

Translation

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August 5, 2025

To Whom it May Concern:

Company name:	BASE, Inc.
Representative:	Representative Director and CEO Yuta Tsuruoka (Code: 4477, Tokyo Stock Exchange Growth Market)
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**Partial Amendment to the Notice Regarding Statement of Opinion (Opposition) Concerning the Tender Offer for Shares of the Company by Mr. Hiroyuki Maki and the Decision Not to Trigger Defensive Measures Based on the Current Policy at This Time**

With respect to the “Notice of Opinion Statement (Opposition) on Mr. Hiroyuki Maki’s Tender Offer for the Company’s Shares and Notice of Non-Activation of Countermeasures under the Current Response Policy at This Time” announced on May 15, 2025, the Company hereby announces, as set forth below, certain matters that require amendment in light of developments relating to the tender offer for shares of the Company’s common stock by Mr. Hiroyuki Maki (hereinafter the “Tender Offeror”) (the “Tender Offer”).

As described in “2. Details of the Amendments” below, the Company, with the utmost respect for the opinion of the Independent Committee comprised solely of individuals independent from the Company’s executive team (for a summary of the opinion, please refer to “3. Content, Basis, and Reasoning of the Opinion on the Tender Offer,” “(6) Measures to Ensure Fairness of the Board of Directors’ Judgment,” and “② Establishment and Opinion of the Independent Committee”), resolved at its Board of Directors meeting held on August 5, 2025, to maintain its opinion opposing the Tender Offer.

The Company respectfully requests that shareholders do not tender their shares in the Tender Offer, and for those who have already tendered, we request that you promptly cancel your tender agreements.

**1. Reason for the Amendments**

The Tender Offeror commenced the Tender Offer on May 7, 2025. On July 30, 2025, the Tender Offeror decided to amend the Tender Offer terms by increasing the tender offer price per share of the Company’s common stock from JPY 400 to JPY 407, extending the tender offer period until August 14, 2025, for a total of 70 business days, and changing the settlement commencement date to August 21, 2025.

**2. Details of the Amendments**

**2. Tender Offer Price**

**Before Amendment:**

JPY 400 per share of the Company's common stock (the "Tender Offer Price")

**After Amendment:**

JPY 407 per share of the Company's common stock (the "Tender Offer Price")

**3. Content, Basis, and Reasoning of the Opinion on the Tender Offer**

**(1) Content of the Opinion**

**Before Amendment:**

At the Board of Directors meeting held today, the Company resolved to express its opposition to the Tender Offer and, at this point in time, to not trigger any defensive measures under the Response Policy.

We respectfully request that shareholders do not tender their shares in the Tender Offer. If you have already tendered your shares, we ask that you promptly cancel the tender agreement.

**After Amendment:**

At the Board of Directors meeting held on May 15, 2025, the Company resolved to express its opposition to the Tender Offer and, as of that date, to not trigger any defensive measures under the Response Policy.

Subsequently, the Tender Offeror submitted an amendment to the Tender Offer Registration Statement on May 22, 2025 (the "May 22 Amendment"), whereby the Tender Offer period was extended to July 30, 2025, for a total of 60 business days. Furthermore, on July 30, 2025, the Tender Offeror submitted another amendment to the Tender Offer Registration Statement (the "July 30 Amendment"), increasing the Tender Offer Price to JPY 407 per share and extending the offer period to August 14, 2025, for a total of 70 business days (collectively, the "Revised Tender Offer Conditions").

In light of these Revised Tender Offer Conditions, the Company has conducted another review. As a result, at the Board of Directors meeting held today, all attending directors unanimously resolved to maintain the Company's opposition to the Tender Offer and to continue not to trigger any defensive measures under the Response Policy at this point in time.

We respectfully request that shareholders continue to refrain from tendering their shares in the Tender Offer. If you have already tendered your shares, we ask that you promptly cancel the tender agreement.

**(2) Basis and Reasons for the Opinion**

**① Process of Review Regarding the Tender Offer**

**(ii) Developments in Discussions with the Bidder After Adoption of the Response Policy**

**Before Amendment:**

**d. Review Status of the Company Following the Commencement of the Tender Offer**

(Excerpted for relevance)

The Independent Committee met on April 1, April 14, May 12, May 14, and May 15, 2025.

(i) On April 1, the Committee confirmed the independence, expertise, and track record of the aforementioned outside experts and approved the Company's selection of them as external advisors.

(ii) On May 12, May 14, and May 15, the Committee deliberated on the Tender Offer based on the Tender Offer Registration Statement and the explanatory materials submitted by the Tender Offeror.

On this day, the Independent Committee submitted its unanimous opinion to the Board of Directors, stating that (i) the Company should express its opposition to the Tender Offer, and (ii) at this time, it supports the decision not to trigger any defensive measures under the Response Policy.

Based on this opinion, the Company resolved at its Board of Directors meeting held today, with the unanimous agreement of all directors, to express an opinion opposing the Tender Offer at this time.

**e. The Tender Offeror's Description of Negotiations with the Company in the Tender Offer Registration Statement Differs Significantly from the Company's Understanding**

(Excerpted for relevance)

As noted in (a) above, the Tender Offeror initially indicated that its objective was to obtain a "control premium," specifically by acquiring more than 30% of the Company's issued shares. However, during a meeting between the Tender Offeror and Mr. Tsuruoka on March 31, and another meeting between the Tender Offeror and the Chairman of the Independent Committee on May 1, the Tender Offeror stated that if the Company's consent could be obtained, it might consider limiting its acquisition to just an additional 0.1% of the shares. (No explanation was given as to how this was consistent with its stated goal of acquiring more than 30%.)

As such, the Tender Offeror's intentions regarding the acquisition of shares in the Company have shifted and remain unclear.

Although the Tender Offeror has now set an upper limit on the number of shares to be acquired such that its total ownership would not exceed 30%, the Company was never formally presented with a proposal to set such a limit. This change in the Tender Offeror's stance has caused significant confusion.

**After Amendment:**

**d. Review Status of the Company Following the Commencement of the Tender Offer**

(Excerpted for relevance)

Prior to the initial expression of opinion upon the commencement of the Tender Offer, the Independent Committee convened meetings on April 1, April 14, May 12, May 14, and May 15, 2025.

(i) On April 1, the Committee confirmed the independence, expertise, and track record of the external advisors and approved the Company's selection of them.

(ii) On May 12, May 14, and May 15, the Committee deliberated on the Tender Offer based on the Tender Offer Registration Statement and the explanatory materials submitted by the Tender Offeror.

On May 15, the Independent Committee submitted its unanimous opinion to the Board of Directors, stating that (i) the Company should express its opposition to the Tender Offer, and (ii) as of that date, it supports the decision not to trigger any defensive measures under the Response Policy.

Based on this opinion, the Company resolved at the Board of Directors meeting held on the same date, with the unanimous agreement of all directors, to express its opposition to the Tender Offer as of that date.

**e. The Tender Offeror's Description of Negotiations with the Company in the Tender Offer Registration Statement Differs Significantly from the Company's Understanding**

(Excerpted for relevance)

As noted in (a) above, the Tender Offeror initially stated that its objective was to obtain a

“control premium,” meaning an ownership ratio of more than 30% of the issued shares of the Company.

However, in a meeting with Mr. Tsuruoka on March 31 and in another with the Chairman of the Independent Committee on May 1, 2025, the Tender Offeror expressed that, should the Company agree, it might consider ceasing additional purchases at an increase of only 0.1%—without explaining how such a change aligns with the original goal of acquiring more than 30%. The Tender Offeror’s intentions regarding the acquisition of the Company’s shares have therefore shifted and remain unclear.

Although the Tender Offer sets an upper limit on the number of shares to be acquired such that the ownership ratio will not exceed 30%, the Company was not presented with a proposal regarding such a cap. The Company is perplexed by yet another change in the Tender Offeror’s position.

#### **f. Subsequent Developments Following the Submission of the Opinion Statement**

Prior to the abrupt commencement of the Tender Offer by the Tender Offeror, and based on prior discussions with the Tender Offeror, the Company resolved on May 15, 2025, to express its opposition to the Tender Offer, respecting the opinion of the Independent Committee to the fullest extent, for the following reasons:

There is a significant divergence between the Company’s and the Tender Offeror’s respective visions and values, and the Tender Offer is not expected to contribute to enhancing the Company’s corporate value or the common interests of shareholders—in fact, there is concern that it may make such enhancement difficult in the future;

The Tender Offeror may prioritize personal gains and resell the Company’s shares, which raises concerns that a large shareholder unfavorable from the perspective of the Company’s corporate value and shareholders’ common interests may emerge in the future.

However, in the Tender Offeror’s Response to Questions Report submitted on May 22, 2025 (the “Response Report”), it was stated, in contrast to the Company’s previous understanding of the Tender Offeror’s stance, that: “The Tender Offeror is not solely pursuing personal profit but is also considering the corporate value of the target company and the common interests of its shareholders.”

This statement gave rise to some hope that the Tender Offeror might be mindful of the Company’s corporate value and shareholder interests.

In addition, on May 22, 2025, the Tender Offeror extended the tender offer period to July 30, resulting in a total duration of 60 business days. The Company considered it undesirable that, under such circumstances, its shareholders and other stakeholders would be placed in a state of uncertainty for a prolonged period. Moreover, as the Tender Offer continued in this manner, the Company found itself compelled to allocate greater management resources to address the situation, thereby potentially impairing its ability to implement and realize its business strategies aimed at enhancing corporate value.

Therefore, with reference to the opinion of the Independent Committee and considering the concerns previously outlined in the Company’s press release dated March 19, 2025, the Company, in an effort to engage in constructive dialogue for the benefit of corporate value and shareholders’ common interests, instructed its legal counsel to reach out to the Tender Offeror’s legal counsel to propose holding such discussions on June 9, 2025.

However, on June 13, the Tender Offeror’s legal counsel responded, stating that the Tender

Offeror would not agree to hold discussions. The reasons provided were generally aligned with those described on page 4 of the July 30 Amendment to the Tender Offer Registration Statement<sup>1</sup>. The Company, however, found none of these reasons to be convincing grounds for refusing discussions from the standpoint of corporate value or shareholder interests, and was thus compelled to conclude that the Tender Offeror is indeed pursuing personal gain.

Furthermore, one of the reasons cited by the Tender Offeror's legal counsel for refusing to engage in discussions was a lack of trust in the Company's and its financial advisor's internal information management systems. However, the Company confirms that it has implemented appropriate internal information management measures, and it has also received confirmation from its financial advisor that it maintains a proper internal control framework for managing information<sup>2</sup>.

As noted in sections "(ii) History of Discussions with the Tender Offeror Following the Introduction of the Response Policy," "(a) Tender Offeror's Expressed Intent to Disregard the Response Policy," and "(e) Discrepancy Between the Tender Offeror's Account and the Company's Understanding of Prior Discussions," the Company has only provided information narrowly tailored to the Tender Offeror's investment activities. There was absolutely no intent to defame or disparage any decision-making by Base Food, Inc., and the Company believes that the contents disclosed in its press release dated April 14 are not false.

Moreover, on July 7, 2025, Mr. Tsuruoka was contacted by the Tender Offeror with the information that a Japan-based arm of a foreign private equity fund had made a proposal regarding the potential privatization and subsequent re-listing of the Company.

As of the date of this document, the Company has not received any direct communication of similar content from the foreign private equity firm in question and has made no decisions regarding such a proposal. Nevertheless, the Company remains committed to exploring all possibilities in pursuit of enhancing corporate value and maximizing shareholder interests.

Subsequently, on July 30, 2025, the Tender Offeror submitted the July 30 Amendment and implemented the Revised Tender Offer Conditions.

In light of the developments following the commencement of the Tender Offer, the content of the Response Report, and the Revised Tender Offer Conditions, the Independent Committee convened on August 5, 2025, and submitted its unanimous opinion to the Board of Directors. The opinion stated that, even after considering the Revised Tender Offer Conditions, the

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<sup>1</sup> According to the Amendment to the Tender Offer Registration Statement dated July 30, it is stated that "as of the date of submission of this document, the total number of tendered shares is significantly below the upper limit of the number of shares to be purchased (17,600,000 shares)."

However, in the aforementioned communication, the Tender Offeror's legal counsel conveyed to the Company a statement that differed from the description on page 4 of the July 30 Amendment, asserting that "there has been **a large number of** tenders from general shareholders who have received the tender offer explanatory document, which is nearly identical in content to the tender offer registration statement" (emphasis added by the Company).

<sup>2</sup> According to the Amendment to the Tender Offer Registration Statement dated July 30, the Tender Offeror was informed by a market participant that "because the Target Company is considering the withdrawal of the Response Policy, the Tender Offer Price will likely increase" — and that "this was what the market participant had heard from the financial advisor of the Target Company" (parenthetical added by the Company).

However, when the Tender Offeror's legal counsel communicated this matter to the Company, they explained it with a different nuance, stating that "the market participant had heard it from **someone affiliated** with the financial advisor" (emphasis added by the Company).

Company should (i) maintain its opposition to the Tender Offer and (ii) at this time, refrain from triggering any defensive measures under the Response Policy.

Based on this opinion, the Company resolved at today's Board of Directors meeting, with the unanimous consent of all attending directors, to (i) maintain its opposition to the Tender Offer and (ii) continue not to trigger any defensive measures under the Response Policy at this point in time.

## **②Reasons for the Opinion on the Tender Offer**

### **Before Amendment:**

#### **(iii) Regarding the Tender Offer Price**

While the Tender Offer Price of JPY 400 is not the primary reason the Company opposes the Tender Offer at this time, the price of JPY 400 per share represents approximately:

- a 1.72% discount to the closing price of the Company's shares on May 14, 2025 (JPY 407), and
- a 15.79% discount to the closing price on the Tender Offer's announcement date, May 7, 2025 (JPY 475), on the Tokyo Stock Exchange Growth Market.

Therefore, the Tender Offer does not provide a reasonable investment recovery opportunity to the shareholders. This is one of the reasons the Company opposes the Tender Offer.

The Tender Offeror has mentioned the possibility of increasing the Tender Offer Price under certain conditions. However, even if the Tender Offer Price were to be raised, this would not affect the Company's assessment based on the reasons described in (i) and (ii) above. The Company therefore intends to continue expressing its opposition to the Tender Offer.

#### **(iv) Summary**

As explained in (i) through (iii) above, there is a fundamental divergence in direction between the Tender Offeror, who appears to be motivated by personal profit, and the Company, which is focused on enhancing corporate value and maximizing the common interests of shareholders.

The Tender Offer is not expected to contribute to the enhancement of the Company's corporate value or shareholder interests and may, in fact, hinder such enhancement in the future.

In addition, there are concerns that the Tender Offeror may resell the Company's shares in a way that prioritizes its own interests over those of the Company and its shareholders, potentially harming the Company's corporate value and the common interests of shareholders.

Considering also the level of the Tender Offer Price, the Company opposes the Tender Offer.

Going forward, the Company will continue working to enhance corporate value and maximize the common interests of shareholders. As stated in the "FY2025 Q1 Financial Results Presentation Materials" released on May 8, 2025, the Company aims to simultaneously grow its top line through enhancement of existing products and improve profitability to drive EBITDA growth.

In addition, the Company seeks to achieve non-continuous growth through M&A and intends to continue shareholder returns through share buybacks and cash dividends, supported by its solid financial foundation.

### **After Amendment:**

#### **(iii) Regarding the Tender Offer Price**

While the Tender Offer Price of JPY 407 is not the primary reason for the Company's opposition

to the Tender Offer at this time, the price is not at a premium to the closing price of the Company's shares on May 14, 2025 (JPY 407) on the Tokyo Stock Exchange Growth Market, and represents approximately a 14.32% discount to the closing price on the Tender Offer's announcement date, May 7, 2025 (JPY 475).

Accordingly, the Tender Offer does not represent a reasonable opportunity for investment recovery for shareholders, which is one of the reasons for the Company's opposition.

In the Response Report, the Tender Offeror stated that:

"The closing price on March 19, when the adoption of the Response Policy was announced, was JPY 525,"

and

"If the Response Policy is withdrawn or abolished, it is highly likely that the share price will return to the level of JPY 525."

While we will refrain from commenting on the appropriateness of this position, if we take it at face value, it suggests that the implementation of the Response Policy alone should not substantially impact the Company's corporate value. Therefore, the Tender Offer Price of JPY 407 does not reflect the true value of the Company and clearly does not provide a reasonable investment recovery opportunity for shareholders.

While the Tender Offeror has stated that there may be a possibility of increasing the Tender Offer Price under certain conditions, even if the price were increased, the Company sees no reason to alter its conclusions based on reasons (i) and (ii) above, and therefore intends to continue to oppose the Tender Offer.

#### **(iv) Regarding the Revised Tender Offer Conditions**

Although the Tender Offer Price was increased under the Revised Tender Offer Conditions, as stated in "(1) Process of Review Regarding the Tender Offer", "(ii) History of Discussions with the Tender Offeror Following the Introduction of the Response Policy", and "f. Subsequent Developments Following the Submission of the Opinion Statement", the Tender Offeror has refused constructive discussions to address the Company's concerns.

As such, the Company's concerns outlined in (i) "The Tender Offeror is pursuing personal gain, and the Tender Offer will not contribute to the enhancement of the Company's corporate value or shareholder interests—possibly making such enhancement difficult in the future," and (ii) "There is a risk that the Tender Offeror, seeking to obtain and benefit from a control premium, may resell the Company's shares in a manner detrimental to corporate value and shareholder interests," remain unresolved.

In the Tender Offer Registration Statement, the Tender Offeror stated that the price would be increased if the Response Policy were withdrawn or abolished, or if a court order prohibiting countermeasures under the Response Policy became final and binding. However, there was no mention of any price increase for other reasons.

According to the July 30 Amendment, one of the purposes of the price increase was to encourage shareholder participation in the Tender Offer. If the Tender Offeror had intended such a price increase, that information would have constituted a material fact necessary for shareholders to make an informed decision, and thus should have been clearly disclosed in the original Tender Offer Registration Statement.

Moreover, if the Tender Offeror is considering any further changes to the tender terms, including an additional price increase, such information would also constitute material information for shareholders and should be disclosed immediately.

Under tender offer regulations, a Tender Offeror is permitted to extend the tender period beyond 60 business days under certain conditions. However, such extensions are generally not allowed under the rules because they could place shareholders in a prolonged state of uncertainty and hinder the smooth trading and fair pricing of relevant securities in the market, thus harming investors.

The current Tender Offer has already exceeded 60 business days. Additionally, because this is a partial tender offer with an upper limit on the number of shares to be acquired, the Company views it as potentially coercive—creating a situation where shareholders may feel compelled to tender against their will.

If the Tender Offeror repeatedly increases the offer price and continues to extend the tender period in this way, it could undermine the purpose of the rule limiting the tender period to 60 business days and create further confusion for the Company’s shareholders and other stakeholders.

In particular, despite the Company’s share price having closed at JPY 475 on May 7, 2025, the date of the Tender Offer’s announcement, the price has since fallen significantly to a level close to the initial Tender Offer Price of JPY 400. After the July 30 Amendment, it has hovered near the new Tender Offer Price of JPY 407. These movements appear to be influenced by the Tender Offer Price itself.

If the Tender Offeror continues to revise the tender conditions and extends the Tender Offer for a prolonged period, the Company believes it may obstruct the smooth trading and fair price formation of its shares in the market.

#### **(v) Summary**

As discussed in (i) through (iv) above, there is a fundamental divergence in strategic direction between the Tender Offeror—who is primarily pursuing personal gain—and the Company, which is focused on enhancing corporate value and maximizing shareholder interests. The Tender Offer is not expected to enhance the Company’s corporate value or shareholder interests and may, in fact, hinder such enhancement in the future.

There are also concerns that the Tender Offeror may prioritize personal gain and resell shares in a way that undermines the Company’s value and shareholder interests. Taking into account the current Tender Offer Price, the Company opposes the Tender Offer.

The Company remains committed to enhancing corporate value and maximizing shareholder interests. As disclosed in the “FY2025 Q1 Financial Results Presentation Materials” dated May 8, 2025, the Company will continue to pursue both top-line growth and improved profitability through strengthening of its existing products and aims to grow EBITDA. It will also pursue non-linear growth through M&A and, supported by a solid financial foundation, continue to return value to shareholders through share repurchases and cash dividends.

### **(6) Measures to Ensure Fairness of the Board of Directors’ Judgment**

#### **② Establishment and Opinion of the Independent Committee**

##### **Before Amendment:**

(Excerpt)



The Independent Committee met on April 1, April 14, May 12, May 14, and May 15, 2025. It began its deliberations on the matters referred to it on April 1. On the date of this document, the Independent Committee submitted its unanimous opinion to the Company's Board of Directors, stating that:

- (i) the Company should express an opinion opposing the Tender Offer; and
- (ii) in light of the introduction and continuation of the Response Policy and the various conditions of the Tender Offer, no defensive measures under the Response Policy should be triggered at this time.

**After Amendment:**

(Excerpt)

The Independent Committee convened on April 1, April 14, May 12, May 14, May 15, June 6, and August 4, 2025. It began its deliberations on the referred matters on April 1.

On May 15, the Independent Committee submitted its unanimous opinion to the Company's Board of Directors, stating that:

- (i) the Company should express an opinion opposing the Tender Offer; and
- (ii) in light of the introduction and continuation of the Response Policy and the various conditions of the Tender Offer, as of that date, no defensive measures under the Response Policy should be triggered.

Subsequently, on August 4, the Independent Committee deliberated again in response to the Revised Tender Offer Conditions and submitted its unanimous opinion to the Board, stating that even in consideration of such changes:

- (i) the Company should maintain its opinion opposing the Tender Offer; and
- (ii) at this point in time, no defensive measures under the Response Policy should be triggered.

**6. Response Policy Based on the Basic Policy Regarding Control of the Company**

**(2) Response of the Company to the Commencement of the Tender Offer**

**Before Amendment:**

(Excerpt)

The Tender Offer Price is approximately:

- 1.72% lower than the closing price of the Company's shares on the Tokyo Stock Exchange Growth Market on May 14, 2025 (JPY 407), and
- 15.79% lower than the closing price on May 7, 2025 (JPY 475), the date the Tender Offer was announced. Thus, the Company does not consider the Tender Offer to present a reasonable opportunity for investment recovery for shareholders.

Therefore, even taking into account the possibility that shares held by STM may be tendered, the Company determined that the post-Tender Offer voting rights ratio of the Tender Offeror is unlikely to exceed 20%, the threshold defined as a "Large-Scale Purchase" under the Response Policy, and concluded that, at this time, it is unnecessary to trigger any countermeasures under the Response Policy.

As a result of subsequent review and evaluation of the Tender Offer, the Board of Directors determined it appropriate to continue the Response Policy and to not trigger any countermeasures thereunder at this time, while adopting a position opposing the Tender Offer. Accordingly, at the Board of Directors meeting held today, the Company resolved, with unanimous

agreement of all directors, to express its opposition to the Tender Offer and to refrain from triggering any countermeasures under the Response Policy at this point in time.

However, depending on future developments such as changes in the Company's stock price or any revisions to the Tender Offer Price by the Tender Offeror, the Company may consider invoking countermeasures under the Response Policy either before or after the Tender Offer, with full respect to the recommendations of the Independent Committee.

(Notably, this Tender Offer is a partial offer with an upper limit on the number of shares to be purchased, which the Company interprets as potentially coercive. See the Ministry of Economy, Trade and Industry's "Guidelines on Takeovers" dated August 31, 2023, Appendix 2, Section 1(b).)

As noted in "3. Content, Basis, and Reasoning of the Opinion on the Tender Offer," subsection "(6) Measures to Ensure Fairness of the Board of Directors' Judgment," paragraph "② Establishment and Opinion of the Independent Committee," the Company received on this date a unanimous opinion from the Independent Committee stating that:

- (i) the Company should oppose the Tender Offer, and
- (ii) at this time, it supports the decision not to trigger any countermeasures under the Response Policy.

**After Amendment:**

(Excerpt)

The Tender Offer Price is approximately:

- 1.72% lower than the closing price of the Company's shares on the Tokyo Stock Exchange Growth Market on May 14, 2025 (JPY 407), and
- 15.79% lower than the closing price on May 7, 2025 (JPY 475), the date the Tender Offer was announced. Thus, the Company does not consider the Tender Offer to present a reasonable opportunity for investment recovery for shareholders.

Therefore, even taking into account the possibility that shares held by STM may be tendered, the Company determined that, as of May 15, 2025, the Tender Offeror's post-Tender Offer voting rights ratio was unlikely to exceed 20%, the threshold defined as a "Large-Scale Purchase" under the Response Policy, and concluded that it was unnecessary at that time to trigger any countermeasures under the Response Policy.

After further review and evaluation of the Tender Offer, the Board of Directors adopted a position opposing the Tender Offer, and, as of that date, determined it appropriate to continue the Response Policy and refrain from triggering any countermeasures thereunder.

Accordingly, at the Board of Directors meeting held on the same date, the Company resolved, with unanimous agreement of all directors, to express its opposition to the Tender Offer and to refrain from triggering any countermeasures under the Response Policy as of that date.

Subsequently, after the implementation of the Revised Tender Offer Conditions, the Company conducted a new round of evaluation.

Since the revised Tender Offer Price of JPY 407 does not include a premium over the May 14 closing price (JPY 407) and represents approximately a 14.32% discount to the May 7 closing price (JPY 475), the Tender Offer still does not present a reasonable opportunity for investment recovery.

Moreover, as described in "3. Content, Basis, and Reasoning of the Opinion on the Tender Offer," subsection "(2) Basis and Reasons for the Opinion," paragraph "② Reasons for the Opinion on the Tender Offer," the Tender Offeror claims in the Response Report (p. 2 of the attachment) that:

“The closing price on March 19, when the Response Policy was announced, was JPY 525,” and  
“If the Response Policy is withdrawn or abolished, it is highly likely that the share price will return to the level of JPY 525.”

Even assuming this premise to be correct, it follows that the Tender Offer Price of JPY 407 does not reflect the Company's true corporate value.  
Hence, shareholders would have no rational basis to tender their shares.

Therefore, even considering the potential tendering of STM's shares and the price increase under the Revised Tender Offer Conditions, the Company still believes that the Tender Offeror's post-Tender Offer voting rights ratio is unlikely to exceed the 20% threshold for a Large-Scale Purchase under the Response Policy, and determined that it is unnecessary to trigger any countermeasures under the Response Policy at this point in time.

Accordingly, at today's Board of Directors meeting, the Company resolved, with unanimous agreement of all attending directors, to maintain its opposition to the Tender Offer and not to trigger any countermeasures under the Response Policy at this point in time.

However, depending on future developments, such as fluctuations in the Company's stock price or revisions to the Tender Offer Price by the Tender Offeror, and considering the possible outcome and the degree of coerciveness of the Tender Offer (notably, this Tender Offer is a partial offer with an upper limit, which the Company considers potentially coercive; see the Ministry of Economy, Trade and Industry's "Guidelines on Takeovers" dated August 31, 2023, Appendix 2, Section 1(b)), the Company may consider invoking countermeasures under the Response Policy before or after the Tender Offer, while fully respecting the recommendations of the Independent Committee.

As noted in “3. Content, Basis, and Reasoning of the Opinion on the Tender Offer,” subsection “(6) Measures to Ensure Fairness of the Board of Directors' Judgment,” paragraph “② Establishment and Opinion of the Independent Committee,” the Company received on May 15 a unanimous opinion from the Independent Committee that:

- (i) the Company should oppose the Tender Offer, and
- (ii) as of that date, it supported the decision not to trigger any countermeasures under the Response Policy.

Additionally, with respect to the Revised Tender Offer Conditions, the Company received a further unanimous opinion from the Independent Committee on today's date stating that:

- (i) the Company should maintain its opposition to the Tender Offer, and
- (ii) it remains appropriate at this point in time not to trigger any countermeasures under the Response Policy.

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