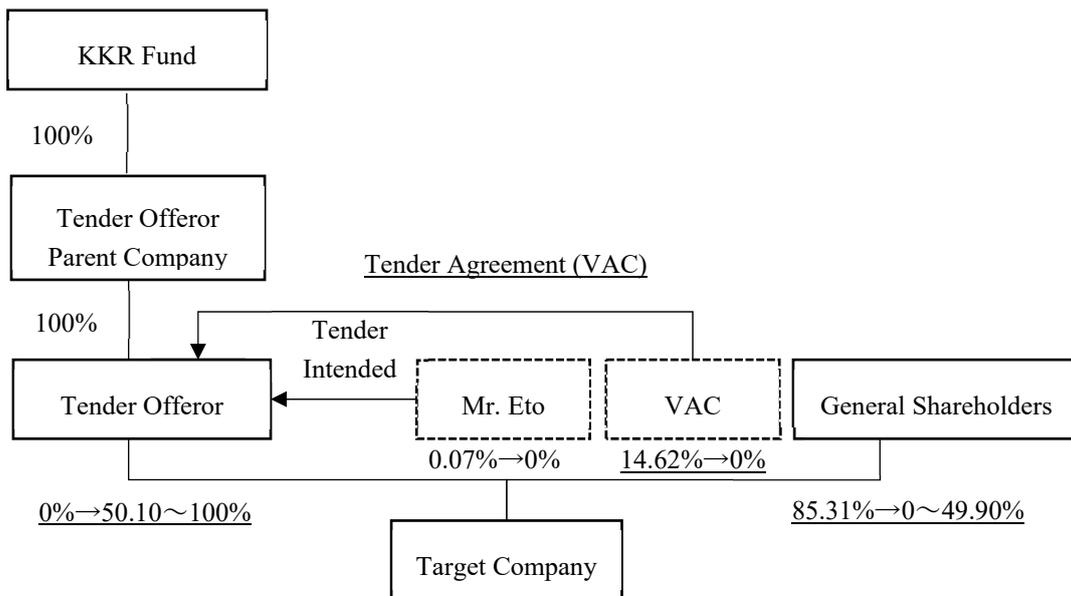
<Overview of Structure of the Tender Offer and Anticipated Subsequent Procedures>

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

I. Current State (as of today)

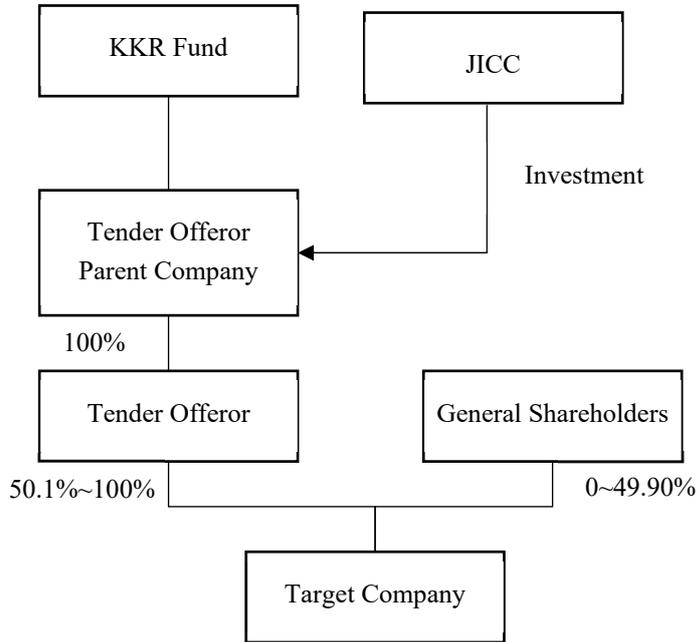


II. Tender Offer (around end of July, 2025 to around end of August 2025) (planned)

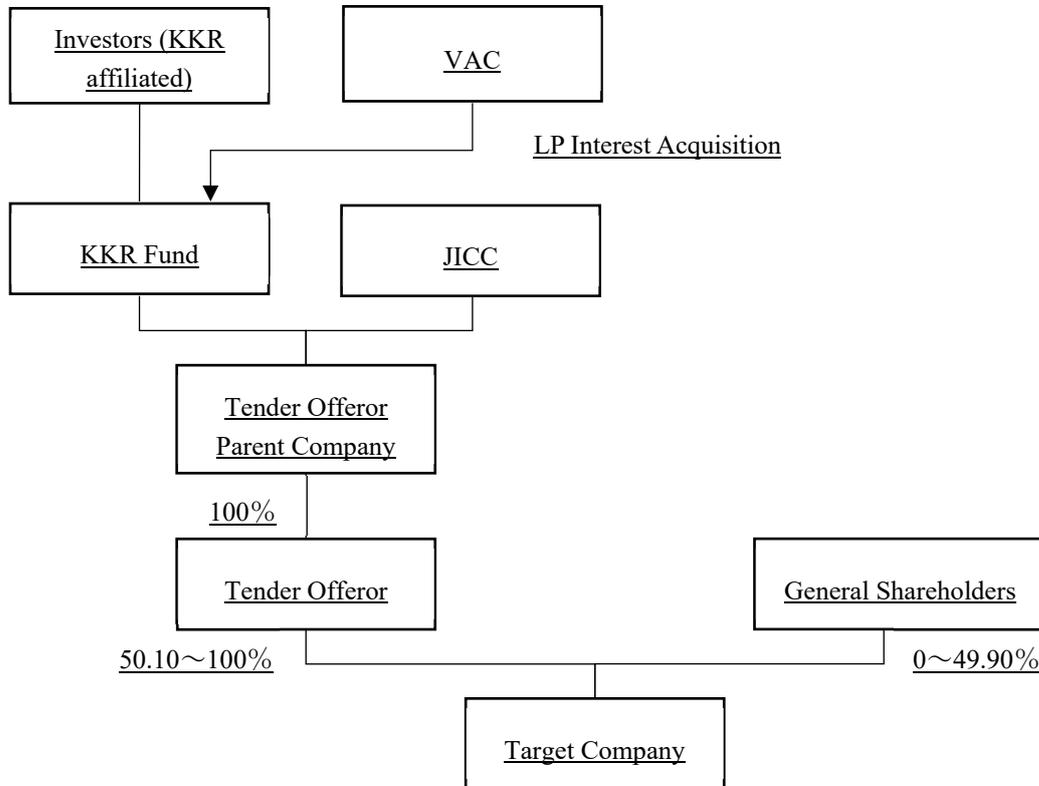


III. After Completion of the Tender Offer (from September 2025 onwards) (planned)

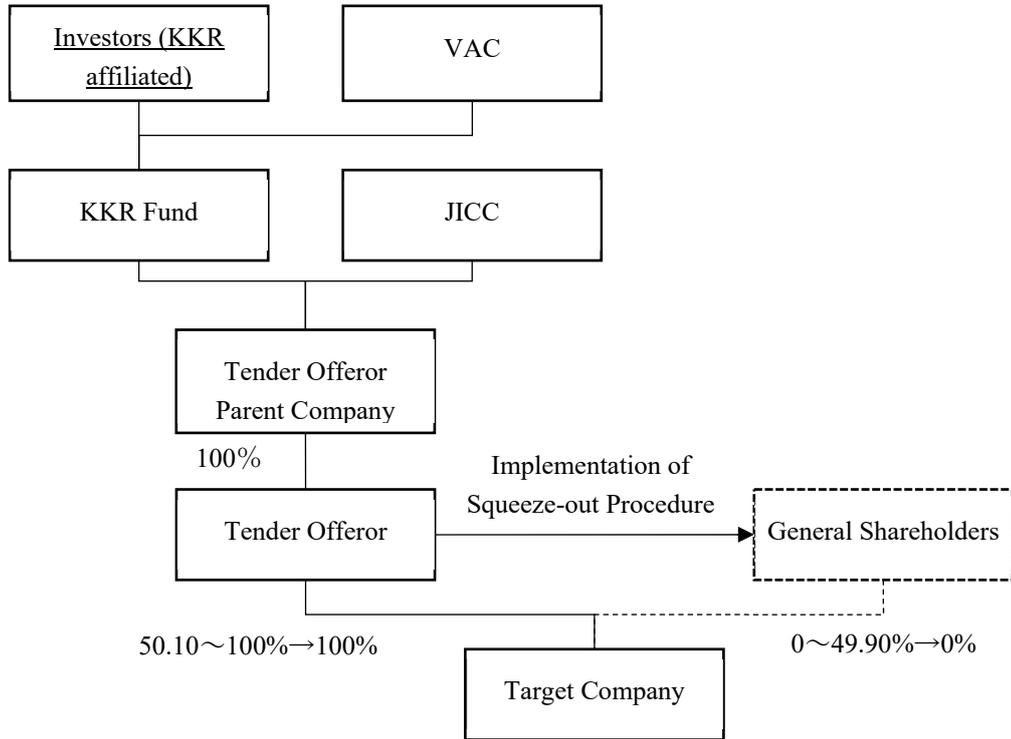
(1) The Investment



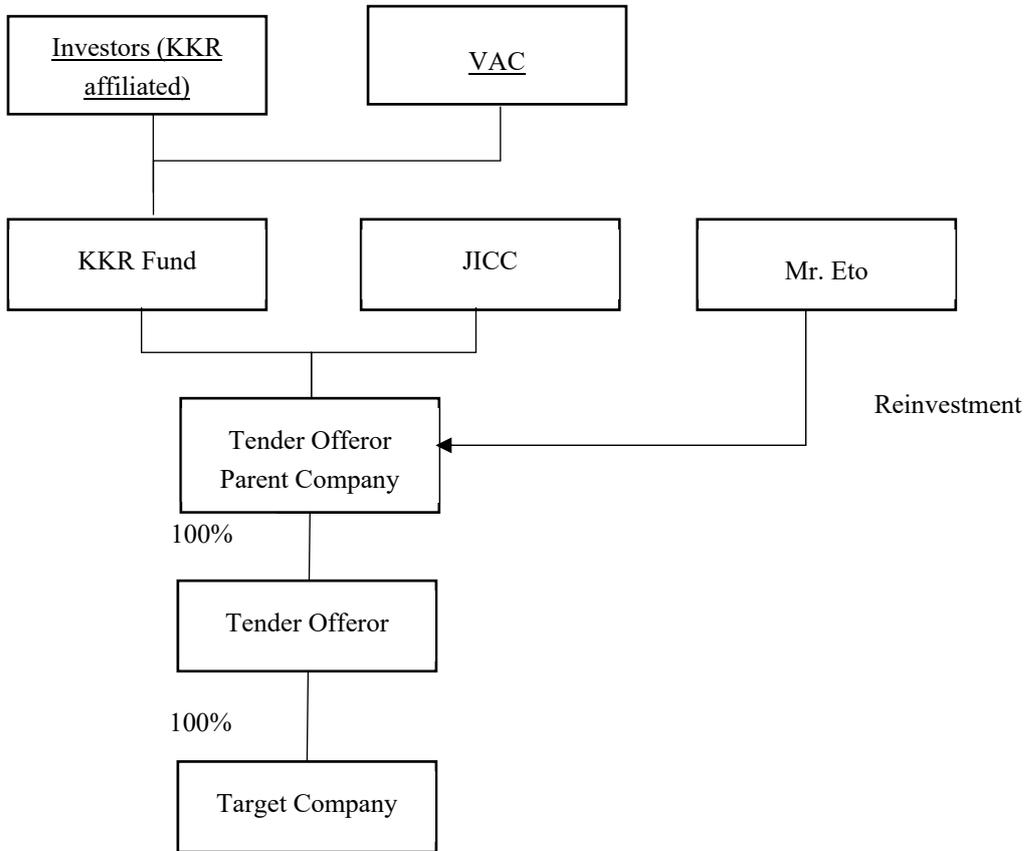
(2) The LP Interest Acquisition



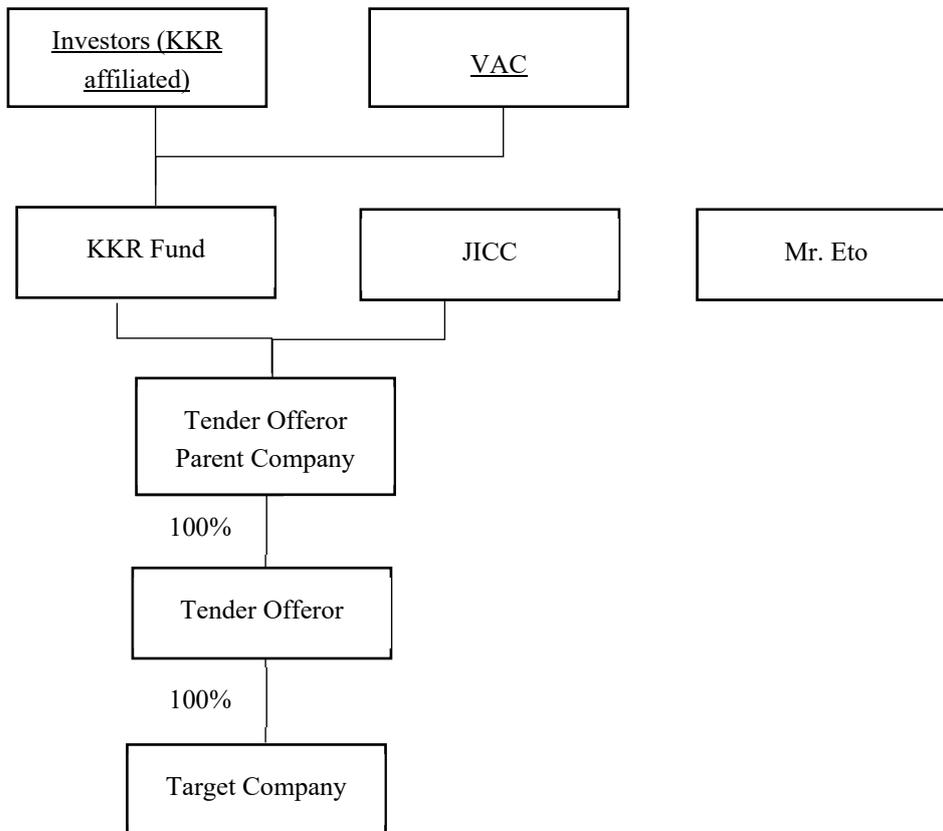
(3) (After Implementation of the Investment and the LP Interest Acquisition) The Squeeze-out Procedure



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



(5) (After Implementation of the Reinvestment)



(2) Background, Purpose, and Decision-making Process Leading to the Determination to Conduct the Tender Offer, and the Management Policy After the Tender Offer

(Prior to revision)

(II) Discussion Between the Tender Offeror and the Target Company, and the Process of Decision-making by the Tender Offeror, etc.

(omitted)

Subsequently, on March 3, 2025, KKR was notified by the Target Company that KKR was granted exclusive negotiation rights for the Transaction. After continuing discussions with the Target 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 Target 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 final, legally-binding proposal for the Transaction to the board of directors and Strategic Special Committee on March 26, 2025, with the tender offer price of the Target Company Shares at 3,300 yen per Target Company Share (“Tender Offer Price”), 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 Target Company Share by the number of the Target Company Shares underlying each Share Option (“Share Option Purchase Price”). Today, KKR has reached an agreement with the Target Company to implement the Transaction with a Tender Offer Price of 3,300 yen, a Share Option Purchase Price of 193,400 yen, and a purchase price per Target Company Share for the ADS represented by

ADRs at the same price as the Tender Offer Price, and the Tender Offeror has decided to implement the Tender Offer.

(After revision)

- (II) Discussion Between the Tender Offeror and the Target Company, and the Process of Decision-making by the Tender Offeror, etc.

(omitted)

Subsequently, on March 3, 2025, KKR was notified by the Target Company that KKR was granted exclusive negotiation rights for the Transaction. After continuing discussions with the Target 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 Target 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 final, legally-binding proposal for the Transaction to the board of directors and Strategic Special Committee on March 26, 2025, with the tender offer price of the Target Company Shares at 3,300 yen per Target Company Share (“Tender Offer Price”), 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 Target Company Share by the number of the Target Company Shares underlying each Share Option (“Share Option Purchase Price”). Today, KKR has reached an agreement with the Target Company to implement the Transaction with a Tender Offer Price of 3,300 yen, a Share Option Purchase Price of 193,400 yen, and a purchase price per Target Company Share for the ADS represented by ADRs at the same price as the Tender Offer Price, and the Tender Offeror has decided to implement the Tender Offer.

Furthermore, on March 17, 2025 the KKR Fund entered into a confidentiality agreement with VAC, a shareholder of KKR and the Target Company, and in order to increase the likelihood of the Tender Offer being successful, commenced negotiations with VAC regarding VAC tendering the Agreed Tender Shares in the Tender Offer. Subsequently, taking into account that VAC has owned the Target Company Shares over a medium- to long-term period, and the fact that VAC will be able to share its insight with KKR, discussions also commenced regarding VAC not tendering a portion of the Agreed Tender Shares and making a reinvestment in the KKR Fund. Subsequently, the Tender Offeror Parent Company and the KKR Fund entered into the Tender Agreement (VAC) with VAC on April 16, 2025, whereby (1) VAC agreed to tender all of the Agreed Tender Shares in the Tender Offer, and (2) subject to the completion of the Tender Offer, VAC shall make an investment in the KKR Fund, in the amount determined by VAC, up to a maximum of 28,050,000,000 yen, on the commencement date of settlement of the Tender Offer, and acquire limited partner interests in the KKR Fund. For an overview of the Tender Agreement (VAC) please refer to “(IV) Tender Agreement (VAC)” in “(6) Matters Concerning Material Agreements Relating to the Tender Offer” below.

- (2) Background, Purpose, and Decision-making Process Leading to the Determination to Conduct the Tender Offer, and the Management Policy After the Tender Offer

(Prior to revision)

- (III) Decision-making Process and Reasons Leading to the Target Company’s Support of the Tender Offer

(omitted)

In relation to the above considerations, on January 30, 2025, the board of directors of the Target Company consulted with the Strategic Special Committee on the rationality of the purpose of the Transaction, and the appropriateness and fairness of the terms and procedures of the Transaction, taking into account the fact that the Tender Offer is being

conducted as part of a Management Buyout (MBO), there is a structural conflict of interest issue, and that it involves a squeeze-out (for the composition of the committee and other specific consultation matters, please refer to “(IV) Establishment of an Independent Special Committee by the Target Company and Obtaining a Report from the Special Committee” in “(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below). In addition, the Tender Offeror has taken each of the measures described in “(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest”, and has obtained from its financial advisor, J.P. Morgan Securities, an opinion to the effect that the Tender Offer Price is fair to the common shareholders of the Target Company (excluding the Tender Offeror, the Tender Offeror Parent Company, KKR, and their respective affiliates) from a financial perspective (“Fairness Opinion”), under the assumptions described in the note to “(II) Share Valuation Report and Fairness Opinion Obtained by the Target Company from an Independent Third-Party Valuation Firm” in “(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest”. In addition, the Target Company has received necessary legal advice from Nagashima Ohno & Tsunematsu concerning the decision-making methods and processes of the board of directors of the Target Company, including the procedures for the Transaction, and other points that should be noted, and received a report from the Strategic Special Committee dated March 28, 2025 (“Report”) (for the specific contents of the Report and the activities of the Strategic Special Committee, please refer to “(IV) Establishment of an Independent Special Committee by the Target Company and Obtaining a Report from the Special Committee” in “(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below).

(omitted)

Based on the above, the Target Company resolved at a meeting of its board of directors held today, as the current opinion of the Target Company, to express its opinion in support of the Tender Offer and to recommend that the Target Company’s shareholders and Share Option Holders tender in the Tender Offer, and for the ADR Holders to surrender their ADRs to the Depository Bank in advance and receive Target Company Shares relating to their ADS, and then tender in the Tender Offer, if the Tender Offer has commenced.

In addition, the Tender Offer is scheduled to commence promptly if all of the Conditions Precedent are satisfied or waived, and as of today, the Tender Offer is scheduled to commence around the end of July 2025. However, since it is difficult to accurately estimate the period of time required for the procedures with the authorities with jurisdiction over the Clearance, details about the schedule of the Tender Offer will be announced promptly, as soon as they are determined. Furthermore, as of today, there are no Clearance Procedures for which prior notification has been completed. In addition, as described in “(I) Business Environment Surrounding the Target Company, etc.” in “(2) Background, Purpose, and Decision-making Process Leading to the Determination to Conduct the Tender Offer, and the Management Policy After the Tender Offer” above, the Target Company Group designs, manufactures and sells optical and device products for the space and defense industries. In the interests of Japan’s national security, and for the purpose of restricting investment in the Target Company by foreign investors, the Target Company’s space and defense business is classified among the designated sectors under the Foreign Exchange and Foreign Trade Act requiring prior notification (i.e., sectors subject to regulation for inward direct investment where there is a risk of undermining national security, disrupting public order, or hindering the protection of public safety). Therefore, it is expected that a considerable amount of time to obtain Clearance under the Foreign Exchange and Foreign Trade Act of Japan will be required. For this reason, the Target Company has resolved at the above-mentioned board of directors meeting that at the time of commencement of the Tender Offer, the board of directors of the Target Company will request that the Strategic Special Committee examine whether there has been any change in the opinion stated in the report submitted by the Strategic

Special Committee to the Target Company's board of directors today, and if there is no change in the previous opinion, to report as such to the Target Company's board of directors, and if there is any change, to report the opinion of the Strategic Special Committee after such change. The Target Company also resolved that, taking into account such opinion, it will express its opinion on the Tender Offer again at the time of commencement of the Tender Offer.

(After revision)

(III) Decision-making Process and Reasons Leading to the Target Company's Support of the Tender Offer

(omitted)

In relation to the above considerations, on January 30, 2025, the board of directors of the Target Company consulted with the Strategic Special Committee on the rationality of the purpose of the Transaction, and the appropriateness and fairness of the terms and procedures of the Transaction, taking into account the fact that the Tender Offer is being conducted as part of a Management Buyout (MBO), there is a structural conflict of interest issue, and that it involves a squeeze-out (for the composition of the committee and other specific consultation matters, please refer to "(IV) Establishment of an Independent Special Committee by the Target Company and Obtaining a Report from the Special Committee" in "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below). In addition, the Tender Offeror has taken each of the measures described in "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest", and has obtained from its financial advisor, J.P. Morgan Securities, an opinion to the effect that the Tender Offer Price is fair to the common shareholders of the Target Company (excluding the Tender Offeror, the Tender Offeror Parent Company, KKR, and their respective affiliates) from a financial perspective ("Fairness Opinion"), under the assumptions described in the note to "(II) Share Valuation Report and Fairness Opinion Obtained by the Target Company from an Independent Third-Party Valuation Firm" in "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest". In addition, the Target Company has received necessary legal advice from Nagashima Ohno & Tsunematsu concerning the decision-making methods and processes of the board of directors of the Target Company, including the procedures for the Transaction, and other points that should be noted, and received a report from the Strategic Special Committee dated March 28, 2025 ("Report") (for the specific contents of the Report and the activities of the Strategic Special Committee, please refer to "(IV) Establishment of an Independent Special Committee by the Target Company and Obtaining a Report from the Special Committee" in "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below). Subsequently, the Tender Offeror, the Tender Offeror Parent Company, and the KKR Fund entered into the Tender Agreement (VAC) with VAC on April 16, 2024, which includes the implementation of the LP Interest Acquisition, and as a result, the Target Company received the Supplemental Report from the Strategic Special Committee (for the specific contents of the Supplemental Report, please refer to "(IV) Establishment of an Independent Special Committee by the Target Company and Obtaining a Report from the Special Committee" in "(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below).

(omitted)

Based on the above, the Target Company resolved at a meeting of its board of directors held today, as the current opinion of the Target Company, to express its opinion in support of the Tender Offer and to recommend that the Target Company's shareholders and Share Option Holders tender in the Tender Offer, and for the ADR Holders to surrender

their ADRs to the Depository Bank in advance and receive Target Company Shares relating to their ADS, and then tender in the Tender Offer, if the Tender Offer has commenced.

In addition, the Tender Offer is scheduled to commence promptly if all of the Conditions Precedent are satisfied or waived, and as of today, the Tender Offer is scheduled to commence around the end of July 2025. However, since it is difficult to accurately estimate the period of time required for the procedures with the authorities with jurisdiction over the Clearance, details about the schedule of the Tender Offer will be announced promptly, as soon as they are determined. Furthermore, as of today, there are no Clearance Procedures for which prior notification has been completed. In addition, as described in “(I) Business Environment Surrounding the Target Company, etc.” in “(2) Background, Purpose, and Decision-making Process Leading to the Determination to Conduct the Tender Offer, and the Management Policy After the Tender Offer” above, the Target Company Group designs, manufacturers and sells optical and device products for the space and defense industries. In the interests of Japan’s national security, and for the purpose of restricting investment in the Target Company by foreign investors, the Target Company’s space and defense business is classified among the designated sectors under the Foreign Exchange and Foreign Trade Act requiring prior notification (i.e., sectors subject to regulation for inward direct investment where there is a risk of undermining national security, disrupting public order, or hindering the protection of public safety). Therefore, it is expected that a considerable amount of time to obtain Clearance under the Foreign Exchange and Foreign Trade Act of Japan will be required. For this reason, the Target Company has resolved at the above-mentioned board of directors meeting that at the time of commencement of the Tender Offer, the board of directors of the Target Company will request that the Strategic Special Committee examine whether there has been any change in the opinion stated in the report submitted by the Strategic Special Committee to the Target Company’s board of directors today, and if there is no change in the previous opinion, to report as such to the Target Company’s board of directors, and if there is any change, to report the opinion of the Strategic Special Committee after such change. The Target Company also resolved that, taking into account such opinion, it will express its opinion on the Tender Offer again at the time of commencement of the Tender Offer.

Subsequently, the Tender Offeror, the Tender Offeror Parent Company, and the KKR Fund entered into the Tender Agreement (VAC) with VAC on April 16, 2024, which includes the implementation of the LP Interest Acquisition, and as a result, while respecting to the utmost the contents of the Supplemental Report received from the Strategic Special Committee (for the specific contents of the Supplemental Report, please refer to the Target Company Press Release and “(IV) Establishment of an Independent Special Committee by the Target Company and Obtaining a Report from the Special Committee” in “(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below”), the Target Company again carefully discussed and examined the terms of the Tender Offer. As a result, as there are no circumstances that would lead to the determination that the execution of the Tender Agreement (VAC) and the LP Interest Acquisition would undermine the appropriateness or fairness of the terms and procedures of the Transaction, the board of directors of the Target Company resolved at a meeting held on April 16, 2025 to maintain the resolution made at the board of directors of the Target Company meeting held on March 28, 2025 to express its opinion in support of the Tender Offer and to recommend that the Target Company’s shareholders and Share Option Holders tender in the Tender Offer, and for the ADR Holders to surrender their ADRs to the Depository Bank in advance and receive Target Company Shares relating to their ADS, and then tender in the Tender Offer, if the Tender Offer has commenced.

- (3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest

(Prior to revision)

Taking into consideration that the Tender Offer is being conducted as part of a so-called Management Buyout (MBO) and that there is a structural conflict of interest issue, as the Tender Offeror and Target Company have taken the following measures to ensure the fairness of the Transaction, including the Tender Offer, from the perspective of ensuring the fairness of the Tender Offer Price, eliminating arbitrariness in the decision-making process leading to the decision to implement the Tender Offer, and avoiding conflicts of interest, it is considered that due consideration has been given to the interests of the minority shareholders of the Target Company.

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 obtained by subtracting the number of Target Company Shares held by Mr. Eto (70,054 shares) (such amount being 105,442,043 shares), who after the completion of the Tender Offer is expected to be making an investment in the Tender Offer Parent Company and to continue to manage the Target Company as its President & CEO, creating a structural conflict of interest with the minority shareholders, 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 Target Company shareholders that have no vested interest in the Tender Offeror, the Tender Offeror will respect the intention of the Target Company minority shareholders, and will not conduct the Transaction, including the Tender Offer.

(omitted)

- (IV) Establishment of an Independent Special Committee by the Target Company and Obtaining a Report from the Special Committee

(omitted)

(iii) Details of Determination

(omitted)

E) Majority of Minority

The minimum number of shares to be purchased in the Tender Offer will be set at 52,861,561 shares, and will be publicly announced. Such minimum number of shares to be purchased will exceed the majority (52,721,022 shares, which is the number corresponding to the so-called “majority of minority”) of the Total Shares Outstanding on a Fully Diluted Basis (105,512,097 shares), less the number of shares in the Target Company held by Mr. Eto (70,054 shares) (such amount being 105,442,043 shares).

Therefore, it is recognized that the Tender Offer provides general shareholders with an opportunity to make a decision that is substantially equivalent to the case where a majority of minority condition is set.

E) Enrichment of Information Provided to General Shareholders and Improvement in the Transparency of Processes

In addition to information regarding the Strategic Special Committee and the calculation of the share value, the Target Company Press Release is expected to disclose substantial information regarding the process, etc. that led to the

implementation of the Transaction, the background, purpose, etc. of choosing to conduct the Transaction at the relevant time, the specific details of the interests that the Target Company's directors, etc. have in relation to the Transaction, the existence or non-existence and form of the involvement of such directors, etc. in the process of forming the transaction terms, and the specific details of the discussions and negotiations between the Target Company and KKR regarding the transaction terms, etc.

Therefore, the Tender Offer is expected to ensure that general shareholders will have an opportunity to make an appropriate decision based on sufficient information.

G) Considerations to Prevent Coercion

In the Transaction, it is planned that the Target Company be requested to hold an extraordinary shareholders' meeting promptly after the completion of the settlement of the Tender Offer, where the agenda items shall include the implementation of the Share Cash-out Demand or Share Consolidation, and a partial amendment of the articles of incorporation to abolish provisions regarding the number of shares constituting one unit of shares on the condition that the Share Consolidation takes effect. In the event that cash is paid to shareholders and Share Option Holders who did not tender in the Tender Offer, the amount will be calculated so that it will be the same as the price they would have received if they had tendered in the Tender Offer, and it is planned that this will be disclosed in the Target Company Press Release.

In addition, in the case where a Securities Cash-out Demand is implemented, it will be ensured that the Target Company's shareholders and Share Option Holders will have the right to file a petition with the court to determine the price, and in the case where a Share Consolidation is implemented, it will be ensured that the Target Company's shareholders will have the right to demand the Target Company purchase their shares and the accompanying right to file a petition with the court to determine the price.

Furthermore, the Tender Offeror has set the minimum number of shares to be purchased in the Tender Offer at 52,861,561 shares (Ownership Ratio: 50.10%), and this minimum number has been set by the Tender Offeror at a level that can secure the number of voting rights that makes the passing of the proposed resolution regarding the Share Consolidation possible unless the percentage of voting rights exercised at the Extraordinary General Shareholders Meeting significantly exceeds the historical percentage of voting rights exercised in the past, with reference to the percentage of voting rights exercised at the Target Company's ordinary general meetings of shareholders in the past, and in light of the number of shares in the Target Company with transfer restrictions that have been granted to the Target Company's directors and the number of shares held by passive index management funds, whose holders are expected to exercise their voting rights in favor of the resolution at the Extraordinary General Meeting of Shareholders even though they will not tender their shares in the Tender Offer. If the Tender Offer successfully takes place, since there is nothing particularly unreasonable about this explanation and it is practically guaranteed that there will be a cash-out as a result of the Share Consolidation, it is thought that there has been consideration given to avoid coercion.

Therefore, it can be said that coercion is eliminated in this Transaction.

(omitted)

(V) Setting of Minimum Limit that Satisfies Majority of Minority Condition

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 obtained by subtracting the number of Target Company Shares held by Mr. Eto (70,054 shares), from the Total Shares Outstanding on a Fully Diluted Basis (105,512,097 shares) (such

amount being 105,442,043 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 Target Company shareholders that have no vested interest in the Tender Offeror, the Tender Offeror will respect the intention of the Target Company minority shareholders, and will not conduct the Transaction, including the Tender Offer.

(VI) Advice From an Independent Law Firm Obtained by the Strategic Special Committee

The Strategic Special Committee appointed Nakamura, Tsunoda & Matsumoto as an external legal advisor that is not a related party of the Tender Offeror, the Tender Offeror Parent Company, KKR or the Target Company and has received legal advice, including advice concerning the measures to be taken to ensure the fairness, objectivity and rationality of the procedures in the Transaction, on the various procedures for the Transaction, and the decision-making methods and processes of the Target Company in the Transaction. Nakamura, Tsunoda & Matsumoto is not a related party of the Tender Offeror, the Tender Offeror Parent Company, KKR or the Target Company, and has no material interest in the opinion expressed regarding the Tender Offer. The compensation to be paid to Nakamura, Tsunoda & Matsumoto is calculated by multiplying an hourly rate by the number of hours worked, regardless of the outcome of the Transaction, and does not include any success fee contingent upon the successful completion of the Transaction.

(VII) Approval by Directors with No Interest in the Target Company and the Absence of Objections by All Statutory Auditors

Taking into account the Share Valuation Report received from J.P. Morgan, and the legal advice received from Nagashima Ohno & Tsunematsu, and respecting to the utmost the contents of the Report, the Target Company carefully discussed and examined the terms of the Transaction, including the Tender Offer. As a result, the board of directors of the Target Company determined that the Transaction would contribute to increasing the corporate value of the Target Company, and that the Tender Offer will provide a reasonable opportunity to sell the Target Company Shares. At the board of directors meeting held today, the Target Company resolved, by all directors who participated in the deliberations and the resolution, except for one director (among all 10 directors, 9 directors, excluding Mr. Eto), to express its opinion in support of the Tender Offer and to recommend that its shareholders and Share Option Holders tender their Target Company Securities in the Tender Offer, and for the ADR Holders to surrender their ADRs to the Depository Bank in advance and receive Target Company Shares relating to their ADS, and then tender in the Tender Offer. At the above board of directors meeting, Takayuki Yamazaki, a director, expressed his opposition to the Tender Offer, on the grounds that he was not given sufficient time to determine whether the Tender Offer would contribute to increasing the corporate value of the Target Company. In addition, as Mr. Eto, a director of the Target Company, plans to acquire the common shares of the Tender Offeror using a portion of the consideration received for tendering his Target Company Shares in the Tender Offer if the Tender Offer is successfully completed, in order to avoid any suspicion of a conflict of interest, Mr. Eto has not participated in any deliberations or resolutions concerning the Transaction, including the deliberations and resolution at the above-mentioned board of directors meeting, and has not participated in any discussions or negotiations with the Tender Offeror on behalf of the Target Company.

(VIII) Measures to Ensure that Other Purchasers have an Opportunity to Purchase

Although the Tender Offeror, in principle, plans to set the purchase period in the Tender Offer (“Tender Offer Period”) at 21 business days (the number of business days may vary depending on holidays in Japan and the U.S, but it is planned to be at least 20 business days) as it is expected that it will take around 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 Target Company, Share Option Holders and ADR 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 Target Company Securities. In this manner, the Tender Offeror intends to secure the fairness of the Tender Offer Price.

(IX) Considerations to Prevent Coercion

As described in “(4) Policy on Post-Tender Offer Organizational Restructuring, Etc. (Matters Relating to the Two-Step Acquisition)” below, (i) promptly after completion of settlement of the Tender Offer, the Tender Offeror plans to request that the Target Company perform the Share Cash-out Demand or the Share Consolidation and plans to request that the Target Company hold an Extraordinary General Shareholders Meeting, which is to include a proposal about a partial amendment to the Target 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 ADR 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 Target Company, Share Option Holders, and ADR Holders who have received Target Company Shares relating to their ADS will have the right to petition the court for a price determination, and in the event of the Share Consolidation, the shareholders of the Target 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 Target 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 “(1) Outline of the Tender Offer” 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 Target 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 that supported the Tender Offer (the expected minimum Ownership Ratio in that case would be 0.09%) (excluding director Takayuki Yamazaki, who, at the meeting of the board of directors of the Target Company held today, expressed his opposition in the resolution to express an opinion in support of the Tender Offer, on the premise that the Target Company Shares are delisted), 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 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, thereby ensuring there is no coercion.

(After revision)

Taking into consideration that the Tender Offer is being conducted as part of a so-called Management Buyout (MBO) and that there is a structural conflict of interest issue, as the Tender Offeror and Target Company have taken the following measures to ensure the fairness of the Transaction, including the Tender Offer, from the perspective of ensuring the fairness of the Tender Offer Price, eliminating arbitrariness in the decision-making process leading to the decision to implement the Tender Offer, and avoiding conflicts of interest, it is considered that due consideration has been given to the interests of the minority shareholders of the Target Company.

The Tender Offeror has not set a minimum number of shares to be purchased in the Tender Offer by the so-called Majority of Minority, as setting a minimum number equivalent to the Majority of Minority may destabilize the Tender Offer and may not be in the interests of the minority shareholders of the Target Company who wish to tender in the Tender Offer. However, it is considered that due consideration has been given to the interests of the minority shareholders of the Target Company, as the Tender Offeror and Target Company have implemented the following measures to ensure the fairness of the Tender Offer.

(omitted)

- (IV) Establishment of an Independent Special Committee by the Target Company and Obtaining a Report from the Special Committee

(omitted)

A. The Report

- (iii) Details of Determination

(omitted)

- E) Enrichment of Information Provided to General Shareholders and Improvement in the Transparency of Processes

In addition to information regarding the Strategic Special Committee and the calculation of the share value, the Target Company Press Release is expected to disclose substantial information regarding the process, etc. that led to the implementation of the Transaction, the background, purpose, etc. of choosing to conduct the Transaction at the relevant time, the specific details of the interests that the Target Company's directors, etc. have in relation to the Transaction, the existence or non-existence and form of the involvement of such directors, etc. in the process of forming the transaction terms, and the specific details of the discussions and negotiations between the Target Company and KKR regarding the transaction terms, etc.

Therefore, the Tender Offer is expected to ensure that general shareholders will have an opportunity to make an appropriate decision based on sufficient information.

- E) Considerations to Prevent Coercion

In the Transaction, it is planned that the Target Company be requested to hold an extraordinary shareholders' meeting promptly after the completion of the settlement of the Tender Offer, where the agenda items shall include the implementation of the Share Cash-out Demand or Share Consolidation, and a partial amendment of the articles of incorporation to abolish provisions regarding the number of shares constituting one unit of shares on the condition that the Share Consolidation takes effect. In the event that cash is paid to shareholders and Share Option Holders who did not tender in the Tender Offer, the amount will be calculated so that it will be the same as the price they would have received if they had tendered in the Tender Offer, and it is planned that this will be disclosed in the Target Company Press Release.

In addition, in the case where a Securities Cash-out Demand is implemented, it will be ensured that the Target Company's shareholders and Share Option Holders will have the right to file a petition with the court to determine the price, and in the case where a Share Consolidation is implemented, it will be ensured that the Target Company's shareholders will have the right to demand the Target Company purchase their shares and the accompanying right to file a petition with the court to determine the price.

Furthermore, the Tender Offeror has set the minimum number of shares to be purchased in the Tender Offer at 52,861,561 shares (Ownership Ratio: 50.10%), and this minimum number has been set by the Tender Offeror at a level that can secure the number of voting rights that makes the passing of the proposed resolution regarding the Share Consolidation possible unless the percentage of voting rights exercised at the Extraordinary General Shareholders Meeting significantly exceeds the historical percentage of voting rights exercised in the past, with reference to the percentage of voting rights exercised at the Target Company's ordinary general meetings of shareholders in the past, and in light of the number of shares in the Target Company with transfer restrictions that have been granted to the Target Company's directors and the number of shares held by passive index management funds, whose holders are expected

to exercise their voting rights in favor of the resolution at the Extraordinary General Meeting of Shareholders even though they will not tender their shares in the Tender Offer. If the Tender Offer successfully takes place, since there is nothing particularly unreasonable about this explanation and it is practically guaranteed that there will be a cash-out as a result of the Share Consolidation, it is thought that there has been consideration given to avoid coercion.

Therefore, it can be said that coercion is eliminated in this Transaction.

B. The Supplemental Report

(i) Background of Deliberations

In delivering the Supplemental Report, 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 amendments to the Target Company Press Release as of the date of preparation of the Supplemental Report, (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 Report (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 Target Company's board of directors, by the unanimous vote of the committee members, the Supplemental Report, whose content is outlined below.

a) Contents of the Report

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

b) Reasons for the Supplemental Report

1) Reasonableness of the Purpose of the Transaction

Considering the following points, there are no circumstances that would change the content of the report in the Report regarding the reasonableness of the purpose of the Transaction, including whether the Transaction will contribute to the enhancement of the Target Company's corporate value.

- With respect to the structure of the Transaction, VAC will tender all of its Target Company Shares in the Tender Offer, and it is intended that VAC will make a new investment in the KKR Fund.
- The reason that VAC will make the LP Interest Acquisition in the KKR Fund is that VAC has held the Target Company Shares over a medium- to long-term period, and as it is considered to have a certain degree of insight about the Target Company's business and measures to increase its corporate value, it would be able to share such insight with KKR. 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 Target Company, and it is not intended that VAC will dispatch directors to the Tender Offeror Parent Company, the Tender Offeror, or the Target Company. Accordingly, it is not expected that VAC will be involved in the decision-making of the Target 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 Target 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 Report.

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

II) Appropriateness of the Terms and Conditions of the Transaction

Considering the following points, there are no circumstances that would change the content of the report in the Report, 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 consideration) continue to be secured, from the perspective of the Target Company's general shareholders.

- With respect to the appropriateness of the terms and conditions of the Transaction, the Target Company currently has no plans to change the Business Plan, nor has it updated the Share Valuation Report prepared by J.P. Morgan Securities based on the Business Plan. In this regard, given that no circumstances that could have a material impact on the value of the Target 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 Target Company from J.P. Morgan Securities is maintained as of the date of submission of the Supplemental Report.
- In addition to the above, it can be said that (i) the valuation of the Target Company Shares, which is the premise for determining the amount to be paid for the limited partner interest of the 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 LP Interest Acquisition do not constitute a transaction that gives to VAC benefits that differ from those of Target Company's minority shareholders, and (ii) the Target Company's market share price has remained below the Tender Offer Price from the Announcement Date until the date of submission of the Supplemental Report, 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 Transaction Procedures

With regard to securing the interests of general shareholders through the implementation of fair procedures in the Transaction, as the minimum number of shares to be purchased in the Tender Offer is set at 52,861,561 shares, and since such minimum number of shares to be purchased exceeds the majority of the number of shares obtained by deducting the number of Target Company Shares held by Mr. Eto from the Total Shares Outstanding on a Fully Diluted Basis, in the Report, 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 Target Company Shares held by VAC (15,425,800 shares; Ownership Ratio: 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 the Transaction is different from an acquisition of a subordinate company by a controlling shareholder, it cannot be completely denied that, in the Transaction, 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 Target Company Shares at a fair and reasonable price.

Also, in the Transaction, it can be concluded that there have been no changes made to any of the following fairness assurance measures as of the date of preparation of the Supplemental Report, which continue to function effectively: (i) the establishment of the Strategic Special Committee, (ii) the decision-making process of the Target 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 report set forth in the Report with respect to securing the interests of general shareholders through fair procedures implemented in the Transaction have been found.

(omitted)

(V) Advice From an Independent Law Firm Obtained by the Strategic Special Committee

The Strategic Special Committee appointed Nakamura, Tsunoda & Matsumoto as an external legal advisor that is not a related party of the Tender Offeror, the Tender Offeror Parent Company, KKR or the Target Company and has received legal advice, including advice concerning the measures to be taken to ensure the fairness, objectivity and rationality of the procedures in the Transaction, on the various procedures for the Transaction, and the decision-making methods and processes of the Target Company in the Transaction. Nakamura, Tsunoda & Matsumoto is not a related party of the Tender Offeror, the Tender Offeror Parent Company, KKR or the Target Company, and has no material interest in the opinion expressed regarding the Tender Offer. The compensation to be paid to Nakamura, Tsunoda & Matsumoto is calculated by multiplying an hourly rate by the number of hours worked, regardless of the outcome of the Transaction, and does not include any success fee contingent upon the successful completion of the Transaction.

(VI) Approval by Directors with No Interest in the Target Company and the Absence of Objections by All Statutory Auditors

Taking into account the Share Valuation Report received from J.P. Morgan, and the legal advice received from Nagashima Ohno & Tsunematsu, and respecting to the utmost the contents of the Report, the Target Company carefully discussed and examined the terms of the Transaction, including the Tender Offer. As a result, the board of directors of the Target Company determined that the Transaction would contribute to increasing the corporate value of the Target Company, and that the Tender Offer will provide a reasonable opportunity to sell the Target Company Shares. At the board of directors meeting held today, the Target Company resolved, by all directors who participated in the deliberations and the resolution, except for one director (among all 10 directors, 9 directors, excluding Mr. Eto), to express its opinion in support of the Tender Offer and to recommend that its shareholders and Share Option Holders tender their Target Company Securities in the Tender Offer, and for the ADR Holders to surrender their ADRs to the Depository Bank in advance and receive Target Company Shares relating to their ADS, and then tender in the Tender Offer. At the above board of directors meeting, Takayuki Yamazaki, a director, expressed his opposition to the Tender Offer, on the grounds that he was not given sufficient time to determine whether the Tender Offer would contribute to increasing the corporate value of the Target Company. In addition, as Mr. Eto, a director of the Target Company, plans to acquire the common shares of the Tender Offeror using a portion of the consideration received for tendering his Target Company Shares in the Tender Offer if the Tender Offer is successfully completed, in order to avoid any suspicion of a conflict of interest, Mr. Eto has not participated in any deliberations or resolutions concerning the

Transaction, including the deliberations and resolution at the above-mentioned board of directors meeting, and has not participated in any discussions or negotiations with the Tender Offeror on behalf of the Target Company.

(VII) Measures to Ensure that Other Purchasers have an Opportunity to Purchase

Although the Tender Offeror, in principle, plans to set the purchase period in the Tender Offer (“Tender Offer Period”) at 21 business days (the number of business days may vary depending on holidays in Japan and the U.S, but it is planned to be at least 20 business days) as it is expected that it will take around 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 Target Company, Share Option Holders and ADR 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 Target Company Securities. In this manner, the Tender Offeror intends to secure the fairness of the Tender Offer Price.

(VIII) Considerations to Prevent Coercion

As described in “(4) Policy on Post-Tender Offer Organizational Restructuring, Etc. (Matters Relating to the Two-Step Acquisition)” below, (i) promptly after completion of settlement of the Tender Offer, the Tender Offeror plans to request that the Target Company perform the Share Cash-out Demand or the Share Consolidation and plans to request that the Target Company hold an Extraordinary General Shareholders Meeting, which is to include a proposal about a partial amendment to the Target 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 ADR 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 Target Company, Share Option Holders, and ADR Holders who have received Target Company Shares relating to their ADS will have the right to petition the court for a price determination, and in the event of the Share Consolidation, the shareholders of the Target 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 Target 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 “(1) Outline of the Tender Offer” 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 Target 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 that supported the Tender Offer (the expected minimum Ownership Ratio in that case would be 0.09%) (excluding director Takayuki Yamazaki, who, at the meeting of the board of directors of the Target Company held today, expressed his opposition in the resolution to express an opinion in support of the Tender Offer, on the premise that the Target Company Shares are delisted), 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 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, thereby ensuring there is no coercion.

(6) Matters Concerning Material Agreements Relating to the Tender Offer

(Prior to revision)

(omitted)

(III) Agreement (Mr. Eto)

The KKR Fund and Mr. Eto entered into the Agreement (Mr. Eto) 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 engaging in discussions or negotiations with third parties on behalf of the Target Company in his capacity as President & CEO only after the Target Company is relieved of its obligation to express, announce, and maintain the Supporting Opinion pursuant to 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 the KKR Fund (excluding cases where the Target Company has notified the KKR Fund of the same) of the details and consult with the KKR Fund in good faith as to how to respond. In addition, the Agreement (Mr. Eto) will automatically expire upon the earlier of the date on which a tender offer for the Target Company Securities made by a person other than the Tender Offeror or its affiliates is completed (it is required that it is a tender offer (i) with no upper limit on the number of shares to be purchased which aims to take the Target Company private, (ii) where the number of shares to be purchased represents at least half of the total voting rights, and (iii) where shareholders who do not tender in the counter tender offer are guaranteed an exit opportunity at the same price as the tender offer price), and the date on which the Tender Offer Agreement is terminated.

(a) Management Delegation

- The KKR Fund shall delegate to Mr. Eto the duty of faithfully performing the duties of the representative director of the Target 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 Target Company until the conclusion of the ordinary general shareholders meeting of the Target 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 Target Company (“Nomination and Compensation Committee”)
- After the expiration of the Initial Management Delegation Period, if Mr. Eto is nominated as representative director of the Target 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 Target Company, the KKR Fund may cause Mr. Eto to resign or may dismiss Mr. Eto from his position as representative director or another position of the Target 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 Target 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 Target Company
- General provisions such as compensation for damages and confidentiality

(After revision)

(omitted)

(III) Agreement (Mr. Eto)

The KKR Fund and Mr. Eto entered into the Agreement (Mr. Eto) 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 engaging in discussions or negotiations with third parties on behalf of the Target Company in his capacity as President & CEO only after the Target Company is relieved of its obligation to express, announce, and maintain the Supporting Opinion pursuant to 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 the KKR Fund (excluding cases where the Target Company has notified the KKR Fund of the same) of the details and consult with the KKR Fund in good faith as to how to respond. In addition, the Agreement (Mr. Eto) will automatically expire upon the earlier of the date on which a tender offer for the Target Company Securities made by a person other than the Tender Offeror or its affiliates is completed (it is required that it is a tender offer (i) with no upper limit on the number of shares to be purchased which aims to take the Target Company private, (ii) where the number of shares to be purchased represents at least half of the total voting rights, and (iii) where shareholders who do not tender in the counter tender offer are guaranteed an exit opportunity at the same price as the tender offer price), and the date on which the Tender Offer Agreement is terminated.

(a) Management Delegation

- The KKR Fund shall delegate to Mr. Eto the duty of faithfully performing the duties of the representative director of the Target 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 Target Company until the conclusion of the ordinary general shareholders meeting of the Target 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 Target Company ("Nomination and Compensation Committee")
- After the expiration of the Initial Management Delegation Period, if Mr. Eto is nominated as representative director of the Target 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 Target Company, the KKR Fund may cause Mr. Eto to resign or may dismiss Mr. Eto from his position as representative director or another position of the Target 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 Target 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 Target Company
- General provisions such as compensation for damages and confidentiality

(IV) Tender Agreement (VAC)

The Tender Offeror, Tender Offeror Parent Company and the KKR Fund entered into the Tender Agreement (VAC) with VAC on April 16, 2025. In the Tender Agreement (VAC), the KKR Fund and VAC agreed that, (1) subject to all of the conditions precedent set forth in (a) below being satisfied or waived by VAC, VAC shall tender all of the Agreed Tender Shares (15,425,800 shares, Ownership Ratio: 14.62%) in the Tender Offer (in this "(IV) Tender Agreement VAC", the "Tender"), and the content described in items (b) through (f) below.

(a) Conditions Precedent to Tender

- The Tender Offer has been commenced and not withdrawn
- The board of directors of the Target Company has resolved to express the Supporting Opinion, which has not been changed or withdrawn
- The representations and warranties made by the Tender Offeror, the Tender Offeror Parent Company, and the KKR Fund pursuant to the Tender Agreement (VAC) are true and accurate in material respects (Note 1)
- Obligations to be performed or complied with by the Tender Offeror, the Tender Offeror Parent Company, and the KKR Fund by the commencement date of the Tender Offer pursuant to the Tender Agreement (VAC) have been performed or complied with in all material respects (Note 2)
- No judgements, etc. have been made by a judicial or administrative authority restricting or prohibiting the Tender Offer, the Tender or the LP Interest Acquisition, and there is no reasonable likelihood of such judgements, etc. being made
- (i) VAC, the Tender Offeror Parent Company and the KKR Fund have entered into the final agreement concerning the LP Interest Acquisition ("Reinvestment Agreement (VAC)"), (ii) the Reinvestment Agreement (VAC) has not terminated, (iii) there has been no material breach of the Reinvestment Agreement (VAC) by VAC, the Tender Offeror Parent Company or the KKR Fund, and (iv) all conditions on the performance of VAC's obligation to implement the LP Interest Acquisition set out in the Reinvestment Agreement (VAC) have been satisfied (excluding those conditions which, by their nature, can only be satisfied upon the completion of the LP Interest Acquisition, but limited to only those conditions which can be satisfied upon completion of LP Interest Acquisition)

(Note 1) In the Tender Agreement (VAC), the Tender Offeror, Tender Offeror Parent Company and the KKR Fund each represent and warrant (i) the validity of their incorporation and existence, (ii) the existence of the power and authority necessary for the execution and performance of the Tender Agreement (VAC), (iii) the validity and enforcement of the Tender Agreement (VAC), (iv) the acquisition of the necessary permissions, (v) the absence of any conflict of laws and regulations regarding the execution and performance of the Tender Agreement (VAC), (vi) the fact that they are not an anti-social force and have no relationships with anti-social forces, (vii) compliance with laws and regulations, and (viii) the absence of bankruptcy proceedings, etc.

(Note 2) In the Tender Agreement (VAC), the Tender Offeror, the Tender Offeror Parent Company, and the KKR Fund have obligations to fulfil or comply by the commencement date of the Tender Offer: the obligation

to comply with the Tender Offer Agreement, the obligation to enter into the Reinvestment Agreement (VAC) as described in (b) below, as well as obligations regarding indemnification and confidentiality.

(b) LP Interest Acquisition

- Subject to the completion of the Tender Offer and the fulfillment of other general matters, VAC shall make an investment in the KKR Fund, in the amount determined by VAC, up to a maximum of 28,050,000,000 yen, on the commencement date of settlement of the Tender Offer, and acquire limited partner interests in the KKR Fund
- Promptly following the execution of the Tender Agreement (VAC), the investment vehicle to be newly established by the Tender Offeror Parent Company and the KKR Fund as the limited partner of the KKR Fund, the KKR Fund, the Tender Offeror and VAC shall use their reasonable best efforts to negotiate in good faith to execute the Reinvestment Agreement (VAC)

(Note 3) In the LP Interest Acquisition, the content of the Reinvestment Agreement (VAC) includes matters related to the governance and monitoring of the Tender Offeror Parent Company, including that VAC may dispatch one observer only when important matters are discussed at the board of directors meetings of the Tender Offeror Parent Company, matters relating to the handling of VAC's limited partner interests in the KKR Fund, such as transfer restrictions, the KKR Fund's drag-along rights, VAC's tag-along rights, and VAC's exit rights, as well as general provisions such as grounds for termination.

(c) Prohibition on Acquisitions

- From the date of execution of the Tender Agreement (VAC) until the settlement commencement date for the Tender Offer, VAC shall not, directly or indirectly, acquire or transfer the Target Company Shares or Share Options except in the Tender (excluding the cancellation of existing cash-settled derivative contracts with respect to the Target Company Shares of VAC and its affiliates)

(d) Matters Concerning Conflicting Transactions

- VAC shall not, from the execution date of the Tender Agreement (VAC) until the last day of the Tender Offer Period, (1) enter into any agreement related to a transaction that is reasonably deemed to have the potential to hinder the implementation of the Tender Offer or the Tender (including tendering all or a portion of the Target Company Shares held by VAC in a tender offer other than the Tender Offer, or the acquisition or transfer of the Target Company Shares, excluding the cancellation of existing cash-settled derivative contracts with respect to the Target Company Shares of VAC and its affiliates. In this “(IV Tender Agreement (VAC)”, collectively, “Competing Transactions”), or any Competing Transactions, and (2) directly or indirectly, (i) provide any information to a third-party regarding a Competing Transaction, or (ii) propose, solicit, discuss or negotiate a Competing Transaction, and shall not cause the affiliates of VAC to take the actions described in (1) and (2) above
- If a third-party makes a proposal or solicitation in connection with a Conflicting Transaction to VAC from the date of execution of the Tender Agreement (VAC) until the last day of the Tender Offer Period, VAC shall immediately notify the Tender Offeror of such fact and the details of such proposal, and shall consult with the Tender Offeror in good faith as to how to respond

(e) Matters Concerning Ordinary General Meetings of Shareholders

- VAC shall not, without the prior written consent of the Tender Offeror, request the convening of an ordinary general meeting of shareholders of the Target Company, or discuss with the Target Company the exercise of voting rights at such ordinary general meeting of shareholders of the Target Company

- If an ordinary general meeting of shareholders of the Target Company is held with a record date for the exercise of rights on or before the settlement commencement date of the Tender Offer, the voting rights and other rights at such ordinary general meeting of shareholders will be exercised in accordance with the instructions of the Tender Offeror.
- (f) Counter Proposals
- From the date of execution of the Tender Agreement (VAC) until five business days prior to the last day of the Tender Offer Period, if (1)(i) pursuant to Article 27-2 of the Act, a competing tender offer is commenced for all of the Target Company Shares and Share Options at a higher price than the Tender Offer Price (in this “(IV) Tender Agreement (VAC)”, a “Counter Proposal”), and (ii) the board of directors of the Target Company expresses its opinion in support of such Counter Proposal, and recommends that the shareholders of the Target Company tender in such Counter Proposal (in this “(IV) Tender Agreement (VAC)”, a “Superior Proposal”), (2) VAC is not in breach of the provisions of the Tender Agreement (VAC), and (3) after consulting with its financial advisor and external legal advisor, determines in good faith that not tendering in the Superior Offer would violate the obligations of VAC’s joint portfolio managers to investors under applicable laws and regulations, VAC may request that the Tender Offeror raise the Tender Offer Price to an amount equal to or higher than the tender offer price for such Superior Proposal, and if the Tender Offeror does not comply with such request within three business days, VAC may tender in such Superior Proposal.

In addition to the above, the Tender Agreement (VAC) also contains provisions regarding representations and warranties by VAC (Note 4), indemnification provisions, grounds for termination or cancellation of the agreement, and general provisions.

(Note 4) In the Tender Agreement (VAC), VAC represents and warrants (i) the validity of its incorporation and existence, (ii) the existence of the power and authority necessary for the execution and performance of the Tender Agreement (VAC), (iii) the validity and enforcement of the Tender Agreement (VAC), (iv) the acquisition of the necessary permissions, (v) the absence of any conflict of laws and regulations regarding the execution and performance of the Tender Agreement (VAC), (vi) the fact that the it is not an anti-social force and has no relationships with anti-social forces, (vii) compliance with laws and regulations, (viii) the absence of bankruptcy proceedings, etc., and matters concerning the shares, etc. of the Target Company.

2. Outline of the Purchase
- (4) Basis for Calculation of Purchase Price

(Prior to revision)

(omitted)

Subsequently, on March 3, 2025, KKR was notified by the Target Company that KKR was granted exclusive negotiation rights for the Transaction. After continuing discussions with the Target 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 Target 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 final, legally-binding proposal for the Transaction to the board of directors and Strategic Special Committee on March 26, 2025, with the Tender Offer Price at 3,300 yen per Target Company Share, and the Share Option Purchase Price at the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price for the Share Options per Target Company Share by the number of the Target Company Shares underlying each Share Option. Today, KKR has reached an agreement with the Target Company to implement the Transaction with a Tender Offer Price of 3,300 yen, a Share Option Purchase Price of 193,400 yen, and a purchase price per Target Company Share for the ADS represented by ADRs at the same price as the Tender Offer Price, and the Tender Offeror has decided to implement the Tender Offer.

(After revision)

(omitted)

Subsequently, on March 3, 2025, KKR was notified by the Target Company that KKR was granted exclusive negotiation rights for the Transaction. After continuing discussions with the Target 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 Target 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 final, legally-binding proposal for the Transaction to the board of directors and Strategic Special Committee on March 26, 2025, with the Tender Offer Price at 3,300 yen per Target Company Share, and the Share Option Purchase Price at the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price for the Share Options per Target Company Share by the number of the Target Company Shares underlying each Share Option. Today, KKR has reached an agreement with the Target Company to implement the Transaction with a Tender Offer Price of 3,300 yen, a Share Option Purchase Price of 193,400 yen, and a purchase price per Target Company Share for the ADS represented by ADRs at the same price as the Tender Offer Price, and the Tender Offeror has decided to implement the Tender Offer.

Furthermore, on March 17, 2025 the KKR Fund entered into a confidentiality agreement with VAC, a shareholder of KKR and the Target Company, and in order to increase the likelihood of the Tender Offer being successful, commenced negotiations with VAC regarding VAC tendering the Agreed Tender Shares in the Tender Offer. Subsequently, taking into account that VAC has owned the Target Company Shares over a medium- to long-term period, and the fact that VAC will be able to share its insight with KKR, discussions also commenced regarding VAC not tendering a portion of the Agreed Tender Shares and making a reinvestment in the KKR Fund. Subsequently, the Tender Offeror Parent Company and the KKR Fund entered into the Tender Agreement (VAC) with VAC on April 16, 2025, whereby (1) VAC agreed to tender all of the Agreed Tender Shares in the Tender Offer, and (2) subject to the completion of the Tender

Offer, VAC shall make an investment in the KKR Fund, in the amount determined by VAC, up to a maximum of 28,050,000,000 yen, on the commencement date of settlement of the Tender Offer, and acquire limited partner interests in the KKR Fund.

4. Other Matters

(1) Existence and Contents of Agreements between the Tender Offeror and the Target Company or its Officers

(Prior to revision)

(I) Expression of Support for the Tender Offer

According to the Target Company Press Release, the Target Company resolved at a meeting of its board of directors held today, as the current opinion of the Target Company, to express its opinion in support of the Tender Offer and to recommend that the Target Company's shareholders and Share Option Holders tender in the Tender Offer, and for the ADR Holders to surrender their ADRs to the Depository Bank in advance and receive Target Company Shares relating to their ADS, and then tender in the Tender Offer, if the Tender Offer has commenced.

For details of the above resolution of the meeting of the board of directors of the Target Company held today, please refer to the Target Company Press Release and “(VII) Approval by Directors with No Interest in the Target Company and the Absence of Objections by All Statutory Auditors” in “(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” in “1. Purpose of the Purchase” above.

(After revision)

(I) Expression of Support for the Tender Offer

According to the Target Company Press Release, the Target Company resolved at a meeting of its board of directors held today, as the current opinion of the Target Company, to express its opinion in support of the Tender Offer and to recommend that the Target Company's shareholders and Share Option Holders tender in the Tender Offer, and for the ADR Holders to surrender their ADRs to the Depository Bank in advance and receive Target Company Shares relating to their ADS, and then tender in the Tender Offer, if the Tender Offer has commenced. In addition, the board of directors of the Target Company resolved at a meeting held on April 16, 2025 to maintain the resolution made at the board of directors meeting of the Target Company held on March 28, 2025 to express its opinion in support of the Tender Offer and to recommend that the Target Company's shareholders and Share Option Holders tender in the Tender Offer, and for the ADR Holders to surrender their ADRs to the Depository Bank in advance and receive Target Company Shares relating to their ADS, and then tender in the Tender Offer, if the Tender Offer has commenced.

For details of the above resolution of the meeting of the board of directors of the Target Company held today, please refer to the Target Company Press Release and “(VI) Approval by Directors with No Interest in the Target Company and the Absence of Objections by All Statutory Auditors” in “(3) Measures to Ensure the Fairness of the Tender Offer Including Measures to Ensure the Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” in “1. Purpose of the Purchase” above.