



June 19, 2025

To Whom It May Concern:

Company name: Mitsui Matsushima Holdings Co., Ltd.  
Representative: Taishi Yoshioka, Representative Director and President  
(Stock Code: 1518, Prime Market of the Tokyo Stock  
Exchange and Fukuoka Stock Exchange)  
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## **Notice of Increase in Upper Limits of Acquisition of Own Shares and Public Tender Offer for Own Shares**

Mitsui Matsushima Holdings Co., Ltd. (the “Company”) hereby announces that it has resolved, at its Board of Directors meeting held on June 18, 2025, that the terms of the acquisition of its own shares pursuant to the provisions of its articles of incorporation based on Article 459, Paragraph 1 of the Companies Act (Act No. 86 of 2005, as amended; the “Companies Act”) and the provisions of Article 156, Paragraph 1 of the Companies Act and approved at its Board of Directors meeting held on May 13, 2025 be altered, and that a public tender offer (the “Tender Offer”) be adopted as the specific method of acquisition.

The objectives of the Tender Offer are to achieve a PBR of 1x or above as soon as possible and to raise expectations for long-term and sustainable appreciation of share price. By acquiring a large number of its own shares off-market, the Company believes that the impact on market transactions can be reduced, and capital reduction can be conducted efficiently within a short period of time. The Company also believes that its financial soundness can be adequately maintained notwithstanding the implementation of the Tender Offer.

Anticipating early accomplishment of “Management Strategy 2024”, the Company is determined to further improve its corporate value and enhancing its share price through promoting additional M&A investments in preparation for its next growth strategy, in order to answer the expectations of shareholders who continue to hold its shares.

### **I. Increase in upper limits of acquisition of own shares**

#### **1. Reason for the increase in upper limits of acquisition of own shares**

The Company has been repurchasing its own shares through flexible implementation of its capital policies in response to changes in market trends and the business environment, with the aim of achieving a PBR of 1x or above as soon as possible. Upon comprehensive consideration of the current market environment and other factors, the Company has decided to change the total number of shares to be acquired in order to implement the tender offer set out in the section entitled “II. Tender offer for own shares” below.

## 2. Purpose of the acquisition

Changes are underlined.

	Before the change	After the change
(1) Class of shares to be acquired	Common shares of the Company	
(2) Total acquisition cost	20 billion yen (upper limit)	
(3) Total number of shares to be acquired	<u>3,500,000 shares (upper limit) (ratio to the total number of issued shares (excluding treasury shares): 31.3%)</u>	<u>4,000,000 shares (upper limit) (ratio to the total number of issued shares (excluding treasury shares): 35.8%)</u>
(4) Acquisition period	From June 2, 2025, to June 1, 2026	

## II. Tender offer for own shares

### 1. Objectives of the Tender Offer

Upon the formulation of the medium-term management plan (for the 5 years ended March 2024; the “Medium-Term Management Plan”) in November 2018 pursuant to the fundamental corporate philosophy of “serving people and society”, the Company group has carried out a diversification of its business portfolio by way of proactively investing in industries other than coal production. Since 2014, the Company (which has just celebrated its 112<sup>th</sup> anniversary in January 2025) has acquired 13 companies as consolidated subsidiaries through M&A investment with the aim of constructing new businesses to replace the Company’s long-standing business of coal production which came to a close in the previous fiscal year. When investing in new businesses, the Company employs the criteria of “stable earnings”, “dominance in niche markets” and “easy-to-understand businesses”. As a result, the Company has earned operating income of 5.2 billion yen and ROE of 25.36% in non-coal production businesses and have generally accomplished the Medium-Term Management Plan.

In addition, from May 2024 onwards, the newly formulated “Management Strategy 2024” established the management strategy striving for a PBR of 1x or above and ROE of at least 8%. More specifically, the Company aims to (1) construct a profit structure which enables the Company to record net profits of more than 5 billion yen continuously for each business year up to the fiscal year ended March 2027 by way of M&A, and (2) maximize the value of each share by making good use of the net cash and deposit (21.6 billion yen: Note 1) as of the fiscal year ended March 2024 in M&A investments and shareholder return (by repurchasing its own shares and paying dividends) in the coming 3 years.

(Note 1) This figure takes into account approximately 5.2 billion yen of funds required for asset retirement obligations, etc. in connection with the closure of the Liddell Coal Mine in Australia, in which the Company group held an interest. For details, please refer to “(Follow-up on Previously Disclosed Matters) Notice Concerning the Completion of Interest Sale in Liddell Coal Mine in Australia” published on November 28, 2024.

In the Company's forecast for the year ending March 31, 2026, following the fiscal year ended March 31, 2025, the Company expects to achieve the net profit target of 5 billion yen, which is the first limb of the aforesaid "Management Strategy 2024". For the second limb, in fiscal year 2024, the Company acquired MRF Co., Ltd., a company providing loans secured by real estate to business owners, and began equity investment business via MM Investments Co., Ltd., the Company's wholly owned subsidiary investing in listed and unlisted shares, with a view of diversifying business through M&A and constructing a stable income structure, and has invested 23 billion yen in total for the purposes of M&A and shareholder returns as of the end of March 2025, the Company. In fiscal year 2025, the Company has spent 160 million yen as of May 13, 2025 to repurchase its own shares. For the purposes of furthering these strategies, achieving a PBR of 1x or above early and raising expectations for long-term and sustainable appreciation of share price, the Company has decided to strengthen shareholder returns. In particular, on May 13, 2025, the Company has decided and announced the following 3 plans: (1) increase of dividends to 230 yen per share from 130 yen per share in the last year and introduction of "progressive dividend", (2) repurchase of 20 billion yen its own shares (for a maximum of 3.5 million shares) in total, and (3) stock split (5-for-1) to improve the liquidity of the Company's shares. For details, please refer to "Notice of Shareholder Returns in FY2025", "Notice of Dividends from Surplus (Dividend Increase) and Dividend Forecast for the Next Fiscal Year (Dividend Increase)", "Notice of Establishment of Upper Limits and Other Terms of Acquisition of Own Shares" and "Notice of a Stock Split and the Related Partial Amendment of the Articles of Incorporation" published on May 13, 2025.

As evidenced by the above, the Company regards the return of profits to shareholders as one of its crucial operational policies and will continue to return profits to shareholders in accordance with its financial performance, while retaining necessary earnings for the purposes of promoting stable corporate growth in the future and adapting to changes in the business environment. As part of this policy, the Company has decided to adopt a new "progressive dividend" structure starting from the year ending March 31, 2026. Pursuant to the Company's shareholder return policy as described in Plan (1) above, the Company plans to pay interim dividends and final dividends of 115 yen (230 yen in total for the entire year) per share for the year ending March 31, 2026, representing a 77% increase compared to last year's dividend of 130 yen per share.

In addition, the Company's articles of incorporation provide that the payment of dividends from surplus and repurchase of its own shares can be authorized by a resolution passed at a Board of Directors meeting without the need of a resolution passed at a shareholders' meeting, unless otherwise required by applicable laws and regulations pursuant to the provisions in each item under Article 459, Paragraph 1 of the Companies Act. The purpose of this rule is to implement a flexible capital policy by authorizing the Board of Directors to return profits to shareholders, including repurchase of the Company's own shares.

As of the date of the Notice in Japanese and to the extent known to the Company, the Company has repurchased its own shares as set forth in the table below directly from the Tokyo Stock Exchange, Inc. ("TSE") as part of the implementation of a flexible capital policy. In addition, as described in Plan (2) above, the

Company announced on May 13, 2025 its plan to repurchase up to 20 billion yen's worth of up to 3.5 million of its own shares (equivalent to 31.33% (rounded to two decimal places) of its outstanding shares (excluding treasury shares)) from June 2, 2025 to June 1, 2026. For details, please refer to "Notice of Establishment of Upper Limits and Other Terms of Acquisition of Own Shares" published on May 13, 2025.

Date of resolution	Repurchase period	Number of shares repurchased	Aggregate purchase price of shares
Board of Directors meeting held on August 5, 2016 (Board of Directors meeting held on September 9, 2016: Note 2, Note 3)	From August 8, 2016 to October 3, 2016	8,000,000 shares	909,333,300 yen
Board of Directors meeting held on May 15, 2023	From May 16, 2023 to March 22, 2024	1,079,700 shares	2,999,821,500 yen
Board of Directors meeting held on August 9, 2024	From August 19, 2024 to November 18, 2024	570,000 shares	2,620,308,000 yen
Board of Directors meeting held on February 14, 2025 (Note 4)	From February 17, 2025 to May 13, 2025	44,700 shares	160,051,500 yen

(Note 2) The Company performed a 1-for-10 reverse stock split of its common shares, with an effective date of October 1, 2016. "Number of shares repurchased" stated in the above table represents the number of shares before the reverse stock split which is equivalent to 800,000 shares after the reverse stock split.

(Note 3) In accordance with the Company's articles of incorporation pursuant to the provisions of Article 459, Paragraph 1 of the Companies Act, the Company resolved at the Board of Directors meeting held on August 5, 2016 to establish upper limits of 500 million yen for the acquisition of 4 million of its own shares (equivalent to 2.88% (rounded to two decimal places) of its outstanding shares (excluding treasury shares)) from August 8, 2016 to July 24, 2017. However, at the Board of Directors meeting held on September 9, 2016, it was resolved that the upper limits be increased to 1 billion yen and the maximum number of shares to be acquired be increased to 8 million shares (equivalent to 5.77% (rounded to two decimal places) of its outstanding shares (excluding treasury shares)).

(Note 4) In accordance with the Company's articles of incorporation based on the provisions of Article 459, Paragraph 1 of the Companies Act, the Company resolved at the Board of Directors meeting held on February 14, 2025 to establish upper limits of 1 billion yen for the acquisition of 300,000 of its own shares (equivalent to 2.70% (rounded to two decimal places) of its outstanding shares, excluding

treasury shares) from February 14, 2025 to August 18, 2026. In the said resolution, the period of acquisition was set as February 17, 2025 to August 18, 2025. Following the establishment on May 13, 2025 of the new upper limits of 20 billion yen for the acquisition of 3.5 million of its shares (equivalent to 31.33% (rounded to two decimal places) of its outstanding shares (excluding treasury shares)) from June 2, 2025 to June 1, 2026, it was decided at the Board of Directors meeting held on May 13, 2025 that the acquisition of the Company's own shares based on the resolution approved on February 14, 2025 be discontinued. For details, please refer to the "Notice of the Status of Acquisition of Own Shares and the Discontinuation of the Acquisition of Own Shares" published on May 13, 2025.

(Note 5) The Company plans to carry out a 5-for-1 stock split of its common shares, with an effective date of October 1, 2025.

On the other hand, as part of the Company's regular investors relations activities with its major shareholders, the Company initiated a dialogue with its shareholders as of the date of the Notice in Japanese, namely Minami Aoyama Fudosan Co., Ltd. ("Minami Aoyama Fudosan", the second largest shareholder; number of shares held (Note 6): 1,155,400 shares; ownership ratio (Note 7): 10.16%), Fortis, Inc. ("Fortis", the third largest shareholder; number of shares held: 1,056,600 shares; ownership ratio: 9.29%), City Index Eleventh Co., Ltd. ("City Index Eleventh", the fourth largest shareholder; number of shares held: 1,005,100 shares; ownership ratio: 8.84%), S-Grant Co., Ltd. ("S-Grant", the fifth largest shareholder; number of shares held: 996,500 shares; ownership ratio: 8.77%) and Ms. Aya Nomura (the sixth largest shareholder; number of shares held: 485,100 shares; ownership ratio: 4.27%) (City Index Eleventh, Minami Aoyama Fudosan, Fortis, S-Grant and Ms. Aya Nomura are hereinbelow collectively referred to as "City Index Eleventh, et al."; aggregate number of shares held: 4,698,700 shares; aggregate ownership ratio: 41.33%) after they became the Company's shareholders in late-May 2024 (Note 8). Subsequently, upon the public notice of the Company's financial information and at the request of City Index Eleventh, the Company has continued to engage in dialogue with the major shareholders. Since the beginning of such dialogue, City Index Eleventh has suggested that, in order to improve the Company's corporate value, it is important to promote, with a sense of urgency, the optimization of capital efficiency through the optimal capital structure, and that it would be desirable to proceed with the reduction of shareholders' equity by way of acquisition of own shares. City Index Eleventh's aforesaid opinion aligns with the Company's capital policy. Therefore, the Company has been contemplating, since late-March 2025, a more preferable capital policy and an ideal way of shareholder return. At the Board of Directors meeting held on May 13, 2025, the Company resolved to repurchase up to 3.5 million shares for a maximum amount of 20 billion yen as stated above, along with other measures to enhance shareholder return.

(Note 6) Unless otherwise specified below, the number of shares held by City Index Eleventh, et al. and their respective shareholding ranking are based on the numbers in the Company's shareholder register as of March 31, 2025.

(Note 7) “Ownership ratio” refers to the ratio (rounded to two decimal places; the same applies to the calculation of ownership ratios hereinbelow) of the number of shares to 11,368,948 shares, being the total number of shares the Company has issued as of May 31, 2025 (13,064,400 shares) minus 1,695,452 treasury shares held by the Company as of May 31, 2025 (excluding the 198,000 shares held by the Board Benefit Trust (BBT); the same applies hereinbelow) which includes (a) 44,700 own shares and (b) 51 shares less than one unit acquired pursuant to the resolution passed at the Board of Directors meeting held on February 14, 2025 as described in Note 4 of the Report on Repurchase filed on June 2, 2025.

(Note 8) According to Change Report No. 9 pertaining to the Large Shareholding Report filed with the Director-General of the Kanto Local Finance Bureau on May 29, 2024, the total number of shares held by City Index Eleventh, et al as at May 22, 2024 is 3,392,800 shares, the breakdown of which is as follows: Fortis: 1,175,400 shares, Minami Aoyama Fudosan: 917,500 shares, Ms. Aya Nomura: 733,800 shares, S-Grant: 566,000 shares, City Index Eleventh: 100 shares. The ratios of the above numbers of shares to 11,920,861 shares, being the total number of the Company’s outstanding shares as of March 31, 2024 (13,064,400 shares) minus the number of treasury shares held by the Company as of the same date (1,143,539 shares) as recorded in the Annual Securities Report of the 168<sup>th</sup> Period filed by the Company on June 21, 2024 are respectively 9.86%, 7.70%, 6.16%, 4.75%, 0.00% and 28.46%. The shareholder ranking of City Index Eleventh, et al based on the number of shares held as of May 22, 2024 and the Company’s shareholder register as of March 31, 2024 is as follows: Fortis was the second largest shareholder, Minami Aoyama Fudosan was the third largest shareholder, Ms. Aya Nomura was the fourth largest shareholder and S-Grant was the fifth largest shareholder.

In such circumstances, with a view of assessing the possibility of selling all the common shares (4,698,700 shares, ownership ratio: 41.33%) held by City Index Eleventh, et al on the market, the Company notes that the VWAP (volume-weighted average price) of the Company’s shares during the period of 4 business days from May 14, 2025, i.e. the business day immediately following May 13, 2025, when the Company published its Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP] (the “Consolidated Financial Results”), to May 19, 2025, i.e. the business day before the scheduled investor relations meeting with City Index Eleventh, et al on May 20, 2025, reached 5,146 yen (Note 9), and that the most recent occasion on which the closing price of the Company’s shares exceeded 5,146 yen was approximately 9 months ago on July 31, 2024 (5,250 yen). While the dialogue with City Index Eleventh was on-going as described above, the Company recognized the possibility that City Index Eleventh, et al might sell all their common shares (4,698,700 shares, ownership ratio: 41.33%) in the Company, since the aforesaid VWAP is higher than the average purchase price of such shares (4,120 yen). Considering that the average daily trading volume of the Company’s shares on the TSE Prime Market during the period of 6 months immediately preceding the last day of April 2025 was 88,967 shares (rounded down to the nearest whole share; the same shall apply hereinbelow), the Company’s share price would be greatly impacted if all such shares were sold in the market because the total number of common shares held by City Index Eleventh, et al is equivalent to the total trading volume of

approximately 53 days. On the other hand, while the Company has resolved on May 13, 2025 to acquire a maximum of 3,500,000 shares of its own shares as described above, if the Company were to acquire all 3,500,000 shares through on-market transactions, it would take 132 to 263 business days, or approximately 6 months to 1 year, to complete the acquisition, taking into account the 6-month average daily trading volume mentioned above (88,967 shares) and assuming a market involvement ratio (Note 11) of 15% to 30% (Note 12). In contrast, acquiring shares from the Company's shareholders off-market enables the Company to acquire a considerable amount of its own shares within a shorter period of time compared to on-market purchase. With a view to acquiring a considerable number of shares within a short period of time, and in light of the aforesaid risk of City Index Eleventh, et al selling all their common shares (4,698,700 shares, ownership ratio: 41.33%) in the market, the Company reviewed the possibility of acquiring its common shares from City Index Eleventh, et al. On May 19, 2025, the Company determined that it is highly reasonable to acquire its own shares by way of public tender offer, since the Company will be able to acquire its own shares without affecting the stock market while giving all shareholders an equal opportunity to tender their shares. By acquiring a considerable amount of its own shares within a relatively short period of time in an efficient manner and without impairing liquidity, a reduction of its capital by up to 20 billion yen is possible.

(Note 9) The VWAP (volume-weighted average price) is used as an indicator because it reflects the average execution price of trades in a certain stock in a certain day and is adopted by institutional investors as the target price for trading shares. The figure 5,146 yen (rounded to the nearest yen) is calculated by dividing the cumulative trading value by price level of the transactions executed during the period of 4 business days from May 14 to 19, 2025 (5,834,066,500 yen) by the cumulative trading volume by price level in the same period (1,133,600 shares).

(Note 10) This figure is calculated on the basis of the total acquisition costs of City Index Eleventh, et al (19,189,688,000 yen) and the number of shares held (4,658,100 shares) recorded in Change Report No. 15 pertaining to the Large Shareholding Report filed with the Director-General of Kanto Local Financial Bureau by City Index Eleventh on January 20, 2025.

(Note 11) "Market involvement ratio" refers to the ratio of the volume of the on-market trades in a particular stock executed by a particular investor to the market trading volume of that stock.

(Note 12) The upper limit of the market involvement ratio is assumed to be 30% which is considered to be the maximum without causing significant impact to the formation of stock prices in the market. The lower limit (15%) is set at half of the upper limit.

In light of the above considerations, at the regular investor relations meeting scheduled for May 20, 2025 (the "Meeting"), the Company informed City Index Eleventh of its plan to acquire up to 20 billion yen's worth of its common shares (as resolved on May 13, 2025) from City Index Eleventh, et al by way of public tender offer. The Company explained the rationale, namely that the Company will be able to acquire a considerable

amount of its own shares within a relatively short period of time in an efficient manner and without impairing liquidity and thereby reduce its capital by up to 20 billion yen. The Company also showed interest in holding discussions in relation to the acquisition of the Company's shares from City Index Eleventh, et al, and proposed that the tender offer price per share (the "Tender Offer Price") in the Tender Offer be at a discount from the closing price of 4,935 yen on May 19, 2025, the business day immediately before the Meeting. City Index Eleventh informed the Company that they could not accept such a price. In response, the Company informed City Index Eleventh that, even though a price at a discount from the closing price of 4,935 yen on May 19, 2025 is not acceptable, the Tender Offer Price should not exceed 5,146 yen, which is the VWAP for the 4 business days from May 14, 2025 (i.e. the business day immediately following May 13, 2025, when the Company published the Consolidated Financial Results) to May 19, 2025 (i.e. the business day immediately before the Meeting). Upon the Company exploring the possibility of setting the Tender Offer Price at specifically 5,000 yen, which includes a 1.32% premium (rounded to two decimal places; the same applies to premium/discount rates hereinbelow) compared to the closing price of the Company's shares on the TSE Prime Market of 4,935 yen on May 19, 2025 (i.e. the business day immediately before the Meeting), City Index Eleventh indicated that they intend to tender their shares in the Tender Offer if the Tender Offer Price is 5,000 yen. Based on the aforesaid indication, the Company informed City Index Eleventh that the Tender Offer Price will be set at 5,000 yen, provided that an affirmative recommendation in respect of the Tender Offer (including a confirmation that the proposed Tender Offer Price of 5,000 yen is appropriate) can be obtained from the special committee to be established by the Company, in light of the fact that the proposed Tender Offer Price of 5,000 yen is higher than the closing price of 4,935 yen on May 19, 2025. Furthermore, the Company informed City Index Eleventh that, since the upper limit of the total acquisition cost of the Company's shares as resolved on May 13, 2025 is 20 billion yen, the total number of shares to be purchased under the Tender Offer could be increased to 4 million shares, up from 3.5 million shares as approved on May 13, 2025, if the Tender Offer Price is set at 5,000 yen. In response, City Index Eleventh indicated that, since the total number of shares held by City Index Eleventh, et al (4,698,700 shares) is greater than 4 million shares, they would consider tendering the 4,213,600 shares (ownership ratio: 37.06%) held by City Index Eleventh, et al representing an ownership ratio of 37.06% (excluding the 485,100 shares held by Ms. Aya Nomura, which represents an ownership ratio of 4.27%), if the total number of shares to be purchased is set at 4 million shares.

If the Company's share price maintains the same level as the closing price (4,935 yen) of the Company's shares on May 19, 2025 (i.e. the business day before the Meeting), and if the Tender Offer Price in the Tender Offer is fixed at 5,000 yen, the Tender Offer Price will likely exceed the market price of the Company's shares as of the business day immediately preceding the day on which the Tender Offer is announced. Since the outflow of consideration which exceeds the fair and proper value of the Company's shares might negatively impact the Company's medium to long term corporate value, prudence is required in the discussion on and decision to implement the Tender Offer. Therefore, on May 23, 2025, the Company established the Special Committee on Acquisition of Own Shares (the "Special Committee") consisting of 3 independent external directors (excluding the director who will retire at the general shareholders meeting to be held in June 2025) of the Company (namely Mr. Takashige Araki, Ms. Yuka Mitsue and Mr. Shota Wakiyama), and obtained their recommendations (the



“Recommendations”; For details on the Recommendations, please refer to “② Background information” under “(3) Basis of calculation of the price of acquisition of shares” in the section entitled “3. Overview of the Tender Offer” below) on June 18, 2025.

In addition, in order to ensure fairness from the perspective of protecting the interests of shareholders in general other than City Index Eleventh, et al in the determination of the Tender Offer Price, G-FAS Corporation (“G-FAS”) has been engaged as a third-party appraiser independent of the Company and City Index Eleventh, et al to assess the value of the Company’s shares, and has provided a share valuation report (the “Share Valuation Report”; For details on the Share Valuation Report, please refer to “① Basis of calculation” under “(3) Basis of calculation of the price of acquisition of shares” in the section entitled “3. Overview of the Tender Offer” below) on June 17, 2025. For the avoidance of doubt, G-FAS is not affiliated with the Company or City Index Eleventh, et al, and does not have any material interests in the Tender Offer.

On another note, on June 10, 2025, City Index Eleventh indicated to the Company that, since the closing price of the Company’s shares on June 9, 2025 (i.e. the business day before the aforesaid indication was made) was 4,650 yen and is expected to remain under 5,000 yen, the number of shares expected to be tendered from shareholders other than City Index Eleventh, et al under the Tender Offer will likely be greater than that estimated at the time of the Meeting. To avoid discouraging the tender of shares from other shareholders, the minimum number of shares which City Index Eleventh (excluding Ms. Aya Nomura) intend to tender under the Tender Offer will be reduced from 4 million shares to 3.3 million shares. On June 13, 2025, the Company accepted the proposal of City Index Eleventh, et al (excluding Ms. Aya Nomura) to tender 3.3 million shares under the Tender Offer. In addition, on June 13, 2025, City Index Eleventh expressed its opinion that the Company must continue to implement appropriate measures to enhance its corporate value after the Tender Offer is completed, to which the Company responded that it shares the same view.

Subsequently on June 13, 2025, in light of the aforesaid indication from City Index Eleventh and after obtaining the Special Committee’s approval of the draft tender agreement (the “Draft Tender Agreement”), the Company sent the Draft Tender Agreement to City Index Eleventh, et al (excluding Ms. Aya Nomura), in which the minimum number of shares to be tendered is set at 3.3 million and the Tender Offer Price under the Tender Offer is officially proposed to be set at 5,000 yen per share. On June 16, 2025, City Index Eleventh, et al (excluding Ms. Aya Nomura) agreed to execute a tender agreement in the form of the aforesaid draft. Accordingly, on June 18, 2025, the Company entered into an agreement (the “Tender Agreement”) with Minami Aoyama Fudosan (number of shares held: 1,155,400 shares, ownership ratio: 10.16%), Fortis (number of shares held: 1,056,600 shares, ownership ratio: 9.29%), City Index Eleventh (number of shares held: 1,005,100 shares, ownership ratio: 8.84%) and S-Grant (number of shares held: 996,500 shares, ownership ratio: 8.77%) to the effect that Minami Aoyama Fudosan, Fortis, City Index Eleventh and S-Grant (collectively referred to as the “Prospective Tendering Shareholders” hereinbelow) shall, out of 4,213,600 shares (ownership ratio: 37.06%) in the Company held by them which represent an aggregate ownership ratio of 37.06%, jointly tender at least

3,300,000 shares (the “Target Shares”) under the Tender Offer. (For details of the Tender Agreement, please refer to Paragraph ② under “(7) Other information” in the section entitled “3. Overview of the Tender Offer” below.)

In reliance on the Recommendations and the Share Valuation Report, the Company has resolved, at its Board of Directors meeting held on June 18, 2025, that (i) the number of shares to be acquired based on the resolution passed at the Board of Directors meeting held on May 13, 2025 (upper limit of the number of shares: 3.5 million shares; upper limit of the total acquisition cost: 20 billion yen) pursuant to the provisions of the Company’s articles of incorporation based on Article 459, Paragraph 1 of the Companies Act and the provisions of Article 156, Paragraph 1 of the Companies Act be increased from 3.5 million shares to 4 million shares (ownership ratio: 35.18%); (ii) the Tender Offer be adopted as the specific method of acquisition of its own shares under paragraph (i); (iii) the Tender Offer Price be fixed at 5,000 yen; (iv) the number of shares intended to be purchased under the Tender Offer be fixed at 3,999,900 shares (ownership ratio: 35.18%). Although Minami Aoyama Fudosan is a major shareholder and the largest major shareholder of the Company as of the date of the Notice in Japanese, it might cease to be a major shareholder and the largest shareholder of the Company depending on the number of shares to be tendered by each of the Prospective Tendering Shareholders. There might be a change in the identities of the major shareholders and the largest major shareholder of the Company. If such a change occurs, a notice to that effect will be published at the same time as the public notice of the result of the Tender Offer.

Using June 17, 2025 (i.e. the business day immediately preceding the date of public notice of the implementation of the Tender Offer) as the record date, the Tender Offer Price of 5,000 yen includes an 8.23% premium on the closing price (4,620 yen) as of the record date; a 5.46% premium on the unweighted average of closing prices in the 1 month immediately preceding the record date (4,741 yen); a 15.34% premium on the unweighted average of closing prices in the 3 months immediately preceding the record date (4,335 yen); or a 17.32% premium on the unweighted average of closing prices in the 6 months immediately preceding the record date (4,262 yen) of the Company’s shares traded on the TSE Prime Market.

The funds required for the Tender Offer come from the Company’s own funds (deposits) and funds procured through a loan from Sumitomo Mitsui Banking Corporation of up to 15 billion yen (the agreement in relation to such loan is referred to as the “Loan Agreement” hereinbelow), which is expected to be drawn down at least 3 business days before the date of commencement of settlement. The Company’s short-term liquidity (cash on hand and deposits) on the consolidated basis as of March 31, 2025 as recorded in the Consolidated Financial Results is 8,973 million yen, and the short-term liquidity ratio is 1.78 months (Note 13). Since the cash flow from operating activities in the previous fiscal year (from April 1, 2024 to March 31, 2025) is 4,574 million yen, and the cash flow from operating activities in the current fiscal year (from April 1, 2025 to March 31, 2026) is expected to maintain the same level as the previous fiscal year, the Company believes that its financial soundness and security can be maintained in the future. The amount of the Company’s consolidated borrowings as of

March 31, 2025 (excluding the operating loans of MRF Co., Ltd, which provides loans secured by real estate to business owners, in the amount of 26,536 million yen) is 5,407 million yen, and the adjusted net amount of deposits after deducting such borrowings is 3,582 million yen. At present, the Company has not yet decided on how to dispose of its own shares acquired through the Tender Offer. The Company will make a timely disclosure once the decision is made.

As mentioned above, in order to achieve a PBR of 1x or above as soon as possible and to raise expectations for long-term and sustainable appreciation of share price, the Company considers it necessary to acquire its own shares of up to 20 billion yen in total acquisition cost. The Company is convinced that, the Tender Offer greatly contributes to the Company's continuous growth and enhancement of corporate value in the medium to long run, because the Company can acquire its own shares within a relatively short period of time in an efficient manner without impacting the stock market through the acquisition of the Company's common shares held by the Prospective Tendering Shareholders by way of public tender offer. In addition, the Company anticipates that "Management Strategy 2024" can be accomplished ahead of the schedule, and is determined to further improve its corporate value and enhancing its share price through promoting additional M&A investments in preparation for its next growth strategy, in order to answer the expectations of shareholders who continue to hold its shares.

(Note 13) "Short-term liquidity ratio" refers to the ratio of the Company's short-term liquidity as of March 31, 2025 recorded in the Consolidated Financial Results (8,973 million yen) to the Company's net sales from April 1, 2024 to March 31, 2025 recorded in the Consolidated Financial Results (60,574 million yen) divided by 12 months (5,048 million yen).

## 2. Details of the resolution of the Board of Directors in relation to the acquisition of own shares

### (1) Details of the resolution

Class of shares	Total number of shares	Total acquisition cost
Common shares	4,000,000 shares (upper limit)	20,000,000,000 yen (upper limit)

(Note 1) The total number of outstanding shares as of June 18, 2025 is 13,064,400 shares.

(Note 2) The ratio of the total number of shares (4,000,000 shares) to be acquired to the total number of outstanding shares (11,170,999 shares excluding treasury shares) as of March 31, 2025 is 35.81% (rounded to two decimal places).

(Note 3) The total number of shares to be acquired is the figure after the Board of Directors meeting held on June 18, 2025 approving the increase in the upper limit of the number of shares to be acquired (up from 3.5 million shares as approved at the Board of Directors meeting held on May 13, 2025).

(Note 4) The total acquisition cost is the upper limit of the total acquisition cost as approved at the Board of Directors meeting held on May 13, 2025.

(Note 5) The period during which shares may be acquired is June 2, 2025 to June 1, 2026.

(2) Number of listed share certificates, etc. in relation to the Company's own shares which have already been acquired pursuant to the above resolution

Nil.

### 3. Overview of the Tender Offer

#### (1) Schedule, etc.

① Date of Board of Directors' resolution	Wednesday, June 18, 2025
② Date of public notice of commencement of the Tender Offer	Thursday, June 19, 2025 Public notices will be made electronically via the Internet, and a notice to that effect will be published in The Nikkei. (URL for the electronic notices: <a href="https://disclosure2.edinet-fsa.go.jp/">https://disclosure2.edinet-fsa.go.jp/</a> )
③ Date of filing of tender offer statement	Thursday, June 19, 2025
④ Period of the Tender Offer	From Thursday, June 19, 2025 to Wednesday, July 16, 2025 (20 business days)

#### (2) Tender Offer Price

5,000 yen per common share

#### (3) Basis of calculation, etc. of the Tender Offer Price

##### ① Basis of calculation

When determining the Tender Offer Price, the Company has taken into account the fact that the Company's shares are listed on the TSE Prime Market and that listed companies' acquisition of their own shares is often conducted through on-market purchases via financial instruments exchanges. Therefore, the Company considers that the clarity and objectivity of the basis of calculation are important criteria, and that the Tender Offer Price should be determined with regard to the market price of the Company's shares and the Company's financial performance and fund-raising abilities.

In deciding to set the Tender Offer Price at 5,000 yen, the Company has considered the market price of the Company's shares (more particularly, the closing price of the Company's shares traded on the TSE Prime Market

as of June 17, 2025, i.e. the business day immediately preceding the date of public notice of the implementation of the Tender Offer: 4,620 yen; the unweighted average of closing prices in the 1 month immediately preceding such date: 4,741 yen; the unweighted average of closing prices in the 3 months immediately preceding such date: 4,335 yen; and the unweighted average of closing prices in the 6 months immediately preceding such date: 4,262 yen) as well as the Company's financial performance (more particularly, the Company's short-term liquidity (cash on hand and deposits) on the consolidated basis as of March 31, 2025: 8,973 million yen; short-term liquidity ratio: 1.78 months, and the cash flow from operating activities in the previous fiscal year (from April 1, 2024 to March 31, 2025) (4,574 million yen). In addition, the Company has also referred to the valuation results recorded in the Share Valuation Report obtained on June 17, 2025 from G-FAS, which was engaged as a third-party appraiser independent of the Company and City Index Eleventh, et al to assess the value of the Company's shares in order to ensure fairness from the perspective of protecting the interests of shareholders in general other than City Index Eleventh, et al in the determination of the Tender Offer Price. For the avoidance of doubt, G-FAS is not affiliated with the Company or City Index Eleventh, et al, and does not have any material interests in the Tender Offer. Moreover, since adequate measures, including seeking the Recommendations from the Special Committee and obtaining the Share Valuation Report from G-FAS which is an independent third-party appraiser, have been taken to ensure the fairness of the Tender Offer, the Company has not sought G-FAS's confirmation that the Tender Offer Price is fair to the Company's shareholders from a financial perspective (also known as a fairness opinion). Furthermore, the remuneration paid to G-FAS for the preparation of the Share Valuation Report is a fixed fee and does not include any success-based fees contingent upon the completion of the Tender Offer or any other conditions.

G-FAS assessed the value of the Company's shares using the average market price method, the comparable company analysis method and the discounted cash flow (DCF) method. The Company received the Share Valuation Report from G-FAS on June 17, 2025.

According to the Share Valuation Report, the ranges of the value of the Company's shares calculated under each of the above methods are as follows:

Average market price method: 4,262 yen to 4,741 yen per share

Comparable company analysis method: 5,434 yen to 7,038 yen per share

DCF method: 8,268 yen to 11,004 yen per share

Under the average market price method, June 17, 2025 (i.e. the business day immediately preceding the date of the public notice of the Tender Offer) is adopted as the record date. The range of the value of the Company's shares (4,262 yen to 4,741 yen per share) is derived from the closing price of the Company's shares traded on the TSE Prime Market as of the record date: 4,620 yen; the unweighted average of closing prices in the 1 month immediately preceding such date: 4,741 yen; the unweighted average of closing prices in the 3 months immediately preceding such date: 4,335 yen; and the unweighted average of closing prices in the 6 months immediately preceding such date: 4,262 yen.

Under the comparable company analysis method, the range of the value of the Company's shares (5,434 yen to 7,038 yen per share) is calculated by comparing the financial indicators (such as the market share price and profitability) of listed companies engaged in relatively similar business to those of the Company and its consolidated subsidiaries.

Under the DCF method, the range of the value of the Company's shares (8,268 yen to 11,004 yen per share) is an estimate of the Company's current corporate value and share price calculated by discounting future cash flows based on the business plan for the fiscal year ending March 2026 prepared by the Company by a certain rate. In the financial projection used by G-FAS in the DCF analysis, fiscal years in which a significant increase or decrease in profits is expected are taken into account. Specifically, the net income attributable to shareholders of the parent company in the fiscal year ended March 31, 2025 is affected by special factors such as the transfer of interests in relation to the coal-mining business and the sale of strategic shareholdings. A significant decrease in profits is expected in the fiscal year ending March 31, 2026 compared to the previous fiscal year, as a result of the exclusion of the aforementioned special factors. In addition, fiscal years in which a significant increase or decrease in cash flow is expected are also taken into account. Specifically, the Company's cash flow in the fiscal year ended March 31, 2025 was significantly reduced due to the acquisition of the shares of MRF Co., Ltd., the Company's subsidiary. A significant increase of cash flow is expected in the fiscal year ending March 31, 2026 compared to the previous fiscal year, as a result of the exclusion of the aforementioned special factor. Furthermore, in light of the difficulty to estimate the specific impact of the implementation of the Tender Offer, the aforementioned business plan was prepared without regard to the Tender Offer.

Adopting June 17, 2025 (i.e. the business day immediately preceding the date of public notice of the implementation of the Tender Offer) as the record date, the Tender Offer Price of 5,000 yen includes an 8.23% premium on the closing price (4,620 yen) as of the record date; a 5.46% premium on the unweighted average of closing prices in the 1 month immediately preceding the said date (4,741 yen); a 15.34% premium on the unweighted average of closing prices in the 3 months immediately preceding the said date (4,335 yen); or a 17.32% premium on the unweighted average of closing prices in the 6 months immediately preceding the said date (4,262 yen) of the Company's shares traded on the TSE Prime Market.

Most recently, the Company acquired 570,000 shares of its common shares at the cost of 2,620,308,000 yen from August 19, 2024 to November 18, 2024 pursuant to the resolution passed at its Board of Directors meeting held on August 9, 2024, and an additional 44,700 shares at the cost of 160,051,500 yen from February 17, 2025 to March 13, 2025 pursuant to the resolution passed at its Board of Directors meeting held on February 14, 2025, by way of on-market purchase. The average acquisition costs of the aforementioned on-market purchases are 4,597 yen and 3,581 yen per share respectively, which are 403 yen and 1,419 yen lower than the Tender Offer Price respectively. Such differences are the result of the existence of an 8.23% premium on the closing price of 4,620 yen of the Company's common shares as of the business day immediately preceding the date of public notice of the implementation of the Tender Offer, which is 0.50% and 29.01% higher than the acquisition costs

of the aforementioned on-market purchases respectively, which were determined based on the market price of the Company's shares on the respective dates of acquisition.

## ② Background information

As stated in the section entitled "1. Objectives of the Tender Offer" above, the VWAP (volume-weighted average price) of the Company's shares during the period of 4 business days from May 14, 2025, i.e. the business day immediately following May 13, 2025, when the Company published the Consolidated Financial Results, to May 19, 2025, i.e. the business day before the Meeting, reached 5,146 yen. The most recent occasion on which the closing price of the Company's shares exceeded 5,146 yen was approximately 9 months ago on July 31, 2024 (5,250 yen). While the dialogue with City Index Eleventh was on-going as described above, the Company recognized the possibility that City Index Eleventh, et al might sell all their common shares (4,698,700 shares, ownership ratio: 41.33%) in the Company, since the aforesaid VWAP is higher than the average purchase price of such shares (4,120 yen). Considering that the average daily trading volume of the Company's shares on the TSE Prime Market during the period of 6 months immediately preceding the last day of April 2025 was 88,967 shares, the Company's share price would be greatly impacted if all such shares were sold in the market because the total number of common shares held by City Index Eleventh, et al is equivalent to the total trading volume of approximately 53 days. On the other hand, while the Company has resolved on May 13, 2025 to acquire a maximum of 3,500,000 shares of its own shares as described above, if the Company were to acquire up to 3,500,000 shares through on-market transactions, it would take 132 to 263 business days, or approximately 6 months to 1 year, to complete the acquisition, taking into account the 6-month average daily trading volume mentioned above (88,967 shares) and assuming a market involvement ratio of 15% to 30%. In contrast, acquiring shares from the Company's shareholders off-market enables the Company to acquire a considerable amount of its own shares within a shorter period of time compared to on-market purchase. With a view to acquiring a considerable number of shares within a short period of time, and in light of the aforesaid risk of City Index Eleventh, et al selling all their common shares (4,698,700 shares, ownership ratio: 41.33%) in the market, the Company reviewed the possibility of acquiring its common shares from City Index Eleventh, et al. On May 19, 2025, the Company determined that it is highly reasonable to acquire its own shares by way of public tender offer, since the Company will be able to acquire its own shares without affecting the stock market while giving all shareholders an equal opportunity to tender their shares. By acquiring a considerable amount of its own shares within a relatively short period of time in an efficient manner and without impairing liquidity, a reduction of its capital by up to 20 billion yen is possible.

In light of the above considerations, the Company informed City Index Eleventh at the Meeting of its plan to acquire up to 20 billion yen's worth of its common shares (as resolved on May 13, 2025) from City Index Eleventh, et al by way of public tender offer. The Company explained the rationale, namely that the Company will be able to acquire a considerable amount of its own shares within a relatively short period of time in an efficient manner and without impairing liquidity and thereby reduce its capital by up to 20 billion yen. The Company also showed interest in holding discussions in relation to the acquisition of the Company's shares

from City Index Eleventh, et al, and proposed that the Tender Offer Price in the Tender Offer be at a discount from the closing price of 4,935 yen on May 19, 2025, the business day immediately before the Meeting. City Index Eleventh informed the Company that they could not accept such a price. In response, the Company informed City Index Eleventh that, even though a price at a discount from the closing price of 4,935 yen on May 19, 2025 is not acceptable, the Tender Offer Price should not exceed 5,146 yen, which is the VWAP for the 4 business days from May 14, 2025 (i.e. the business day immediately following May 13, 2025, when the Company published the Consolidated Financial Results) to May 19, 2025 (i.e. the business day immediately before the Meeting). Upon the Company exploring the possibility of setting the Tender Offer Price at specifically 5,000 yen, which includes a 1.32% premium compared to the closing price of the Company's shares on TSE Prime Market of 4,935 yen on May 19, 2025 (i.e. the business day immediately before the Meeting), City Index Eleventh indicated that they intend to tender their shares in the Tender Offer if the Tender Offer Price is 5,000 yen. Based on the aforesaid indication, the Company informed City Index Eleventh that the Tender Offer Price will be set at 5,000 yen, provided that an affirmative recommendation in respect of the Tender Offer (including a confirmation that the proposed Tender Offer Price of 5,000 yen is appropriate) can be obtained from the special committee to be established by the Company, in light of the fact that the proposed Tender Offer Price of 5,000 yen is higher than the closing price of 4,935 yen on May 19, 2025. Furthermore, the Company informed City Index Eleventh that, since the upper limit of the total acquisition cost of the Company's shares as resolved on May 13, 2025 is 20 billion yen, the total number of shares to be purchased under the Tender Offer could be increased to 4 million shares, up from 3.5 million shares as approved on May 13, 2025, if the Tender Offer Price is set at 5,000 yen. In response, City Index Eleventh indicated that, since the total number of shares held by City Index Eleventh, et al (4,698,700 shares) is greater than 4 million shares, they would consider tendering the 4,213,600 shares (ownership ratio: 37.06%) held by City Index Eleventh, et al representing an ownership ratio of 37.06% (excluding the 485,100 shares held by Ms. Aya Nomura, which represents an ownership ratio of 4.27%), if the total number of shares to be purchased is set at 4 million shares.

If the Company's share price maintains the same level as the closing price (4,935 yen) of the Company's shares on May 19, 2025 (i.e. the business day before the Meeting), and if the Tender Offer Price in the Tender Offer is fixed at 5,000 yen, the Tender Offer Price will likely exceed the market price of the Company's shares as of the business day immediately preceding the day on which the Tender Offer is announced. Since the outflow of consideration which exceeds the fair and proper value of the Company's shares might negatively impact the Company's medium to long term corporate value, prudence is required in the discussion on and decision to implement the Tender Offer. Therefore, on May 23, 2025, the Company established the Special Committee consisting of 3 independent external directors (excluding the director who will retire at the general shareholders meeting to be held in June 2025) of the Company, namely Mr. Shota Wakiyama (a director of the Company), Mr. Takashige Araki (a director (and a member of the audit committee) of the Company) and Ms. Yuka Mitsue (a director (and a member of the audit committee) of the Company). (The constitution of the Special Committee has not been changed since its establishment.) The Company consulted the Special Committee on the following issues: (i) the reasonableness of the objectives of the Tender Offer, (ii) the reasonableness of the Tender Offer as a method of acquisition of its own shares, (iii) the appropriateness of the terms and conditions of the Tender



Offer (including the appropriateness of the Tender Offer Price), and (iv) the procedural fairness of the Tender Offer (issues (i) to (iv) are collectively referred to as the “Issues” hereinbelow) and commissioned the Special Committee to give their recommendations to the Company in respect of these matters. From May 2025, 2025 to June 18, 2025, the Special Committee convened a total of 4 times to discuss and consider the Issues. More particularly, the Special Committee has reviewed materials provided by the Company, was briefed on the Company’s target capital structure, the circumstances leading to the Tender Offer being adopted as the method of acquisition of its own shares, the procedure of the Tender Offer, and conducted question-and-answer sessions in these regards. In addition, the Special Committee was also briefed by G-FAS in relation to the Share Valuation Report submitted to the Company and conducted a question-and-answer session. On June 18, 2025, after careful consideration of the briefing and the explanations provided in the question-and-answer sessions, the Special Committee unanimously made the following Recommendations on the Issues to the Company:

(i) Reasonableness of the objectives of the Tender Offer

As stated in the section entitled “1. Objectives of the Tender Offer” above, the Company regards the return of profits to shareholders as one of its crucial operational policies and will continue to return profits to shareholders in accordance with its financial performance, while retaining necessary earnings for the purposes of promoting stable corporate growth in the future and adapting to changes in the business environment. As a part of the implementation of a flexible capital policy, the Company has been repurchasing its own shares by way of on-market purchases on the TSE. In order to further reduce shareholders’ equity and promote shareholder returns in conjunction with other measures for the enhancement of shareholder returns, the Company has approved, at its Board of Directors meeting held on May 13, 2025, the repurchase of up to 20 billion yen’ worth of up to 3.5 million shares of its own shares, and has subsequently increased the upper limit of the number of shares to be repurchased from 3.5 million shares to 4 million shares. The Special Committee finds the Company’s aforementioned management policies which form the basis of the Tender Offer to be reasonable. On the other hand, by acquiring approximately 4 million shares with the total acquisition cost of 20 billion yen as approved on May 13, 2025 off the market, the Company will be able to reduce its capital within a shorter period compared to an on-market purchase, thereby improving its capital efficiency such as EPS and ROE and raising expectations for the long-term and sustainable improvement of corporate value and enhancement of share price. In light of the Company’s management policies, the Special Committee recognizes that the Tender Offer contributes to the advancement of capital reduction, improvement of corporate value and appreciation of share price, and concluded that the objectives of the Tender Offer are reasonable.

(ii) Reasonableness of the Tender Offer as a method of acquisition of its own shares

On May 13, 2025, the Company’s Board of Directors established the upper limits for the acquisition of 20 billion yen of its own shares from June 2, 2025 to June 1, 2026. considering that the average daily trading volume of the Company’s shares on the TSE Prime Market during the period of 6 months

immediately preceding the last day of April 2025 was 88,967 shares (rounded down to the nearest whole share), it would take the Company approximately 6 months to 1 year to complete the acquisition of 20 billion yen's worth of its shares through on-market transactions. In contrast, if the shares are acquired by way of public tender offer, the purchase price can be fixed freely at the Company's discretion unlike on-market transactions. Therefore, by agreeing to acquire the majority of the 41.33% of the Company's common shares held by City Index Eleventh, et al off the market, the Company is able to acquire a considerable number of its own shares within a shorter period of time compared to on-market purchase. Given that City Index Eleventh, et al (excluding Ms. Aya Nomura) have agreed to tender at least 3.3 million shares out of the 4 million shares intended to be purchased under the Tender Offer, shareholders in general other than City Index Eleventh, et al (excluding Ms. Aya Nomura) are given an equal opportunity to sell their shares. The Company's acquisition of its own shares can be conducted in a transparent and fair manner, and is therefore considered to be highly reasonable. By acquiring a considerable number of its own shares in a relatively short period of time without impairing liquidity, the Company is able to reduce its capital by up to 20 billion yen. Accordingly, the Special Committee concluded that the Company's acquisition of its own shares by way of the Tender Offer is reasonable.

(iii) Appropriateness of the terms and conditions of the Tender Offer (including the appropriateness of the Tender Offer Price)

In light of the following matters, the Special Committee concluded that the terms and conditions of the Tender Offer, including the Tender Offer Price, are appropriate.

(a) The average market price method, the comparable company analysis method and the DCF method employed by G-FAS in the valuation of the Company's shares are the ordinary and reasonable methods currently adopted in practice. The explanations given in respect of the assumptions used in the DCF method (such as the basis of the discount rate) are reasonable, and the valuation process is reasonable in light of the current practice. The Company's business plan for the fiscal year ending on March 2026 on which the valuation is premised is not unreasonable in light of the circumstances surrounding its preparation and the current situation of the Company. Given the ranges of the value of the Company's shares as assessed in the Share Valuation Report for the assessment of the Tender Offer Price under the Tender Offer prepared by G-FAS, while the Tender Offer Price exceeds the upper bound of the valuation of the Company's shares calculated by the average market price method, it falls below the lower bound of the valuation calculated by the comparable company analysis method and the DCF method by 7.99% and 39.53% respectively. Therefore, the Tender Offer Price cannot be said to represent an outflow of consideration exceeding the fair value of the Company's shares.

(b) The Special Committee was established promptly after the Company commenced full-fledged consideration of the Tender Offer and, after convening multiple times to consider the merits of the

Tender Offer to the Company and to deliberate whether there would be any problem with the Tender Offer from the perspective of the Company's corporate value in the medium to long run due to an outflow of consideration exceeding the fair value of its shares, gave its recommendations to the Company. Since the Company's official proposal to City Index Eleventh, et al to fix the price for each share purchased under the Tender Offer at 5,000 yen was made on the basis of such recommendations, it can be said that the Special Committee has been substantively involved in the Company's process of determining the Tender Offer Price.

- (c) There are no other matters which cast any doubt on the process in which the Tender Offer Price was determined.

(iv) Procedural fairness of the Tender Offer

In light of the following matters, the Special Committee concluded that adequate measures guaranteeing the fairness of the negotiation process, etc. leading up to the Tender Offer has been put in place and that the Tender Offer is procedurally fair.

- (a) The Company's Board of Directors has established the Special Committee, which is independent of the Company, City Index Eleventh, et al and the success or failure of the Tender Offer, and has been making decisions in relation to the Tender Offer with the utmost respect to the conclusions of the Special Committee.
- (b) A system enabling the Special Committee to be substantively involved in the process of reviewing the terms and conditions of the Tender Offer has been secured, and it can be said that the Special Committee has been substantively involved in the Company's process of determining the Tender Offer Price.
- (c) The Company has been receiving legal advice from Ohebashi LPC & Partners, a legal adviser which is independent of the Company, City Index Eleventh, et al and the success or failure of the Tender Offer.
- (d) The Special Committee has obtained the Share Valuation Report in relation to the valuation of the Company's shares from G-FAS, a third-party appraiser which is independent of the Company, City Index Eleventh, et al and the success or failure of the Tender Offer.
- (e) Timely disclosure has been scheduled.

- (f) There are no other matters suggesting that the Company has been improperly influenced by City Index Eleventh, et al in the process of the discussion, consideration and negotiation in relation to the Tender Offer.

At the Board of Directors meeting held on June 18, 2025, based on the foregoing considerations and in reliance on Recommendations and the Share Valuation Report, the Company has determined that the Tender Offer does not constitute an outflow of consideration exceeding the fair and proper value of the Company's shares, and has resolved that the Tender Offer Price be fixed at 5,000 yen.

(4) Number of shares intended to be purchased

Class of listed share certificates, etc.	Number of shares intended to be purchased	Expected number of excess shares	Total
Common shares	3,999,900 shares	—	3,999,900 shares

(Note 1) If the total number of shares tendered ("Tendered Shares") does not exceed the number of shares intended to be purchased (3,999,900 shares), the Company will purchase all of the Tendered Shares. However, if the total number of the Tendered Shares exceeds the number of shares intended to be purchased (3,999,900 shares), the Company will not purchase all or part of such excess and will implement the share transfer and other settlements with regard to the purchase, etc. of share certificates, etc. by the pro rata allocation method provided in the provisions of Article 27-13, Paragraph 5 as applied mutatis mutandis pursuant to Article 27-22-2, Paragraph 2 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the "Financial Instruments and Exchange Act") and the provisions of Article 21 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Listed Share Certificates, etc. by Issuer (Ordinance of the Ministry of Finance No. 95 of 1994, as amended).

(Note 2) Shares less than one unit are also covered by this tender offer. If a shareholder exercises its right to request that shares less than one unit be purchased pursuant to the Companies Act, the Company may purchase such shares during the period of the Tender Offer. ("Tender Offer Period") pursuant to the procedures prescribed under the relevant laws and regulations.

(5) Funds required for the acquisition of shares

20,014,800,000 yen

(Note) This is the aggregate of the purchase price (5,000 yen) of all the shares intended to be purchased (3,999,900 shares) are purchased, commission and handling charges, and the estimate of other miscellaneous expenses including the costs of publishing the notices relating to the Tender Offer and printing the tender offer explanation statement and other necessary documentation.

(6) Method of settlement

- ① Name and address of head office of financial instruments business operator, bank, etc., in charge of settlement of the Tender Offer

Mita Securities Co., Ltd. 3-11, Nihonbashi-kabutocho, Chuo-ku, Tokyo

- ② Date of commencement of settlement

Friday, August 8, 2025

- ③ Method of settlement

Without delay after the conclusion of the Tender Offer Period, a written notice of purchase under the Tender Offer will be mailed to the address of each shareholder who have tendered shares under the Tender Offer (“Tendering Shareholder”) (or the address of the Tendering Shareholder’s standing proxy within Japan (“Standing Proxy”), in the case that such shareholder is a resident of a foreign country or a corporate shareholder (“Foreign Shareholder”). Purchases will be settled in cash. Without delay after the date of commencement of settlement, the proceeds of the sale of the purchased shares will be delivered to the location specified by the Tendering Shareholder (or its Standing Proxy, in the case of a Foreign Shareholder), or deposited into the Tendering Shareholder’s account with the tender offer agent through which the shares were tendered.

- (i) Taxation in cases where individual shareholders tender their shares in the Tender Offer is as follows:

- (a) If the Tendering Shareholder is a resident of Japan or a non-resident with a permanent establishment in Japan:

If the amount of money to be delivered in return for tendering the shares in this tender offer exceeds the amount of the portion of the Company’s stated capital, etc. corresponding to the shares that give rise to such delivery of money (when the per share purchase price is greater than the per share amount of the Company’s stated capital, etc.), the amount of the excess portion will be deemed to be dividends and be taxed. The amount of money delivered for tendering the shares in this tender offer minus the amount deemed to be dividends will constitute income from share transfer. If no amount is deemed to be dividends (when the per share purchase price is equal to or less than the per share amount of the Company’s stated capital, etc.), the entirety of the paid amount will constitute income from share transfer.

The amount deemed to be dividends will be subject to a withholding tax of 20.315% (15.315% in income taxes and the special reconstruction income tax under the “Act on Special Measures Concerning Securing Financial Resources Necessary to Implement Measures for Reconstruction in Response to the Great East Japan Earthquake” (Act No. 117 of 2011, as amended; “Special Reconstruction Income Tax”) and 5% in resident taxes) (non-residents with a permanent

establishment in Japan will be exempt from the special collection of the 5% resident tax.). However, if a shareholder is a large shareholder, etc., as prescribed in Article 4-6-2, Paragraph 38 of the Order for Enforcement of the Act on Special Measures Concerning Taxation (Cabinet Order No. 43 of 1957, as amended) (“Large Shareholder, Etc.”), the amount deemed to be dividends will be subject to a withholding tax of 20.42% (income tax and Special Reconstruction Income Tax only). In addition, the ratio of (i) the total number of shares held by Tendering Shareholders who receive the payment of deemed dividends and legal entities that fall under the category of family companies of such Tendering Shareholders under the Corporation Tax Act to (ii) the total number of shares issued is 3% or more, the relevant amount deemed to be dividends shall be subject to comprehensive taxation.

The amount that constitutes income from share transfer minus the acquisition expenses relating to the shares will be subject to separate self-assessment taxation in principle.

- (b) If the Tendering Shareholder is a non-resident of Japan without a permanent establishment in Japan:

The amount deemed to be dividends will be subject to a withholding tax of 15.315% (income tax and Special Reconstruction Income Tax only). If the Tendering Shareholder is a Large Shareholder, Etc., then the deemed dividends will be subject to a withholding tax of 20.42% (income tax and Special Reconstruction Income Tax only). Further, income from the share transfer will not be taxed in principle.

- (ii) If the amount of money to be delivered to a corporate shareholder in return for tendering its shares in this tender offer exceeds the amount of the portion of the Company’s stated capital, etc. corresponding to the shares that give rise to such delivery of money, the excess amount will be deemed to be a dividend. The amount deemed to be a dividend will be subject to a withholding tax of 15.315% (income tax and Special Reconstruction Income Tax only) in principle.

However, no income tax or Special Reconstruction Income Tax will be imposed or withheld on any amount deemed to be dividends paid by the Company to a Tendering Shareholder (limited to legal entities (domestic legal entities) with a head office or principal office in Japan) who directly hold more than one-third of the total number of the Company’s outstanding shares on the record date for the payment of such deemed dividends, etc..

Any Foreign Shareholders who, pursuant to an applicable tax treaty, wish to enjoy the benefit of reduction of or exemption from the income tax on the deemed dividend amounts described below are requested to submit, when tendering their shares in this tender offer, the Application Form for Income Tax Convention to the tender offer agent together with the Tender Offer Application Form.

(7) Other information

- ① The Tender Offer is not to be conducted (whether directly or indirectly) in the United States of America (“US”) or for the US and is not to be conducted by way of US mail or other interstate or international commerce methods or means (including, but not limited to, telephone, telex, facsimile, electronic mail and internet communications), and moreover, the Tender Offer is not to be conducted through any facilities of a securities exchange in the US. No application for the Tender Offer may be accepted through any of the aforementioned methods or means or through the aforementioned facilities or from the US.

The tender offer registration statement and related tender documents are not to be and may not be sent or distributed in, to or from the US by mail or any other methods. Any application for the Tender Offer in violation of any of the aforementioned restrictions (whether directly or indirectly) will not be accepted.

The Tendering Shareholder (or the Standing Proxy of such shareholder, in the case of a Foreign Shareholder) may be requested to make the following representations and warranties to the tender offer agent when tendering its shares in the Tender Offer: The Tendering Shareholder is not located in the US either at the time of tendering its shares or sending the Tender Offer Application Form; The Tendering Shareholder did not use (whether directly or indirectly) US mail or other interstate or international commerce methods or means (including, but not limited to, telephone, telex, facsimile, electronic mail and internet communications) or any facilities of a securities exchange in the US with respect to the purchase or signing and delivering of the Tender Offer Application Form; and the Tendering Shareholder is not acting as any other person’s agent or trustee/delegate without any degree of discretion (except in the case where such other person is giving all of the instructions regarding the purchases, etc. from outside the US).

- ② The Company has entered into the Tender Agreement with the Prospective Tendering Shareholders with an effective date of June 18, 2025.

In the Tender Agreement, the Prospective Tendering Shareholders (holding 4,213,600 shares, ownership ratio: 37.06%) undertake to jointly tender at least 3,300,000 shares of Target Shares held by them (the “Tender”; however, upon the Prospective Tendering Shareholders’ request, the Tender Agreement did not specify which of the Prospective Tendering Shareholders is to tender how many shares), and not to withdraw the Tender or otherwise cancel the agreement in relation to the acquisition of the tendered shares pursuant to the Tender.

In addition, the Prospective Tendering Shareholders covenant not to, whether by themselves or through their joint holders (as defined in Article 27-23, Paragraphs 5 and 6 of the Financial Instruments and Exchange Act), shareholders, officers or employees, or any legal entities, partnership or other similar organizations which are directly or indirectly controlled by, or whose majority stake is directly or indirectly

held by, or which are a member, officer or employee of, such joint holders, shareholders, officers or employees whether solely or jointly (“Affiliates”), enter into or cause to be entered into any transactions or any agreements in relation thereto with any third parties other than the Company to assign the ownership of the tendered shares or use the tendered shares as security or otherwise dispose of the tendered shares in any manner which substantially conflicts with the Tender Offer or render the implementation of the Tender Offer difficult, and not to make or do or cause to be made or done any proposal, solicitation, discussion, negotiation or provision of any information in relation to such transactions, from the date of the Tender Agreement until the date of commencement of settlement, and further covenant to deliver to the Company or a person designated by the Company a proxy for voting rights and all other necessary documents, in the event that the Company’s general shareholders meeting is to be held where a date prior to the date of commencement of settlement for the Tender Offer is adopted as the record date for the exercise of shareholders’ rights.

Furthermore, in the Tender Agreement, the conditions precedent to the Prospective Tendering Shareholders’ Tender are that (i) the Company’s representations and warranties (Note 1) are true and correct in all material respects, (ii) all duties and obligations (Note 2) to be performed or observed by the Company under the Tender Agreement have been performed or observed in all material respects, and (iii) the Company is not a party to any petition, lawsuits or proceedings seeking to restrict or prohibit the Tender in any judicial or administrative authorities, and the Tender Offer and the Prospective Tendering Shareholders’ tender of shares are not restricted or prohibited by any law or determination of judicial or administrative authorities and that there are no real risk of such restriction or prohibition. (Nevertheless, the Prospective Tendering Shareholders may, at their sole discretion, waive all or part of the above conditions precedent and tender their shares under the Tender Offer.)

(Note 1) In the Tender Agreement, the Company represents and warrants that (i) it is lawfully and validly established and existing and holds all necessary authority and power to conduct the businesses it is engaged in, (ii) it is authorized to enter into and perform the Tender Agreement, (iii) the Tender Agreement is enforceable, (iv) the Tender Agreement is compatible with applicable laws and regulations, the Company’s articles of incorporation and other internal regulations, as well as determinations, etc. of judicial, administrative and other authorities, (v) there are no statutory insolvency proceedings against the Company, and (vi) the Company is not related to antisocial forces.

(Note 2) In the Tender Agreement, the Company has the obligations (i) to implement the Tender Offer, (ii) to compensate the Prospective Tendering Shareholders for loss and damages within the scope of reasonable causation resulting from a breach of the Company’s representations and warranties or its obligations under the Tender Agreement, (iii) to bear its own costs, expenses, fees, taxes and dues, (iv) not to assign its position and its rights and obligations under the Tender Agreement and (v) to maintain confidentiality.



③ Announcement of the Consolidated Financial Results

The Company has announced these consolidated financial results on May 13, 2025. A brief summary of the announcement is as follows. The contents of this announcement have not been audited by an auditing firm in accordance with the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act. For details, please refer to the announcement.

(A) Profit and loss (consolidated)

Accounting period	Fiscal year ended March 2025 (From April 1, 2024 to March 31, 2025)
Net sales	60,574 million yen
Cost of sales	38,248 million yen
Selling, general and administrative expenses	14,710 million yen
Non-operating income	1,088 million yen
Non-operating expenses	256 million yen
Profit attributable to owners of parent	8,645 million yen

(B) Profit and loss per share (consolidated)

Basic earnings per share	750.13 yen
Dividend per share	130.00 yen
Net assets per share	5,825.49 yen

- ④ In order to achieve a PBR of 1x or above as soon as possible, the Company has decided on the shareholder return policy for fiscal year 2025 at the Board of Directors meeting held on May 13, 2025. For details, please refer to “Notice of Shareholder Returns in FY2025”, “Notice of Dividends from Surplus (Dividend Increase) and Dividend Forecast for the Next Fiscal Year (Dividend Increase)”, “Notice of Establishment of Upper Limits and Other Terms of Acquisition of Own Shares” and “Notice of a Stock Split and the Related Partial Amendment of the Articles of Incorporation” published on May 13, 2025.
- ⑤ The Company decided to establish upper limit of 1 billion yen for the acquisition of its own shares at the Board of Directors meeting held on February 14, 2025. Following the establishment of the new upper limit of 20 billion yen for the acquisition of its own shares as mentioned in ④ above, the Company decided, at the Board of Directors meeting held on May 13, 2025, to discontinue the acquisition of its own shares based on the resolution approved on February 14, 2025. For details, please refer to the “Notice of the Status of Acquisition of Own Shares and the Discontinuation of the Acquisition of Own Shares” published on May 13, 2025.

End of Summary