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February 13, 2026

To whom it may concern:

Company name: Alleanza Holdings Co., Ltd.
Name of representative: Syunichi Asakura
the Representative Director, Chairperson and
CEO
(Securities code: 3546; Prime Market)
Inquiries: Kazuya Ito
Director
(Telephone: +81-24-563-6818)

**Notice of Expression of Our Opinion in Favor of Tender Offer for Company's Share Certificates by
KOHNAN SHOJI Co., Ltd.**

The Company hereby announces that, at its board of directors meeting held on February 12, 2026, it resolved: (i) (A) to express its opinion in favor of the tender offer for the Company's common shares (the "Company Shares") and Share Options (as defined in "I. Opinion concerning the Tender Offer" - "2. Price of tender offer" - "(2) Share option" below; hereinafter the same) by KOHNAN SHOJI Co., Ltd. (the "Offeror") (the "Tender Offer"), as further described in "I. Opinion concerning the Tender Offer" below, and (B) to recommend that the Company's shareholders tender their Company Shares in the Tender Offer, and to leave to the discretion of the holders of the Share Options ("Share Option Holders") the decision on whether or not to tender their Share Options in the Tender Offer and (ii) to enter into a capital and business alliance agreement with the Offeror (the "Capital and Business Alliance Agreement," and the capital and business alliance under the Capital and Business Alliance Agreement is hereinafter referred to as the "Capital and Business Alliance") as described in "II. Capital and Business Alliance Agreement" below.

The above resolutions of the board of directors were approved on the assumption that, after the Tender Offer and a series of subsequent procedures (the "Transaction") as described in "I. Opinion concerning the Tender Offer" - "3. Details of, and grounds and reasons for the opinion on the Tender Offer" - "(5) Policies on organizational restructuring, etc. after the Tender Offer (matters concerning "two-step acquisition")" - "(4) Possibility of delisting and reasons therefor" below, the Offeror and Valor Holdings Co., Ltd. ("Valor Holdings"), the largest shareholder of the Company will be the only shareholders of the Company and, as a result, the Company Shares will be delisted.

Particulars

I. Opinion concerning the Tender Offer

1. Summary of the Offeror

(1) Name	KOHNAN SHOJI Co., Ltd.
(2) Address	4-401-1, Otorihigashi-machi, Nishi-ku, Sakai-shi, Osaka, Japan
(3) Title /name of representative	Naotaro Hikida, Representative Director and President
(4) Details of business	Home center business, retail business and wholesale membership club

	(deal in building/construction material) for professional customers	
(5) Stated capital	17,658 million yen (as of August 31, 2025)	
(6) Date of establishment	September 20, 1978	
(7) Major shareholders and shareholding ratio (as of August 31, 2025)	The Master Trust Bank of Japan, Ltd. (trust account) KOHNAN CO., LTD. Kozo Hikida Naotaro Hikida KOHNAN SHOJI Partner Shareholding Association Custody Bank of Japan, Ltd. (trust account) IRIS OHYAMA Inc. Custody Bank of Japan, Ltd. (trust E account) YS K.K. Daiso Industries Co., Ltd.	10.44% 6.97% 6.17% 6.15% 4.27% 4.14% 3.76% 3.23% 2.42% 2.22%
(8) Relationship between the Company and the Offeror		
Capital relationship	Not applicable.	
Personnel relationship	Not applicable.	
Business relationship	Not applicable.	
Status as related parties	Not applicable.	

2. Price of tender offer

(1) Company Share: 1,465 yen per share (the “Tender Offer Price”)

(2) Share options

- (I) 1 yen per share option issued by the Company on September 1, 2016 after and as the replacement for the share options issued pursuant to the resolution at the board of directors meeting of Daiyu Eight Co., Ltd. (“Daiyu Eight”) held on May 16, 2014 (the exercise period is from September 1, 2016 to June 10, 2044) (“FY2014 Share Option”)
- (II) 1 yen per share option issued by the Company on September 1, 2016 after and as the replacement for the share options issued pursuant to the resolution at the board of directors meeting of Daiyu Eight held on May 15, 2015 (the exercise period is from September 1, 2016 to June 10, 2045) (“FY2015 Share Option”)
- (III) 1 yen per share option issued by the Company on September 1, 2016 after and as the replacement for the share options issued pursuant to the resolution at the board of directors meeting of Daiyu Eight held on April 8, 2016 (the exercise period is from September 1, 2016 to June 10, 2046) (“FY2016 Share Option,” and FY2014 Share Options, FY2015 Share Options, and FY2016 Share Options are collectively hereinafter referred to as “Share Options”)

(The share options in (I) through (III) above are collectively referred to as the “Share Options”).

(Note) The share options previously issued by Daiyu Eight were extinguished upon the Company’s incorporation by way of share transfer on September 1, 2016, and the holders of such options were granted Company share options as replacements on the same day. For an overview of the share transfer, please refer to “3. Details of, and grounds and reasons for, the opinion on the Tender Offer” - “(2) Grounds and reasons for the opinion on the Tender Offer” - “(II) Background, purposes and decision-making process leading to the Offeror’s decision to conduct the Tender

Offer" below.

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

(1) Details of the opinion on the Tender Offer

The Company, at its board of directors meeting held on February 12, 2026, resolved, based on the grounds and reasons set out in “(2) Grounds and reasons for the opinion on the Tender Offer” below, (i) to express its opinion in favor of the Tender Offer and (ii) to recommend that the Company’s shareholders tender their shares in the Tender Offer and to leave to the discretion of the Share Option Holders the decision on whether or not to tender their Share Options in the Tender Offer.

The foregoing resolutions of the Company’s board of directors were adopted in the manner described in “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest” - “(VI) Unanimous approval of all disinterested directors (including directors who are members of Audit and Supervisory Committee) of the Company” below.

(2) Grounds and reasons for the opinion on the Tender Offer

Among the grounds and reasons for the Company’s opinion on the Tender Offer, the statements on the Offeror are based on the explanations given by the Offeror.

(I) Outline of the Tender Offer

According to the Offeror, the Offeror resolved at the board of directors meeting held on February 12, 2026 to implement the Tender Offer as part of the Transactions to acquire all Company Shares (including the Company Shares delivered upon exercise of the Share Options but not including the treasury shares held by the Company and the Non-Tendered Shares (as defined below) held by Valor Holdings) and all Share Options with the view to take private the Company Shares that are listed on the Prime Market of Tokyo Stock Exchange, Inc. (“TSE”). As at the date of resolution at the board of directors meeting of the Company (the “Resolution Date”) stated in “(1) Details of the opinion on the Tender Offer” above, the Offeror does not own any Company Shares or Share Options.

According to the Offeror, the Transactions will comprise (i) the Tender Offer and (ii) subsequent procedures to make the Offeror and Valor Holdings the only shareholders of the Company (the “Squeeze-out Procedure”), to be implemented by the Company by way of a share consolidation (the “Share Consolidation”) pursuant to Article 180 of the Companies Act (Act No. 86 of 2005, as amended; the “Companies Act”) if, notwithstanding the successful completion of the Tender Offer, the Offeror fails to acquire all Company Shares (including the Company Shares to be delivered upon exercise of the Share Options, but excluding all Company treasury shares and the Company Shares held by Valor Holdings (15,277,114 shares, Shareholding Ratio (Note 1): 50.55%; “Non-Tendered Shares”)) and all Share Options through the Tender Offer. The Transactions are ultimately intended to result in the Offeror and Valor Holdings being the only shareholders of the Company and the Company becoming an equity method affiliate of the Offeror (while the Company will be a consolidated subsidiary of Valor Holdings). For details of the Share Consolidation, please refer to “(5) Policies on organizational restructuring, etc. after the Tender Offer (matters concerning “two-step acquisition”)” below.

(Note 1) “Shareholding Ratio” means the percentage (rounded to the second decimal place; the same rounding applies hereinafter) obtained by dividing the number of Company Shares held by the relevant holder by 30,220,247 (the “Total Number of Shares After Adjustment for Diluted Shares”). The Total Number of Shares After Adjustment for Diluted Shares equals the total number of issued shares as of November 30, 2025 stated in the “Consolidated Financial Results for the Third Quarter of the fiscal year ending February 28, 2026 (Under Japanese GAAP)” (the “Company’s Financial Results”) announced by the Company on January 13, 2026 (30,193,386 shares) less the number of treasury shares held by the Company as of November 30, 2025 stated in the Company’s Financial Results (10,435 shares) (treasury shares, for these purposes, exclude the Company Shares held by Custody Bank of Japan, Ltd. (trust E account) as trust assets of the board benefit trust (BBT) which was introduced by the Company at the board of directors meeting held on April 18, 2024, with the view to enhance the awareness of contributing to the improvement of medium-to-long-term performance and the enhancement of corporate value by more clearly linking the compensation of the directors of the Company and its subsidiaries (the “Company’s Officers”) to the performance and stock value of the Company Group, and by having the Company’s Officers share with shareholders not only the benefits of stock price increases but also the risks of stock price declines (159,734 shares) (the “BBT-Owned Shares”) since the BBT-Owned Shares carry voting rights under laws and regulations; the same applies hereinafter to references to the number of treasury shares), resulting in 30,182,951 shares, plus the number of Company Shares underlying a total of 336 Share Options outstanding as of November 30, 2025 (37,296 shares) (Note 2).

(Note 2) Breakdown of the Share Options outstanding as of November 30, 2025 is as follows. The Share Options have a condition for exercise that the Share Options may be collectively exercised only within ten days from the day following the date on which the holder loses their position as a director of the Company during each exercise period mentioned in “2. Price of the tender offer” - “(2) Share Option” above, whereas the tender offer period for the Tender Offer (the “Tender Offer Period”) is encompassed in the exercise periods of the Share Options; hence, if Share Option Holders lose their position as directors of the Company, the Share Option Holders may collectively exercise their Share Options.:

Name of Share Option	Number of Share Options	Number of underlying Company Shares
FY2014 Share Option	112 units	12,432 shares
FY2015 Share Option	99 units	10,989 shares
FY2016 Share Option	125 units	13,875 shares
Total	336 units	37,296 shares

According to the Offeror, in connection with the Tender Offer, the following agreements relating to the Transactions have been executed as of February 12, 2026 between (i) the Offeror and the Company, (ii) the Offeror and Valor Holdings, (iii) the Offeror and Mr. Asakura (as defined below) and Asakura

HD (as defined below), and (iv) the Offeror and Valor Holdings, respectively:

(i) Capital and Business Alliance Agreement

The Capital and Business Alliance Agreement between the Offeror and the Company setting out the terms of their capital and business alliance, pursuant to which the Offeror will become a shareholder of the Company.

(ii) Non-Tender Agreement

An agreement between the Offeror and Valor Holdings (the “Non-Tender Agreement”) setting out the terms and conditions of a series of Transactions, including (i) Valor Holdings agreeing not to tender Non-Tendered Shares in the Tender Offer and (ii) Valor Holdings agreeing to vote in favor of a proposal on the Share Consolidation submitted to the Extraordinary General Shareholders Meeting (as defined in “(5) Policies on organizational restructuring, etc. after the Tender Offer (matters concerning “two-step acquisition”)” below; the same applies hereinafter)

(iii) Tender Agreement

The agreement between the Offeror and Asakura HD Ltd. which is an asset management company of the family of Mr. Syunichi Asakura who is the Representative Director, Chairperson and CEO of the Company (“Mr. Asakura”), and which is the third-largest shareholder of the Company (number of shares owned: 1,043,100 shares, Shareholding Ratio: 3.45%; “Asakura HD”) under which all the Company Shares owned by Asakura HD (the “Shares Agreed to Tender (Asakura HD)”) shall be tendered in the Tender Offer (the “Tender Agreement Asakura HD”), and the agreement between the Offeror and Mr. Asakura who is the seventh-largest shareholder of the Company (number of shares owned: 275,639 shares, Shareholding Ratio: 0.91%) under which all the Company Shares owned by Mr. Asakura of 269,639 shares (Shareholding Ratio: 0.89%) which exclude 6,000 shares of restricted stock owned by Mr. Asakura since restrict stock may not be tendered in the Tender Offer as stated in (Note 4) and Share Options (Mr. Asakura owns 87 units of FY2014 Share Option (number of underlying Company Shares: 9,657 shares), 77 units of FY2015 Share Option (number of underlying Company Shares: 8,547 shares), and 97 units of FY2016 Share Option (number of underlying Company Shares: 10,767 shares)) (the “Shares Agreed to Tender (Mr. Asakura)”, and together with the Shares Agreed to Tender (Asakura HD) collectively, the “Shares Agreed to Tender”: Total number of shares owned: 1,312,739, Shareholding Ratio: 4.34%) shall be tendered in the Tender Offer (the “Tender Agreement (Mr. Asakura)”; together with the Tender Agreement (Asakura HD) collectively, or respectively, the “Tender Agreement (s)”).

(iv) Shareholders Agreement

Agreement (the “Shareholders Agreement”) between the Offeror and Valor Holdings setting out the operation of the Company and treatment of the Company Shares after the Transactions

According to the Offeror, it has entered into a memorandum of understanding dated February 12, 2026 (the “MOU”) with Valor Holdings concerning the capital and business alliance with the view to accelerating the growth strategies of the three companies including the Company. The Offeror and Valor Holdings anticipate that the detailed terms of their capital and business alliance will be determined through discussions and negotiations after the successful completion of the Tender Offer,

and as of the Resolution Date, the detailed terms and the scheduled date of execution of an agreement for the capital and business alliance remain undecided.

For further details of each agreement, please refer to “4. Matters concerning material agreements regarding the tendering of shares by the Company’s shareholders and other matters in relation to the Tender Offer” below.

According to the Offeror, no maximum number of tendered shares has been set, and it will purchase all share certificates tendered in the Tender Offer (“Tendered Shares”), as it intends to acquire all Company Shares (including the Company Shares delivered upon exercise of the Share Options, but excluding Company treasury shares and the Non-Tendered Shares) and all Share Options in order to take the Company Shares private. Under the terms and conditions of the Share Options, any transfer requires approval of the Company’s board of directors. Accordingly, at its board of directors meeting held on February 12, 2026, the Company’s board resolved, conditional upon the successful completion of the Tender Offer, to comprehensively approve the transfer of their Share Options by Share Option Holders to the Offeror by tendering such Share Options in the Tender Offer, to the extent actually tendered.

However, according to the Offeror, the minimum number of tendered shares to be purchased in the Tender Offer has been set at 4,744,300 shares (Shareholding Ratio: 15.70%) and none of the Tendered Shares will be purchased if the total number of Tendered Shares is less than 4,744,300 shares.

According to the Offeror, it has set the minimum number of tendered shares to be purchased in the Tender Offer at 4,744,300 shares (Shareholding Ratio: 15.70%) calculated as follows: (i) deducting the number of voting rights (1,597 voting rights) represented by the BBT-Owned Shares (159,734 shares) (Note 3) from the number of voting rights (302,202 voting rights) represented by the Total Number of Shares After Adjustment for Diluted Shares (30,220,247 shares); (ii) multiplying the resulting figure (300,605 voting rights) by two-thirds (2/3); (iii) deducting from the resulting figure (200,404 voting rights, rounded up to the nearest whole number) the number of voting rights (190 voting rights) represented by the number of shares (19,000 shares) (Note 4) owned by the directors of the Company as of February 12, 2026, being stocks of the Company granted to the directors as restricted stock units (“Restricted Stock”) and the number of voting rights (152,771 voting rights) represented by the number of Non-Tendered Shares (15,277,114 shares); and (iv) multiplying the resulting figure (47,443 voting rights) by the trading unit of the Company Shares (100 shares). The Offeror set such minimum number of tendered shares to be purchased because (i) it intends to request that the Company implement the Squeeze-out Procedure to make the Offeror and Valor Holdings the only shareholders of the Company as described in “(5) Policies on organizational restructuring, etc. after the Tender Offer (matters concerning “two-step acquisition”)” below after the successful completion of the Tender Offer if the Offeror fails to acquire all Company Shares (including the Company Shares to be delivered upon exercise of the Share Options but excluding the Company’s treasury shares and the Non-Tendered Shares) and all Share Options through the Tender Offer, (ii) the Offeror anticipates the Share Consolidation to be implemented as the Squeeze-out Procedure, which requires a special resolution at a general shareholders meeting as set forth in Article 309, Paragraph 2

of the Companies Act, and (iii) thus, the Offeror and Valor Holdings will, as a result, after the successful completion of the Tender Offer, own at least two-thirds (2/3) of the voting rights held by all shareholders of the Company (excluding voting rights represented by the BBT-Owned Shares and represented by the Restricted Stock held by the Company's directors) to ensure the implementation of the Squeeze-out Procedures.

(Note 3) According to the Offeror, although the BBT-Owned Shares carry voting rights under laws and regulations as set out in (Note 1), under the board benefit trust agreement between the Company and Mizuho Trust & Banking Co., Ltd. (“Mizuho Trust & Banking”), as the trustee of the board benefit trust (including the trust manager guidelines applicable thereto) (the “Board Benefit Trust (BBT) Agreement”), the trust manager is prohibited from instructing the tender of the BBT-Owned Shares in any tender offer in respect of which the Company’s board of directors expresses a favorable opinion, including the Tender Offer. Accordingly, the BBT-Owned Shares are not expected to be tendered in the Tender Offer, and Mizuho Trust & Banking shall uniformly refrain from exercising the voting rights attached to such Company Shares based on the instructions of the trust manager. As such, considering that exercise of the voting rights is virtually not expected, the number of voting rights represented by the BBT-Owned Shares is excluded from the number of the voting rights (302,202 voting rights) represented by the Total Number of Shares After Adjustment for Diluted Shares (30,220,247 shares) in the calculation of the minimum number of tendered shares to be purchased through the Tender Offer to ensure the implementation of the Transactions.

(Note 4) According to the Offeror, while the Restricted Stock may not be tendered in the Tender Offer due to the transfer restriction, the Company resolved at its board of directors’ meeting held on February 12, 2026, to express a favorable opinion of the Tender Offer, which contemplates taking the Company private. The directors who supported the Tender Offer are expected to vote in favor of the proposal for the Share Consolidation if such proposal is submitted to the Extraordinary General Shareholders’ Meeting following successful completion of the Tender Offer; accordingly, in determining the minimum number of tendered shares to be purchased, the Offeror deducted the number of voting rights represented by 19,000 shares of Restricted Stock (Shareholding Ratio: 0.06%) owned by four Company’s directors (Mr. Asakura, Mr. Morisaku Wagato, Mr. Shigeharu Yoshihara, and Mr. Tomohide Nakamura). While two of the four directors above (Mr. Asakura and Mr. Morisaku Wagato) did not participate in the resolution at the board of directors meeting of the Company held on February 12, 2026, the Tender Agreement was executed with Mr. Asakura as of February 12, 2026; accordingly, he is expected to vote in favor of the proposal for the Share Consolidation at the Extraordinary General Shareholders Meeting. In addition, it is confirmed that Mr. Morisaku Wagato intends to consent to the Transactions. Therefore, it is believed that the directors of the Company who own the Restricted Stock are all expected to consent to the proposal on the Share Consolidation if the Tender Offer is successfully completed.

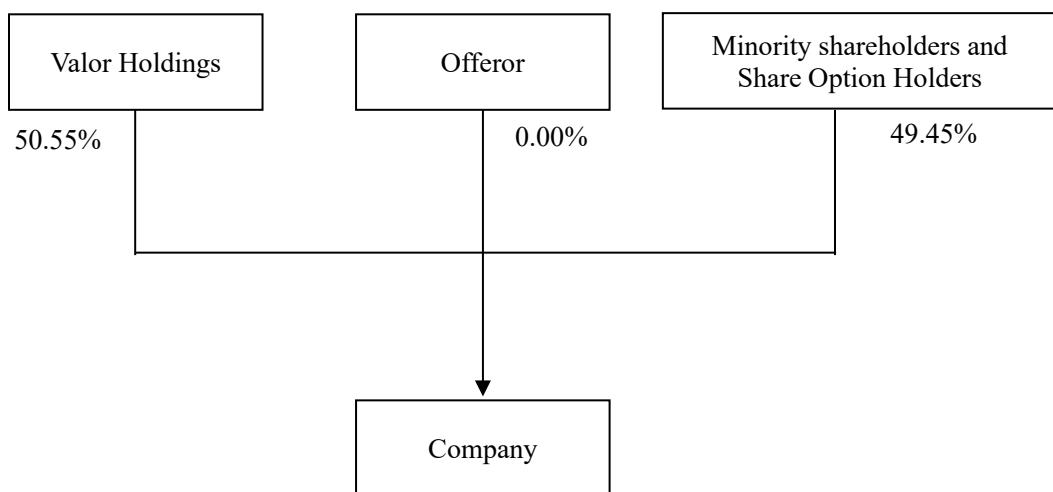
The Offeror intends to fund the purchase price required for the Transactions including the Tender

Offer, through a loan from Sumitomo Mitsui Banking Corporation (“SMBC”) (the “Bank Loan”). Subject to the completion of the Tender Offer, the Offeror plans to obtain the Bank Loan by the business day immediately preceding the commencement date of settlement of the Tender Offer (the “Settlement Date”). The details of the terms and conditions of the Bank Loan are to be determined in a loan agreement for the Bank Loan following separate discussions with SMBC.

According to the Offeror, the Transactions are substantially as illustrated in the following diagrams.
<Overview and scheme diagrams of the Transactions>

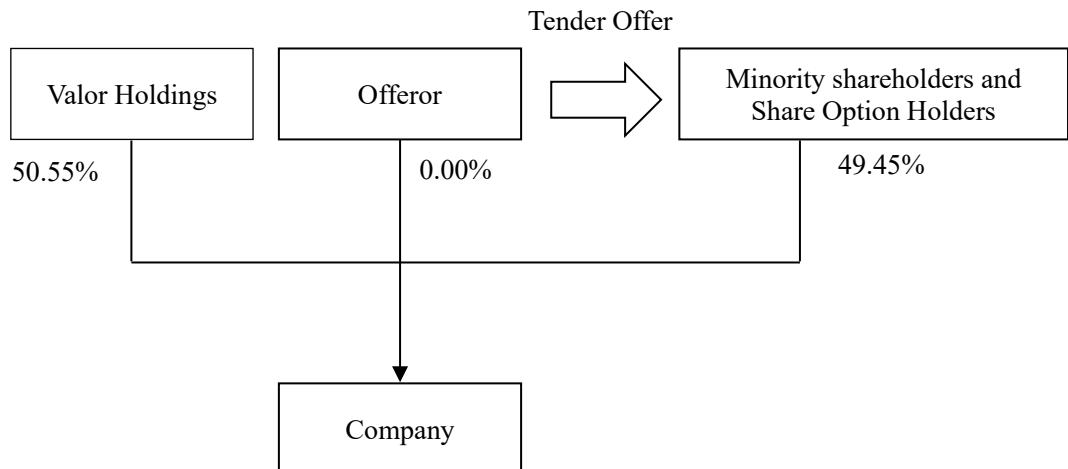
I. Before the Tender Offer

According to the Offeror, as at the Resolution Date, Valor Holdings owns 15,277,114 Company Shares (Shareholding Ratio: 50.55%), while minority shareholders own the remaining 14,905,837 Company Shares (Shareholding Ratio: 49.32%) and hold 336 Share Options representing 37,296 underlying Company Shares (Shareholding Ratio: 0.12%). As at the Resolution Date, the Offeror does not own any Company Shares or Share Options.



II. Tender Offer (from February 13, 2026 to March 30, 2026)

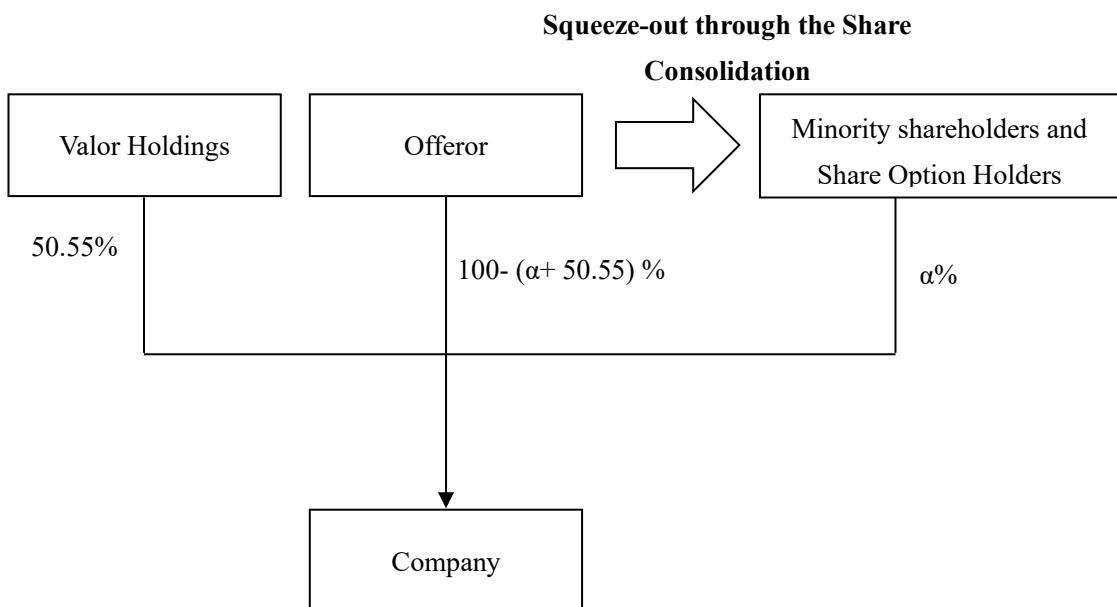
According to the Offeror, it will implement the Tender Offer for all Company Shares (including the Company Shares delivered upon exercising the Share Options, but excluding the Company’s treasury shares and Non-Tendered Shares) and all Share Options.



III. After implementation of the Tender Offer

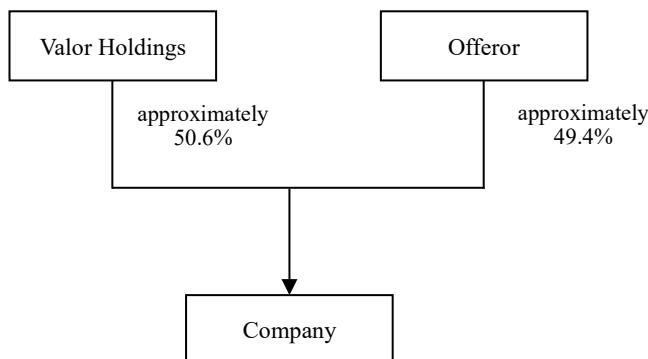
(I) Share Consolidation(Around early May 2026 (scheduled))

If the Offeror is unable to acquire all Company Shares (including Company Shares delivered upon exercising the Share Options, but excluding the Company's treasury shares and Non-Tendered Shares) through this Tender Offer, it will request that the Company implements the procedures for the Share Consolidation following completion of the Tender Offer and will implement the subsequent procedures to make the Offeror and Valor Holdings the sole shareholders of the Company. Furthermore, for shareholders who, as a result of the Share Consolidation, hold fractional shares of less than one share, it is anticipated that the Offeror will purchase the Company Shares equivalent to the total number of such fractional shares in accordance with Article 235 of the Companies Act and other applicable laws and regulations, and that the proceeds of such purchase will be distributed to those shareholders in cash. For further details, please refer to “(5) Policies on organizational restructuring, etc. after the Tender Offer (matters concerning “two-step acquisition”)” below.



(II) After the Transactions

As soon as practicable after completion of the Transactions, it is expected that necessary procedures (including making necessary adjustments to voting rights ratio through methods such as share split, and acquisition of treasury shares) will be taken so that the holding ratio of the Company's voting rights of the Offeror becomes approximately 49.4% and that of Valor Holdings becomes 50.6%, respectively. After the Transactions, the Company will become an equity method affiliate of the Offeror and a consolidated subsidiary of Valor Holdings. No decisions have been made with respect to additional acquisition of the Company Shares by the Offeror following the Transactions.



At the board of directors' meeting held on February 12, 2026, the Company resolved to express its support in favor of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer and that it shall leave to the decision of the Share Option Holders whether or not to tender their Share Options in the Tender Offer since the Share Option Price is 1 yen based on the decision that the Share Option Price is uniformly 1 yen taking into account the fact that the Offeror

may not exercise the Share Options even if it acquired them since the Share Options have a condition for exercise that the Share Options may be collectively exercised only within ten days from the day following the date on which the holder loses their position as a director of the Company during the exercise period. For details regarding the board of directors deliberative process, please refer to “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest” - “(VI) Unanimous approval of all disinterested directors (including directors who are members of Audit and Supervisory Committee) of the Company” below.

(II) Background, purposes and decision-making process leading to the Offeror’s decision to conduct the Tender Offer

Established in September 1978, the Offeror opened its first store in Sakai City, Osaka Prefecture in December of that year. Subsequently, the Offeror listed its shares on the Second Section of the Osaka Securities Exchange Co., Ltd. (“OSE”) in September 1996, was designated for the First Section of the Osaka Securities Exchange in February 2001, and was listed on the First Section of the TSE in October 2001. Subsequently, in July 2013, the cash equity market of OSE was integrated into TSE, resulting in the Offeror becoming listed on the First Section of TSE. Following the TSE’s market reclassification in April 2022, the Offeror’s shares are listed on the TSE Prime Market as of the Resolution Date. In addition to expanding its market share through new store openings, the Offeror acquired all shares of BEAVERTOZAN Co., Ltd. in May 2017, making it a consolidated subsidiary (subsequently absorbed in a merger in March 2023). In April 2018, it entered into a capital and business alliance agreement with HOME IMPROVEMENT HIROSE Co., Ltd. (subsequently acquiring all shares and making it a consolidated subsidiary in June 2023), and in June 2019, it acquired all shares of KEN DEPOT CORPORATION, making it a consolidated subsidiary. Through such aggressive M&A activities, the Offeror has expanded its business foundation and scope.

As of the Resolution Date, the Offeror has 7 consolidated subsidiaries and 7 non-consolidated subsidiaries. The entire group (the “Offeror Group”) operates home improvement centers, retail businesses for construction professionals, and a membership-based construction materials wholesale business, among other activities. As of the Resolution Date, the Offeror Group operates 652 stores domestically and 19 stores overseas (Vietnam and Cambodia), holding the third largest sales volume in the home improvement center industry in Japan (Note 1).

Furthermore, under the Offeror’s “Fourth Medium-Term Management Plan” announced on April 11, 2025 and covering the three fiscal years from the fiscal year ending February 28, 2026 through the fiscal year ending February 29, 2028, the Offeror aims to become a beloved company and aspires to be “Japan’s leading comprehensive housing and lifestyle company,” while further enhancing corporate value. At the same time, the home improvement center industry has recently faced various challenges, including intensifying competition from other retail formats, rising costs driven by inflation and yen depreciation, and changes in consumer behavior. Strengthening competitiveness remains a critical management priority for the Offeror Group.

(Note 1) Page 11 of “Home Center Super Data 2026,” a separate volume of Diamond Home Center issued by Diamond Retail Media Co., Ltd.

In September 2016, following the management integration of Daiyu Eight and LIC CO., LTD. (currently Time Co., Ltd.) (“LIC” or “Time”), the Company was established as Daiyu LIC Holdings Co., Ltd., a holding company, through a share transfer, and was listed on the First Section of TSE. In March 2017, the Company established Amigo Co., Ltd. (hereinafter referred to as “Amigo”) by spinning off the pet business from Daiyu Eight and LIC, and in the same month, the Company made Alleanza Japan Co., Ltd. its consolidated subsidiary. In November 2018, the Company entered into a partnership agreement with Valor Holdings and Home Center Valor Co., Ltd. (“Home Center Valor”), and in April 2019, made Home Center Valor its wholly owned subsidiary through a stock swap. In addition, in the same month, the Company changed its trade name to Alleanza Holdings Co., Ltd. Following the TSE’s market reclassification in April 2022, the Company transitioned to the TSE Prime Market. In November 2023, Home Center Valor acquired 100% of the shares of NSAK Co., Ltd. (“NSAK”), and made NSAK and Home Center Ant Co., Ltd. (“Home Center Ant”), its subsidiary, its consolidated subsidiaries. In March 2024, Home Center Valor absorbed NSAK and Home Center Ant through a merger. In May 2024, Daiyu Eight established Daiyu Eight Reform Service Center Co., Ltd. as its wholly owned subsidiary. In September 2024, Amigo acquired Home Center Valor’s pet shop business through a company split by absorption and absorbed Joker Co., Ltd. through a merger, coming down to the present day.

As of the Resolution Date, the group of companies consisting of the Company, eight consolidated subsidiaries (the “Company Group”), and one parent company (Valor Holdings), primarily operates home improvement center and pet businesses, among other activities. The Company Group recognizes business segments on a legal entity basis, with Daiyu Eight, Time, Home Center Valor, and Amigo each a major consolidated subsidiary of the Company - constituting the reporting segments.

The Company Group has adopted the management slogan, “Creating Comfortable and Abundant Lifestyles,” which it shares with all employees, and conducts its business in accordance with the four action guidelines - “Customer First”, “Contribution to Local Communities,” “Willingness to Take on New Challenges,” and “Teamwork” - guided by the three management principles: “to act entirely for the joy and satisfaction of our customers,” “to pursue distribution innovation from the customers’ perspective,” and “to build an organization with strong unity that is willing to take on new challenges.”

In the external environment for the home improvement center business, the Company identifies opportunities such as an expanding demand closely linked to peoples’ daily lives, growth in professional demands (Note 2) and in B2B channels, scope for advancing digitalization strategies, market expansion for products related to environmental issues and disaster prevention, and the development of community-based and socially responsible businesses. Conversely, the Company Group faces threats including population decline and declining housing starts, intensifying competition from drugstores, discount stores, and e-commerce, declining visits to physical stores due to preference for convenience, labor shortages, and damage arising from climate change and natural disasters. Furthermore, with respect to the external environment for the pet business, the Company Group identifies opportunities such as the expansion of the premium market (Note 3) driven by pets becoming “family members,” new demand related to elderly pets and dual-income households, and strengthened brand communication through social media and digital marketing. At the same time,

the Company Group faces threats, including a decline in pet ownership due to the declining birthrate and aging population coupled with stricter housing constraints, and increased regulations, including revisions to the Act on Welfare and Management of Animals (Act No. 105 of 1973, as amended).

(Note 2) “Professional demand” refers to demand from construction tradespeople and other professionals for highly specialized products, such as building materials, tools, and work supplies.

(Note 3) “Premium market” refers to a market segment in which consumers who perceive added value in products purchase such products even for a relatively high price.

Under these circumstances, on April 24, 2025, the Offeror, received from SMBC, its main bank, a proposal on business matching with Valor Holdings, the parent company of the Company. The Offeror, based on the belief that exploring collaborative opportunities for market penetration, primarily in the Kansai and Kanto regions, through joint store openings or tenant placements in stores operated by the Offeror will expand the Offeror’s facility operation options, accepted the proposal on May 8, 2025, and on June 11, 2025, conducted exchange of opinions with Valor Holdings regarding store opening strategies of both parties, trends in the retail industry, and other matters based on the soundings made by SMBC. Thereafter, on July 14, 2025, the Offeror, through SMBC, received a proposal from Valor Holdings that, delisting the Company Shares through a tender offer (including that Valor Holdings will not tender in such tender offer) by the Offeror with the aim of enhancing the corporate value of the three companies, the Offeror, the Company, and Valor Holdings, through the Offeror’s collaboration with the Company Group in management and business operation while maintaining the existing capital relationship and collaborative relationship between the Company and Valor Holdings, forming a capital and business alliance among the Offeror, the Company, and Valor Holdings, and conducting a squeeze-out procedure through share consolidation after the tender offer, ultimately realizes the goal of making the Company a consolidated subsidiary of Valor Holdings, an equity method affiliate of the Offeror. On July 24, 2025, the Offeror, via SMBC, gave explanations to Valor Holdings on the issues in the Offeror’s discussion of the Transactions such as the method of tender offer (solely or jointly), the expected percentage of the Company’s voting rights held by the Offeror and Valor Holdings. On July 29, 2025, the Offeror was given a presentation by Valor Holdings of the details in “Overview and scheme diagrams of the Transactions” above, as responses to such issues, and received a request for interview as well. Having gone through these discussions with Valor Holdings, the Offeror conducted an interview with Valor Holdings on August 18, 2025, and received a proposal from Valor Holdings in person and informed Valor Holdings that it will discuss the Transactions.

While discussing the Transactions, the Offeror concluded that establishing a collaborative framework - by integrating the know-how on store operation and know-how regarding product lineup and services in specialty stores that are respectively held by the Company and the Offeror, centered on the Company’s core home improvement center business and also by maximizing the use of the management resources such as store networks, personnel, products, specialty stores, and brand strength through optimization of store networks and logistics networks, personnel exchanges, information sharing, and implementation of joint research - would be meaningful for the reasons described below. The Offeror further determined that such collaboration will further enhance both

companies' market presence in the increasingly competitive home center industry, enabling top-line growth and improved profitability, and realizes the future enhancement of corporate value.

- (a) In the home improvement center industry, which is the core business of both companies, the Offeror ranks third in the sales volume in Japan, and the Company, seventh (Note 4). If aggregated simply, they will rank first in the industry by sales volume and will increase their presence. Furthermore, establishment of a collaborative system between the companies will make it possible for them to gather information and solicit proposals from employees across an even broader region than before, and to discuss effective measures not only in customer needs, but also in operational rationalization, including logistics and in-store operations.

(Note 4) Page 11 of “Home Center Super Data 2026,” a separate volume of Diamond Home Center issued by Diamond Media Co., Ltd.

- (b) Additionally, regarding increase in the ratio of PB (Note 5) which is currently being promoted by the Company, profit is expected to improve if the Offeror, which has achieved a PB ratio of approximately 35.5%, will provide the Company with a PB ratio of approximately 16.5% for the fiscal year ended February 28, 2025 with know-how on PB development and effective PB product lineup and supply its PB products to the Company with the goal of achieving the same level as its own.

(Note 5) “PB” stands for Private Brand, referring to products planned and developed independently by retailers or distributors and sold under their own brand name which are characterized by high gross profit margin ratio and profitability.

- (c) It will be possible to efficiently promote realization of business expansion through the collaborative system with the Company, since the overlap in the store networks of the Company and Offeror is minimal. This is because the Company has strength in the store networks in the Tohoku region, the Chubu region, the Chugoku region, and elsewhere, and the Offeror, in the Kansai region, the Tokyo metropolitan area, the Kyushu region, and elsewhere.
- (d) According to page 16 of “Home Center Super Data 2026,” a separate volume of Diamond Home Center issued by Diamond Media Co., Ltd., in the home improvement industry, the Company ranks first by sales volume in Japan among pet specialty stores. According to page 15 of the said “Home Center Super Data 2026,” the Offeror ranks first by sales volume in Japan among specialty shops (Note 6). By leveraging the know-how on product lineup and services possessed by the specialty stores of the Company and the Offeror, the Offeror believes that the Company and the Offeror can create new growth opportunities in the regions where each of them holds an advantage.

(Note 6) “Specialty shop” refers to stores of specialty shops focused on supplying highly specialized products, such as building materials, tools, and work supplies, to professional customers such as construction tradespeople.

Subsequently, on August 25, 2025, the Offeror, conducted discussions with SMBC on the future schedule and review system of the Transactions and proceeded with the establishment of a review system of the Transactions as mentioned later. On September 25, 2025, the Offeror submitted a letter of intent (the “Letter of Intent”) to the Company regarding the acquiring of the Company Shares excluding Non-Tendered shares through the Tender Offer and the formation of a capital and business

alliance between the Offeror and the Company. In the Letter of Intent, the purchase price will be proposed separately, taking into account the results of the due diligence on the Company. Subsequently, on September 30, 2025, the Offeror received from the Company via SMBC, a notification that the Company recognized the proposal under the Letter of Intent as sincere and that it had started establishing a system to examine, negotiate, and make a decision on the Transactions from a standpoint of enhancing the Company's corporate value and protecting the interests of the Company's minority shareholders as stated in "(2) Ground and reasons for the opinion on the Tender Offer" – "(IV) Decision-making process leading to and grounds for the opinion in favor of the Tender Offer by the Company" – "(i) Background of establishment of review system" below and that it will accept the due diligence by the Offeror and will proceed with discussions toward implementing the Transactions.

In connection with its evaluation of submitting the Letter of Intent, the Offeror appointed in mid-September 2025 Daiwa Securities Co., Ltd. ("Daiwa Securities") as its financial advisor and independent third-party valuator of the Offeror Group, the Company, and Valor Holdings. In mid-October 2025, the Offeror appointed Mori Hamada & Matsumoto Gaikokuho Kyodo Jigyo as its legal advisor independent of each of the Offeror Group, the Company, and Valor Holdings.

Subsequently, from late October to mid-December 2025, the Offeror conducted Q&A sessions and exchange of opinions with the Company several times regarding the Company's management structure and business policies following the Transactions, synergies between the Company and the Offeror arising from the Transactions. In addition, the Offeror conducted due diligence from mid-November to early January 2026 to examine the feasibility of the Transactions. Taking into account the above, from late January to early February 2026, the Offeror and the Company held discussions on the details of the business alliance and operation of the Company's business following the Transactions toward executing the Capital and Business Alliance Agreement with the view to enhance the corporate value of both companies through the Transactions and the business alliance between the companies. Furthermore, from late October 2025 to early February 2026, the Offeror conducted exchange of opinions with Valor Holdings several times regarding the Company's management structure and capital composition following the Transactions, and the details of the collaboration with the Company. Thereafter, the Offeror and Valor Holdings held discussions on the operation of the Company and the treatment of Company Shares following the Transactions toward executing the Shareholders Agreement between them. Concurrently, the Offeror and Valor Holdings held discussions regarding the outline of a capital and business alliance between the Offeror and Valor Holdings with the view to accelerating the growth strategies of the three companies including the Company toward executing the MOU to implement specific discussions and negotiations after the successful completion of the Tender Offer. In addition, from late January to early February 2026, the Offeror engaged in discussions with Valor Holdings toward executing the Non-Tender Agreement. In addition, in mid-September 2025, the Offeror, through SMBC, confirmed that a hearing with Asakura HD and Mr. Asakura was conducted on September 16, 2025, which confirmed their intentions to tender their shares in the Tender Offer if the Offeror implemented the Tender Offer. Accordingly, from late January to early February 2026, the Offeror engaged in discussions with Asakura HD and

Mr. Asakura on the details of the Tender Agreement and confirmed, on Febeurary10, 2026, that Asakura HD and Mr. Asakura intend to tender their shares in the Ternder Offer.

Based on the aforementioned discussions with relevant parties and due diligence conducted by the Offeror, the primary synergies anticipated by the Offeror through collaboration with the Company following the Transactions are as follows:

(a) Gross profit margin ratio improvement

In contrast to the Offeror's PB ratio for the fiscal year ended February 28, 2025 of 35.5%, the Company's PB ratio for the fiscal year ended February 28, 2025 remained at a lower level than that of the Offeror, at 16.5%. However, since the gross profit margin ratio of PB products is high, the Offeror believes that gross profit margin ratio of the Company may be improved through enhancement of the PB ratio at the Company by leveraging the Offeror's product development capabilities for PB products and supplying the Offeror's PB products to the Company.

(b) Optimization of logistics and business operation costs

The Offeror believes that it can improve delivery efficiency in both companies' home improvement center, pet, and e-commerce businesses through means such as joint use of logistics functions including distribution centers and sharing of know-how concerning distribution management among the Offeror Group, the Company Group, and Valor Holdings' Group Companies. Furthermore, the Offeror believes it can optimize business operation costs - including both companies' promotional expenses and selling, general and administrative expenses - through joint procurement of fixtures, materials, equipment, and other items, and through the joint research on improving and streamlining store operations.

(c) Expansion of business areas

The Offeror believes that, by the Company providing the Offeror with know-how from specialized pet stores it operates and exploring the possibility of opening the Company's specialized pet stores in the Offeror's stores as a tenant or joint owner, it will be possible for the Offeror to deepen its knowledge of specialized product lineups and professional services such as pet massage through the Company's provision of know-how gained from operating its pet specialty stores. It will be possible for the Company to develop its pet business in locations and customer segments that it has not previously developed, thereby expanding its business areas in the pet business. In addition, by diversifying the composition of sales floors and improving convenience, the Offeror believes that it is possible for both companies to enhance its store value and expand customer touchpoints. The Offeror also believes that the joint development of a PB brand that can be marketed in both the home improvement center and pet businesses, would lead to expansion of the field of product development and creation of new growth opportunities by leveraging the complementary strengths of these two businesses. Additionally, the Offeror believes it can support the strengthening of the Company's Business for Professionals by providing insights and know-how from the Offeror's Business for Professionals.

(d) Enhancement of corporate value by reinforcing human capital and business infrastructure

The Offeror believes that, by sharing information to improve the internal environment through refining of personnel systems, and by collaborating on future talent development through utilization of personnel exchanges, both companies will become able to enhance their human resource development

capabilities and organizational management capabilities, which are expected to lead to reinforcement of human capital. Furthermore, the Offeror believes that it will be possible to enhance both companies' store management capabilities m by exchanging information to improve facility convenience and profitability – including by attraction of tenants and hosting events. In addition, regarding business infrastructure, including core systems, the Offeror believes that advancing joint research aimed at improving operational efficiency and enhancing data utilization will enable to reinforce both companies' management foundation for sustainable corporate value enhancement.

Then, after comprehensively taking into account the results of the aforementioned due diligence, the valuation analysis of the Company Shares by Daiwa Securities, and other factors, the Offeror made an initial proposal on price to the Company on January 9, 2026, which included a Tender Offer Price of 1,120 yen per Company Share (representing a 9.46% discount to 1,237 yen, being the closing price of the Company Shares on the TSE Prime Market on January 8, 2026 (the business day immediately preceding the proposal date) (percentages rounded to the second decimal place; the same applies hereafter to the premium/discount figures), a 5.33% discount to 1,183 yen, being the simple average closing price for the one month-period ended on that date (simple averages rounded to the nearest whole number; the same applies hereafter to simple average calculations), a 0.90% premium to 1,110 yen, being the simple average closing price for the three-month period ended on the same date, and a 3.61% premium to 1,081 yen, being the simple average closing price for the six-month period ended on that date), and a purchase price of 1 yen per Share Option (the "Share Option Price") given that the Offeror cannot exercise the Share Options even if the Offeror acquires them, due to the exercise conditions not being satisfied. Furthermore, in the initial proposal, the Offeror proposed to the Company that it intends the minimum number of shares to be purchased to be the number of shares obtained by multiplying two-thirds (2/3) by the number of voting rights obtained by multiplying the total voting rights of the Company's shareholders (excluding the voting rights concerning BBT-owned Shares and the voting rights concerning the Restricted Stock held by the Company's directors) multiplied by 89.41%, which is the highest Percentage of Voting Rights Exercised at the Company's Regular General Shareholders Meeting Over the Past Five Years (excluding the Non-Tendered Shares; the "Initially Proposed Minimum Number of Tendered Shares to be Purchased"). In response, on January 15, 2026, the Offeror was requested by the Company and the Special Committee (to be defined in "(IV) Decision-making process leading to and grounds for the opinion in favor of the Tender Offer by the Company" below; hereinafter the same) to consider significantly increasing the Tender Offer Price as the Tender Offer Price could never be considered to sufficiently reflect the Company's corporate value and was far from a price fully taking into account the interest of the Company's minority shareholders. In addition, regarding the minimum number of tendered shares to be purchased, the Offeror received a question from the Company and the Special Committee on the reason for designing the Initially Proposed Minimum Number of Tendered Shares to be Purchased.

In response to the request from the Company and the Special Committee, on January 19, 2026, the Offeror made a second proposal to the Company offering a Tender Offer Price per Company Share of 1,200 yen (representing a 6.29% premium to 1,129 yen, being the closing price of the Company Shares on the TSE Prime Market on January 19, 2026 (the date of the proposal), a 0.33% discount from 1,204

yen, being the simple average closing price for the one-month period ended on that date, a 6.67% premium to 1,125 yen, being the simple average closing price for the three-month period ended on that date, and a 10.09% premium to 1,090 yen, being the simple average of the closing price for the six-month period ended on that date), and that the Share Option Price be 1 yen. Furthermore, in the second proposal, the Offeror responded to the Company that the Offeror expects that the minimum number of tendered shares to be purchased will be the Initially Proposed Minimum Number of Tendered Shares to be Purchased from the standpoint of increasing the probability of a successful completion of the tender offer. This is based on a reasonable thought that the Offeror can have the proposal on the Share Consolidation be adopted, as long as, together with the Non-Tendered Shares, the Offeror secures voting rights equal to two-thirds (2/3) of the highest percentage of voting rights exercised at the Company's past ordinary general shareholders' meetings. taking into account that the percentage of voting rights exercised with respect to a share consolidation proposal tends to decrease significantly in relation to the percentage of voting rights exercised at ordinary general shareholders' meetings in normal times. In response, the Offeror was requested by the Company and the Special Committee on January 24, 2026 that it again consider significantly increasing the Tender Offer Price as the Tender Offer Price could never be considered as sufficiently reflecting the Company's corporate value and was far from a price fully taking into account the interest of the Company's minority shareholders. Furthermore, the Company and the Special Committee expressed concerns to the Offeror about Initially Proposed Minimum Number of Tendered Shares to be Purchased from the viewpoint of ensuring the fairness of the procedures of the Transactions for the reason that the freedom of the minority shareholders to decide whether to tender their shares may be virtually constrained, potentially increasing the coercive nature of the transactions.

In response to the request from the Company and the Special Committee, the Offeror made a third proposal to the Company on January 26, 2026, that offering a Tender Offer Price per Company Share of 1,275 yen (representing a 15.80% premium to 1,101 yen, being the closing price of the Company Shares on the TSE Prime Market on January 26, 2026 (the date of the proposal), a 7.69% premium to 1,184 yen, being the simple average of the closing price for the one-month period ended on that date, a 13.13% premium to 1,127 yen, being the simple average of the closing price for the three-month period ended on that date, and a 16.65% premium to 1,093 yen, being the simple average of the closing price for the six-month period ended on that date), and that the Share Option Price be 1 yen. Furthermore, in the third proposal, the Offeror responded to the Company that it intends to take the Company Shares private by acquiring additional Company Shares until the level is reached at which the proposal on the Share Consolidation may be realistically approved at a general shareholders' meeting of the Company although it is theoretically possible that the proposal on the Share Consolidation may not be approved at a general shareholders' meeting of the Company, if the Initially Proposed Minimum Number of Tendered Shares to be Purchased is adopted. In response, the Offeror was requested by the Special Committee on January 30, 2026 that it again consider significantly increasing the Tender Offer Price and the overall terms and conditions of the transactions including the Tender Offer Price as the Tender Offer Price could never be considered as sufficiently reflecting the Company's corporate value, significantly undervalues the Company's true corporate value and existing potential, and disregards the interest of the Company's minority shareholders.

In response to the request from the Special Committee, the Offeror made a fourth proposal to the Company on February 2, 2026, that the Tender Offer Price per Company Share be 1,325 yen (representing a 22.80% premium to 1,079 yen, being the closing price of the Company Shares on the TSE Prime Market on January 30, 2026 (the business day immediately prior to the date of the proposal), a 14.32% premium to 1,159 yen, being the simple average of the closing price for the one-month period ended on that date, a 17.57% premium to 1,127 yen, being the simple average of the closing price for the three-month period ended on that date, and a 21.23% premium to 1,093 yen, being the simple average of the closing prices for the six-month period ended on that date), and that the Share Option Price be 1 yen. In the fourth proposal, regarding the minimum number of tendered shares to be purchased, no changes have been made from the Initially Proposed Minimum Number of Tendered Shares to be Purchased. In response, on February 4, 2026, the Offeror was requested by the Special Committee to increase the Tender Offer Price to a level exceeding 1,500 yen on the ground that the Tender Offer Price significantly underestimates the Company's intrinsic value and its existing potential and has not reached a level that is sufficient to recommend tendering in the Tender Offer.

In response to such request from the Special Committee, on February 6, 2026, the Offeror made a fifth proposal to the Company offering a Tender Offer Price per Company Share of 1,335 yen (representing a 19.20% premium to 1,120 yen, being the closing price of the Company Shares on the TSE Prime Market on February 5, 2026 (the business day immediately preceding the date of the proposal), a 16.49% premium to 1,146 yen, being the simple average closing price for the one-month period ended on that date, a 18.14% premium to 1,130 yen, being the simple average closing price for the three-month period ended on that date, and a 21.92% premium to 1,095 yen, being the simple average closing price for the six-month period ended on that date), and that the Share Option Price be 1 yen. In addition, in the fifth proposal, the Offeror stated that, although it believes that appropriate treatment is made in adopting the Initially Proposed Minimum Number of Shares to be Purchased from the viewpoint of protecting minority shareholders, the Offeror will accept the Special Committee's opinions with sincerity, and proposed to the Company that it will set the minimum of the number of tendered shares to be purchased at a number of shares that secures voting rights equal to two-thirds (2/3) of the total voting rights of the Company (excluding the voting rights concerning BBT-owned Shares and the voting rights concerning the Restricted Stock held by the Company's directors. In response, on February 7, 2026, the Offeror received a request from the Special Committee to increase the Tender Offer Price to a level exceeding 1,500 yen. The request stated that, although the Special Committee accepts the minimum number of tendered shares to be purchased that was proposed by the Offeror, the Tender Offer Price does not reach the minimum in the range of the share valuation of the Company implemented by Yamada & Partners Advisory Co., Ltd. ("Yamada & Partners Advisory"), a third-party valuator of the Company based on discounted cash flow method (the "DCF Method") and that the Tender Offer Price hardly reflects the intrinsic value of the Company and has not reached a level that is sufficient to recommend tendering in the Tender Offer.

In response to such request from the Special Committee, on February 9, 2026, the Offeror made a sixth proposal to the Company offering a Tender Offer Price per Company Share of 1,410 yen (representing a 24.23% premium to 1,135 yen, being the closing price of the Company Shares on the TSE Prime Market on February 9, 2026 (the date of the proposal), a 25.33 % premium to 1,125 yen,

being the simple average closing price for the one-month period ended on that date, a 24.45% premium to 1,133 yen, being the simple average closing price for the three-month period ended on that date, and a 28.65% premium to 1,096 yen, being the simple average of the closing price for the six-month period ended on that date), and that the Share Option Price be 1 yen. In response, on February 10, 2026, the Offeror received a request from the Special Committee to increase the Tender Offer Price on the ground that the Tender Offer Price does not reach the minimum in the range of the share valuation of the Company implemented by Yamada & Partners Advisory based on the DCF Method and has not reached a level that is sufficient to recommend tendering in the Tender Offer.

In response to such request from the Special Committee, on February 10, 2026, the Offeror made a final proposal to the Company offering a Tender Offer Price per Company Share of 1,465 yen (representing a 29.07% premium to 1,135 yen, being the closing price of the Company Shares on the TSE Prime Market on February 9, 2026 (the immediately preceding business day of the date of the proposal), a 30.22 % premium to 1,125 yen, being the simple average closing price for the one-month period ended on that date, a 29.30% premium to 1,133 yen, being the simple average closing price for the three-month period ended on that date, and a 33.67% premium to 1,096 yen, being the simple average of the closing price for the six-month period ended on that date), and that the Share Option Price be 1 yen. In response, on February 10, 2026, the Offeror received a response from the Special Committee that it had judged that the level of the Tender Offer Price has also given consideration to the interests of the minority shareholders of the Company and has reached a level that is acceptable from the viewpoint of protecting the minority shareholders and that it will accept the proposal and reached an agreement with the Company that the Tender Offer Price be 1,465 yen and the Share Option Price be 1 yen. Based on the above discussions and negotiations, the Offeror, at its board of directors' meeting held on February 12, 2026, decided to commence the Tender Offer as part of the Transactions.

(III) Management Policy after the Tender Offer

The Offeror, Valor Holdings, and the Company have agreed in the Shareholders Agreement and the Capital and Business Alliance Agreement that, following the completion of the Transaction, the number of directors of the Company will be 11, among which six shall be appointed by Valor Holdings and the Company and five shall be appointed by the Offeror, and that the number of representative directors will be three, among which two will be appointed by Valor Holdings and the Company, and one by the Offeror. Specific candidates have not yet been determined at this time and will be determined through consultations between the Offeror, Valor Holdings and the Company after the Tender Offer is successfully completed. Furthermore, an agreement was made to make the Company a company with a Board of Corporate Auditors. For a summary of the Shareholders Agreement and the Capital and Business Alliance Agreement, please refer to “4. Matters concerning material agreements regarding the tendering of shares by the Company’s shareholders and other matters in relation to the Tender Offer” - “(1) Capital and Business Alliance Agreement” and “(4) Shareholders Agreement” below.

Furthermore, to accelerate collaboration between the Offeror and the Company and establish an appropriate framework for realizing synergies and growth through the Transactions, the Company plans to build an optimal structure for further strengthening its management foundation. This will be achieved by dispatching personnel responsible for synergy promotion at the Offeror to various

departments of the Company and by dispatching responsible personnel.

(IV) Decision-making process leading to and grounds for the opinion in favor of the Tender Offer by the Company

(i) Background of establishment of review system

Taking into account the fact that Valor Holdings made a proposal in person to the Offeror regarding the Transactions on August 18, 2025 and the Offeror communicated that it will positively consider the Transactions on August 18, 2025, Mr. Asakura received on the same day from Valor Holdings an explanation that the Offeror intends to positively consider the Transactions. In response, between mid-September to mid-October 2025, the Company began to engage with Yamada & Partners Advisory as its third-party valuator independent of the Offeror, Valor Holdings, Mr. Asakura, and Asakura HD (collectively, the “Offeror Related Parties”) and the Company Group, and not being contingent upon the success or failure of the Transactions, the M&A Advisory Services Dept. of SMBC Banking Corporation (“SMBC’s M&A Advisory Services Dept.”) as its financial advisor independent of the Offeror Related Parties and the Company Group, and not being contingent upon the success or failure of the Transactions, and Anderson Mori & Tomotsune Gaikokuho Kyodo Jigyo (“Anderson Mori & Tomotsune”) as its legal advisor independent of the Offeror Related Parties and the Company Group, and not being contingent upon the success or failure of the Transactions.

Subsequently, on September 25, 2025, the Company received the Letter of Intent. The Company recognized the proposal set out in the Letter of Intent as bona fide and, although the Company had begun to engage with the advisors around the time of receipt of the Letter of Intent as described above, the Company concluded agreements with Anderson Mori & Tomotsune in early September, with Yamada & Partners Advisory in late September, and with SMBC’s M&A Advisory Services Dept. in early October, respectively, regarding appointment of an advisor. In addition, based on the advice from Anderson Mori & Tomotsune, began establishing procedures to examine, negotiate, and decide on matters related to the Transactions from a standpoint independent of the Offeror Related Parties, with a view to enhancing the Company’s corporate value and protecting the interests of its minority shareholders. Specifically, as described in “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest” - “(V) Establishment of an independent special committee at the Company and procurement of a report” - “(i) Background of establishment, etc.” below, the Company has made preparations for the establishment of a special committee. Hereafter, by resolution of the Company’s board of directors’ meeting held on September 30 , 2025, a special committee (the “Special Committee”) consisting of four directors, namely Mr. Shigemi Umezu (an outside director of the Company, an audit and supervisory committee member, and an independent officer), Mr. Kazuo Suzuki (an outside director of the Company, an audit and supervisory committee member, and an independent officer), Ms. Ayako Ota (an outside director of the Company, an audit and supervisory committee member, and an independent officer), and Mr. Takeshi Hachimura (an outside director of the

Company, an audit and supervisory committee member, and an independent officer) was established (as chairman of the Special Committee, Mr. Kazuo Suzuki was appointed from among the members of the Special Committee.). The Special Committee has not changed its members since the establishment. Furthermore, the Company resolved to formally refer the following matters (collectively, "Matters for Consultation") to the Special Committee for deliberation and advice (for the method of resolution at the Company's board of directors' meeting, please refer to "(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" - "(VI) Unanimous approval of all disinterested directors (including directors who are members of Audit and Supervisory Committee) of the Company" below).

- (a) whether the purpose of the Transactions is legitimate and reasonable (including whether the Transactions are expected to contribute to the enhancement of the Company's corporate value)
- (b) whether the fairness and appropriateness of the terms and conditions of the Transactions (including whether the level of the purchase price, the method of acquisition, the type of acquisition consideration, and other terms and conditions of the Transactions are fair) are ensured
- (c) Whether sufficient procedures have been implemented in the Transactions to ensure the fairness of the terms and conditions of the transaction
- (d) Whether the Transactions are considered to be fair for the Company's general shareholders based on (a) to (c) above
- (e) The merits of the Company's board of directors' expressing of opinion in favor of the Tender Offer and recommending the Company's shareholders to tender their shares in the Tender Offer

For the background of establishment, etc. of the Special Committee, background of consideration, and details of the decision, please refer to "(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" - "(V) Establishment of an independent special committee at the Company and procurement of a report" below.

As described in "(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" - "(V) Establishment of an independent special committee at the Company and procurement of a report" below, the appointment of Yamada & Partners Advisory as the Company's third-party valuator, SMBC's M&A Advisory Services Dept. as the Company's financial advisor, and Anderson Mori & Tomotsune as the Company's legal advisor, has been approved by the Special Committee.

Furthermore, the Company has established a system within the Company to review, negotiate, and make decisions related to the Transactions from a standpoint independent of the Offeror Related Parties and not being contingent upon the success or failure of the Transactions (including the scope of the Company's directors, officers, and employees involved in the review, negotiation, and decisions related to the Transactions, and their duties), and the Special Committee has confirmed that there are no problems with the review system from the viewpoint

of independence and fairness (for further details of the review system, please refer to “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest” - “(VII) Establishment of independent review system at the Company” below).

(ii) Background of review and negotiation

On the basis of the establishment of the review system described above, the Company received a valuation report from Yamada & Partners Advisory on the Company Shares; from SMBC’s M&A Advisory Services Dept., advice regarding the negotiation policies with the Offeror and other financial matters; and from Anderson Mori & Tomotsune, legal advice on measures to ensure the procedural fairness in the Transactions and other legal matters. Relying on these reports and advice, the Company has carefully discussed and considered the merits of the Transactions and the appropriateness of their terms and conditions, giving the utmost weight to the opinion of the Special Committee.

After receiving the Letter of Intent on September 25, 2025, the Company and the Special Committee notified the Offeror on September 30, 2025, via SMBC, that they recognized the proposals in the Letter of Intent as bona fide and have begun establishing a system for reviewing, negotiating, and deciding on the Transactions from the perspectives of enhancing the Company’s corporate value and ensuring the interests of the Company’s minority shareholders, and that the Company will accept the due diligence to be conducted by the Offeror together with proceeding with the discussions toward implementing the Transactions. On such basis, the Company and the Special Committee proceeded with internal review and discussions. From late October to mid-December of 2025, the Company and the Special Committee conducted Q&A sessions and exchanged views in several rounds, respectively, regarding the Company’s management structure and business policies following the Transactions, and the synergies of the Company and the Offeror in the Transactions. Furthermore, the Company accepted the due diligence conducted by the Offeror from mid-November 2025 to early January 2026 to examine the feasibility of the Transactions. Based on the above, from late January to early February 2026, the Offeror and the Company held discussions regarding the various terms and conditions of the Capital and Business Alliance Agreement, which aims to enhance the corporate values of both companies through the Transactions and their business alliance. Regarding the Tender Offer Price, the Company has negotiated with the Offeror multiple times since January 9, 2026. Specifically, the Company and the Special Committee received from the Offeror on January 9, 2026, the initial proposal concerning the Transactions including a proposal that the Tender Offer Price be 1,120 yen (the amount calculated by making a 9.46% discount from 1,237 yen, which is the closing price of the Company Shares on the Prime Market of TSE as of the immediately preceding business day of the date of the proposal, making a 5.33% discount from 1,183 yen, which is the simple average of the closing prices for the one month until the same date, adding a 0.90% premium to 1,110 yen, which is the simple average of the closing prices for the three months until the same date, adding a 3.61% premium to 1,081 yen, which is the simple average of the closing prices for the six months until the same date) and that the Share Option Price be 1 yen, which are

results of comprehensively considering factors such as the Company's business and business conditions and the recent trends in the market price of the Company Shares, in addition to the projected number of shares to be tendered in the Tender Offer, and based on the results of the valuation of the Company Shares conducted by Daiwa Securities, the third-party valuator, grounded on the information obtained from the due diligence conducted by the Offeror regarding the Company and the business plan provided by the Company. In addition, in such initial proposal, the Company received from the Offeror the Initially Proposed Minimum Number of Tendered Shares to be Purchased which sets the minimum number of shares to be purchased to a number of shares obtained by multiplying the number of voting rights of all the Company's shareholders (provided, however, that voting rights represented by the BBT-Owned Shares and voting rights represented by the Restricted Stocks held by the Company's directors are excluded) by 89.41%, which is the highest Percentage of Voting Rights Exercised at the Company's Regular General Shareholders Meeting Over the Past Five Years, and further multiplying the result of the number of voting rights obtained therefrom by two-thirds (2/3). In response, on January 15, 2026, the Company and the Special Committee requested the Offeror to consider significantly increasing the Tender Offer Price, on the ground that the Tender Offer Price cannot be considered to sufficiently reflect the corporate value of the Company and cannot be considered as having been given sufficient consideration to the interests of the minority shareholders of the Company, and asked, regarding the minimum number of shares to be purchased, the reason for setting the Initially Proposed Minimum Number of Tendered Shares to be Purchased.

Subsequently, on January 19, 2026, the Company received the second proposal from the Offeror concerning the Transactions, including a proposal that the Tender Offer Price be 1,200 yen (representing a 6.29% premium to 1,129 yen, being the closing price of the Company Shares on the TSE Prime Market as of the immediately preceding business day of the date of the proposal, a 0.33% discount to 1,204 yen, being the simple average closing price for the one-month period ended on that date, a 6.67% premium to 1,125 yen, being the simple average closing price for the three-month period ended on that date, and a 10.09% premium to 1,090 yen, being the simple average closing price for the six-month period ended on that date) and that the Share Option Price be 1 yen. In addition, in such second proposal, the Company was proposed from the Offeror that with regards to the minimum number of shares to be purchased, considering that the voting ratio for the agenda concerning share consolidation tends to be significantly lower than the voting ratio at regular general shareholders meetings under normal circumstances, and given that it is reasonably believed that the agenda concerning share consolidation can be passed if, together with the Non-Tendered Shares, voting rights equivalent to two-thirds (2/3) of the highest percentage of voting rights exercised at the Company's past regular general shareholders meetings can be secured, the Offeror assumes the Initially Proposed Minimum Number of Tendered Shares to be Purchased from the standpoint of increasing the probability of a successful completion of the tender offer. In response, on January 24, 2026, the Company and the Special Committee requested that the Offeror significantly increase the Tender Offer Price on the grounds that the proposed Tender Offer Price did not adequately reflect the Company's corporate value and did not sufficiently take into account the interests of the Company's minority shareholders,

and expressed concerns from the perspective of ensuring fairness in the Transactions' procedures, as the Initially Proposed Minimum Number of Tendered Shares to be Purchased could substantially constrain the minority shareholders' freedom to decide whether to tender their shares and potentially heighten the coercive nature of the transaction.

Subsequently, on January 26, 2026, the Company received the third proposal from the Offeror concerning the Transactions, including a proposal that the Tender Offer Price be 1,275 yen (representing a 15.80% premium to 1,101 yen, being the closing price of the Company Shares on the TSE Prime Market as of the immediately preceding business day of the date of the proposal, a 7.69% premium to 1,184 yen, being the simple average closing price for the one-month period ended on that date, a 13.13% premium to 1,127 yen, being the simple average closing price for the three-month period ended on that date, and a 16.65% premium to 1,093 yen, being the simple average closing price for the six-month period ended on that date) and that the Share Option Price be 1 yen. In addition, in such third proposal, the Company was proposed from the Offeror that, while it cannot be theoretically ruled out that the agenda concerning the Share Consolidation might not be approved at the Company's shareholders meeting under the Initially Proposed Minimum Number of Tendered Shares to be Purchased, the Offeror intends to acquire additional Company Shares until it reaches a level where it is realistically likely that the agenda concerning the Share Consolidation to be approved at the Company's shareholders meeting, with the aim of taking the Company Shares private. In response, on January 30, 2026, the Special Committee requested that the Offeror significantly increase the Tender Offer Price on the grounds that the Tender Offer Price did not adequately reflect the corporate value of the Company, significantly underestimated the Company's true corporate value and its existing potential, and disregarded the interests of the Company's minority shareholders, and that the Offeror reconsider the overall transactional terms and conditions.

Subsequently, on February 2, 2026, the Company received the fourth proposal from the Offeror concerning the Transactions, including a proposal that the Tender Offer Price be 1,325 yen (representing a 22.80% premium to 1,079 yen, being the closing price of the Company Shares on the TSE Prime Market as of the immediately preceding business day of the date of the proposal, a 14.32% premium to 1,159 yen, being the simple average closing price for the one-month period ending on that date, a 17.57% premium to 1,127 yen, being the simple average closing price for the three-month period ending on that date), a 21.23% premium to 1,093 yen, being the simple average closing price for the six-month period ending on that date) and that the Share Option Price be 1 yen. In the fourth proposal, regarding the minimum number of tendered shares to be purchased, no changes have been made from the Initially Proposed Minimum Number of Tendered Shares to be Purchased. In response, on February 4, 2026, the Special Committee requested an increase in the Tender Offer Price, stating that while it would like to see a level exceeding 1,500 yen per share as the Tender Offer Price, the proposed Tender Offer Price significantly underestimated the Company's true corporate value and its existing potential, and has not reached a level at which the Special Committee can recommend the shareholders to tender their shares in the Tender Offer.

After receiving the Special Committee's above request, on February 6, 2026, the Company

received the fifth proposal from the Offeror concerning the Transactions, including a proposal that the Tender Offer Price be 1,335 yen (representing a 19.20% premium to 1,120 yen, being the closing price of the Company Shares on the TSE Prime Market as of February 5, 2026, the immediately preceding business day of the date of the proposal, a 16.49% premium to 1,146 yen, being the simple average closing price for the one-month period ended on that date, a 18.14% premium to 1,130 yen, being the simple average closing price for the three-month period ended on that date, and a 21.92% premium to 1,095 yen, being the simple average closing price for the six-month period ended on that date) and that the Share Option Price be 1 yen. In addition, in such fifth proposal, the Company was proposed from the Offeror that, although the Offeror believes that adequate consideration has been given from the perspective of protecting the minority shareholders even the Initially Proposed Minimum Number of Tendered Shares to be Purchased, it sincerely accepts the Special Committee's opinion and that the minimum number of shares to be purchased be set at the number of shares that secures two-thirds (2/3) of the voting rights of the number of voting rights of all the Company's shareholders (provided, however, that voting rights represented by the BBT-Owned Shares and voting rights represented by the Restricted Stocks held by the Company's directors are excluded). In response, on February 7, 2026, the Special Committee accepted the minimum number of shares to be purchased proposed by the Offeror, but it requested an increase in the Tender Offer Price to a level exceeding 1,500 yen, stating that it does not reach the lower end of the range of the share valuation results of the Company under the DCF Method conducted by Yamada & Partners Advisory, the Company's third-party valuator, and it can hardly be considered that it sufficiently reflects the Company's true corporate value and has not reached a level at which the Special Committee can recommend the shareholders to tender their shares in the Tender Offer.

After receiving the Special Committee's above request, on February 9, 2026, the Company received the sixth proposal from the Offeror concerning the Transactions, including a proposal that the Tender Offer Price be 1,410 yen (representing a 24.23% premium to 1,135 yen, being the closing price of the Company Shares on the TSE Prime Market as of February 9, 2026, the date of the proposal, a 25.33% premium to 1,125 yen, being the simple average closing price for the one-month period ended on that date, a 24.45% premium to 1,133 yen, being the simple average closing price for the three-month period ended on that date, and a 28.65% premium to 1,096 yen, being the simple average closing price for the six-month period ended on that date) and that the Share Option Price be 1 yen. In response, the Special Committee requested an increase in the Tender Offer Price, stating that it does not reach the lower end of the range of the share valuation results of the Company under the DCF Method conducted by Yamada & Partners Advisory, the Company's third-party valuator, and it can hardly be considered that it sufficiently reflects the Company's true corporate value and has not reached a level at which the Special Committee can recommend the shareholders to tender their shares in the Tender Offer.

After receiving the Special Committee's above request, on February 10, 2026, the Company received the seventh proposal from the Offeror concerning the Transactions, including a proposal that the Tender Offer Price be 1,465 yen (representing a 29.07% premium to 1,135 yen, being the closing price of the Company Shares on the TSE Prime Market as of February 9, 2026, the date

of the proposal, a 30.22% premium to 1,125 yen, being the simple average closing price for the one-month period ended on that date, a 29.30% premium to 1,133 yen, being the simple average closing price for the three-month period ended on that date, and a 33.67% premium to 1,096 yen, being the simple average closing price for the six-month period ended on that date) and that the Share Option Price be 1 yen. In response, the Special Committee deliberated on the proposed price, considering that it exceeds the lower end of the range of the share valuation results of the Company under the DCF Method conducted by Yamada & Partners Advisory, the Company's third-party valuator, and decided to accept such price on the part of the Special Committee and furthermore, determined that with regard to the Share Option Price, it is appropriate to leave to the Share Option Holders' decisions on whether to tender their Share Options in the Tender Offer.

As of February 10, 2026, the Company received a report (the "Report") from the Special Committee (for further details on- and the reasons for the Special Committee's report, please refer to the Report in Attachment 1).

(iii) Details of the decision-making

In light of the circumstances described above, the Company, at its board of directors meeting held on February 12, 2026, has carefully discussed and considered whether the Transactions, including the Tender Offer, are expected to contribute to the enhancement of the Company's corporate value, and whether the terms and conditions of the Transactions, including the Tender Offer Price, are reasonable, with reference to the legal advice received from Anderson Mori & Tomotsune, the advice received from SMBC's M&A Advisory Services Dept. from a financial perspective, and the share valuation report on the Company Shares that was submitted by Yamada & Partners Advisory as of February 10, 2026 (the "Share Valuation Report (Yamada & Partners Advisory)"), and giving the utmost weight to the judgment of the Special Committee as described in the Report.

As a result, the Company has concluded that the Transactions, including the Tender Offer conducted by the Offeror, are expected to contribute to the enhancement of the Company's corporate value as follows:

(a) Achieving economies of scale

If the sales of the Offeror and the Company were simply combined, the combined group would rank first by sales in the home improvement center industry. This scale would enable economies of scale in product pricing and product development. The Company believes consumers would benefit in terms of both price and quality through cost reductions leading to lower prices and the development of more attractive products. In addition, the Company believes it could operate its stores as a tenant within locations operated by the Offeror or operate co-located or jointly operated stores with the Offeror.

(b) Improving gross profit margin ratio and enhancement of appeal through collaboration of PB products

The Company believes that, among other initiatives, the joint development of PB products will reduce the cost ratio, thereby enabling the Company to improve its gross profit margin. Furthermore, the Company believes that the joint development of PB brands that can be widely promoted across home improvement centers and specialty shops will lead to

an enhanced appeal of its products.

(c) Cost reduction through mutual utilization of logistics hubs

The Company believes that utilizing headquarters and hubs will optimize logistics functions and improve delivery efficiency. In addition, the Company believes that, in the long term, reconstructing and integrating the system infrastructure will realize further cost reductions.

(d) Initiatives for human capital management

The Company believes that personnel exchanges and other efforts by the Offeror and the Company will enable them to collaborate in fostering the next generation of talents. In addition, the Company believes that the exchange of information in relation to internal environment improvements will lead to the enhancement of various personnel-related systems.

(e) Resolution of parent-subsidiary dual listing

Currently, Valor Holdings and the Company have a parent-subsidiary dual listing relationship. As the costs associated with maintaining this listing were projected to rise significantly, increasing the Company's expenses, the Company believes that going private through the Transactions will reduce costs. Furthermore, from a corporate governance perspective, resolving the parent-subsidiary dual listing also offers the benefit of resolving structural conflicts of interest.

The Company is aware that the disadvantages of going private are that the Company will not be able to raise funds through equity financing in the capital markets and that the Company will lose the benefits of being a listed company, including enhanced social credibility, public confidence, and recruitment. In addition, the Company is aware that losing capital ties with existing shareholders and being included in the Offeror Group may adversely impact stakeholders such as employees and business partners. However, the Company believes that, after the Transactions have been implemented, the Company will be able to raise necessary funds by leveraging the Offeror's and Valor Holdings' credibility and be supported by the Offeror's reputation and credibility as a group company of the Offeror, which is a listed company. Furthermore, the Company recognizes that, through its business activities to date, it already has a substantial business base, including brand strength, reputation, and credibility, and believes that by continuing to use the current management system and focusing on enhancing the social value of each existing business after inclusion in the Offeror Group as a result of going private, the basic policy being to maintain the company name, the brand, and the terms and conditions of employment, and by explaining to stakeholders together with the Offeror Group, the business policies and management structure following the Transactions, although it will lose capital ties with existing shareholders, it believes that it will be able to prevent adverse impacts on stakeholders, including business partners, and considering that it believes that it can further enhance the corporate image and brand strength in the medium- to long-term, the Company believes that the disadvantages resulting from going private through the Transactions, and those resulting from losing capital ties with existing shareholders and being included in the Offeror Group, will be limited.

In addition, based on the reasons described below, the Company believes that Tender Offer Price and the terms and conditions of the Tender Offer are appropriate, and that the Tender Offer will provide the Company's shareholders with a reasonable opportunity to sell the Company Shares at a price with a reasonable premium added thereto.

- (a) Based on the valuation results in the Share Valuation Report (Yamada & Partners Advisory) as described in “(3) Matters related to calculation” - “(I) Procurement of a share valuation report from an independent third-party valuator retained by the Company” - “(ii) Summary of calculation” below, the Tender of Price is higher than the valuation results based on the market share price method and the comparable company method, and is also at a level that falls within the range of the valuation results based on the DCF Method. It is noted that although the Tender Offer Price is close to the lower end of such range, considering that the financial projections underlying the DCF Method are by no means conservative and that the Company could evaluate, in the course of the discussions and negotiations with the Offeror, the Tender Offer Price to be the maximum possible price the Offeror could offer, the fact that the Tender Offer Price is close to the lower end of such range cannot be considered grounds for denying the reasonableness of the Tender Offer.
- (b) The Tender Offer Price represents a price obtained by adding a premium of 28.28% to the closing price of 1,142 yen of the Company Shares in the TSE Prime Market on February 10, 2026, being the business day prior to the date of the Offeror's announcement of the Tender Offer, a premium of 30.11% to the simple average closing price of 1,126 yen for the last one-month period ended on that date, a premium of 29.19% to the simple average closing price of 1,134 yen for the last three-month period ended on that date, or a premium of 33.67% to the simple average closing price of 1,096 yen for the last six-month period ended on that date, respectively. Said premium level is not significantly inferior compared with the premium level (a median premium of 28.08% to the closing price of the business day prior to the date of the announcement, a median premium of 32.04% to the simple average closing price for the immediately preceding one-month period, a median premium of 35.33% to the simple average closing price for the immediately preceding three-month period, and a median premium of 42.62% to the simple average closing price for the immediately preceding six-month period) of similar cases in the recent years (specifically, among the successfully completed TOB cases that were announced from June 28, 2019, the date on which the Ministry of Economy, Trade and Industry issued the “Fair M&A Guidelines,” up to and including December 30, 2025, 35 cases where the expected holding ratio of the purchaser and specially related parties after implementation of the TOB was 100% and where the squeeze-out procedure was conducted by way of a share consolidation (excluding the cases where the target company is an REIT or listed on the TOKYO PRO Market, share buyback tender offers, discounted tender offers, first-tier tender offers in two-tier tender offers, MBOs, cases where the target company is an investment corporation, or cases with a price book-value ratio (PBR) of less than 1.0.)), and it is at a level where its reasonableness cannot be denied solely on the basis that there are certain points where it falls below the median premium of comparable cases.

- (c) The Tender Offer Price reflects consideration of minority shareholders' interests, including the implementation of measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest, as set out under “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest” below.
- (d) The Tender Offer Price was determined through good-faith, continuous discussions and negotiations between the Company and the Offeror, after implementing the measures described above.
- (e) The Special Committee received a timely report from the Company on the status of negotiations and was substantially involved in negotiating the terms and conditions of the Transactions by providing opinions, instructions, and requests regarding the Company's negotiation policy. As described in “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest” - “(V) Establishment of an independent special committee at the Company and procurement of a report” below, the Report concludes that, under other various terms and conditions of the present case, the minority shareholders would receive (i) all value that could be realized without conducting the Transactions and (ii) an appropriate portion of the value that would not be realized if the Transactions were not conducted (i.e., the increase in corporate value would be fairly allocated to the minority shareholders), and that the Tender Offer Price is reasonable (for the details and the reasons for the Special Committee's report, please refer to the Report in Attachment 1).
- (f) The Offeror has proposed a two-step acquisition consisting of a cash tender offer followed by a squeeze-out by way of share consolidation.
- (g) Although the Offeror proposed the Initially Proposed Minimum Number of Tendered Shares to be Purchased, it sincerely accepted Company's and the Special Committee's opinion and set the minimum number of shares to be purchased at the number of shares that secures voting rights equivalent to two-thirds (2/3) of the number of voting rights of all the Company's shareholders (provided, however, that voting rights represented by the BBT-Owned Shares and voting rights represented by the Restricted Stocks held by the Company's directors are excluded).

Accordingly, at the board of directors meeting held on February 12, 2026, the Company resolved to express its opinion in favor of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer. As for the Share Options, the Company resolved that it will leave to the Share Option Holders' decisions on whether to tender their Share Options in the Tender Offer, considering that the Share Option Price is 1 yen.

For the resolution method used by Company's board of directors above, please refer to “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest” - “(VI) Unanimous approval of all disinterested directors (including directors who are members of Audit and Supervisory Committee) of the Company” below.

(3) Matters related to calculation

(I) Procurement of a share valuation report from an independent third-party valuator retained by the Company

(i) Name of the third-party valuator and relationship with the Company and the Offeror

In expressing its opinion on the Tender Offer, in order to ensure the fairness in the process of its decision-making on the Tender Offer Price, the Company requested Yamada & Partners Advisory to calculate the value of the Company Shares as a third-party valuator independent of the Offeror Related Parties and the Company Group, as well as the success or failure of the Transactions. The Company has not obtained an opinion concerning the Tender Offer Price (fairness opinion) from Yamada & Partners Advisory since the Company and the Offeror have implemented measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest, as described below in “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest.” Yamada & Partners Advisory which is a third-party valuator does not constitute a related party of the Offeror Related Parties or the Company Group and has no material interest in the Tender Offer. The compensation to Yamada & Partners Advisory for the Transactions includes only the fixed fee to be paid regardless of the success or failure of the Transactions and does not include a performance fee to be paid subject to factors including the successful completion of the Transactions.

(ii) Summary of calculation

After considering the valuation methods to be adopted in the Tender Offer and under the assumption that the Company is a going concern, Yamada & Partners Advisory, based on its judgment that it is appropriate to multilaterally evaluate the value of the Company Shares, calculated the share value of the Company Shares based on: (i) the market share price method as the Company Shares are listed on the TSE Prime Market; (ii) the comparable company method given the existence of several listed companies with business profiles relatively similar to the Company, allowing the share value of the Company to be inferred by comparison; and (iii) the DCF Method to reflect the future status of the Company’s business activities in the valuation. According to Yamada & Partners Advisory, the valuation methods adopted in calculating the share value of the Company Shares and the ranges of the per share value of the Company Shares calculated based on such methods are as follows:

Market share price method: 1,096 yen to 1,142 yen

Comparable company method: 714 yen to 1,252 yen

DCF Method: 1,460 yen to 3,421 yen

Under the market share price method, with a calculation base date of February 10, 2026, the per share value of the Company Shares was calculated to range from 1,096 yen to 1,142 yen based on the closing price of the Company Shares on the TSE Prime Market as of the calculation base date (1,142 yen), the simple average closing price for the immediately preceding one-month period ending on the calculation base date (1,125 yen), the simple average closing price for the immediately preceding three-month period ending on the calculation base date (1,134 yen), and the simple average closing price for the immediately preceding six-month period ending on the calculation base date (1,096 yen).

Under the comparable company method, KOMERI Co., Ltd., Joyful Honda Co., Ltd., and Nafco Corporation were selected as listed companies business profiles similar to those of the Company, and

the per share value of the Company Shares was calculated to range from 714 yen to 1,252 yen, using the EBITDA ratio to the business value in calculating the Company's share value.

Under the DCF Method, taking into account various factors, such as (i) the business plan prepared by the Company for the fiscal year ending February 28, 2026 through fiscal year ending February 28, 2031 (the "Business Plan"), (ii) the Company's financial results for the third quarter of the fiscal year ending February 28, 2026, and (iii) any information disclosed to the general public, the per share value of the Company Shares was calculated to range from 1,460 yen to 3,421 yen, after calculating the enterprise value and equity value of the Company by discounting the free cash flow that the Company is expected to generate in the fourth quarter of the fiscal year ending February 28, 2026 onward, to their present value using an appropriate discount rate. The discount rate is calculated as 4.36% to 5.33% using the weighted average cost of capital, and the going concern value was calculated using the perpetual growth method and the EXIT multiple method. The perpetual growth rate used in the perpetual growth method was set at 0% upon comprehensively taking into account factors, including the external environment. In the EXIT multiple method, the EBITDA ratio to the business value was set at 5.63x to 7.63x, taking into account the level of the listed companies selected in the comparable company method, while the going concern value was calculated to be 53,923 million yen to 112,546 million yen.

The financial projection based on the Business Plan which Yamada & Partners Advisory used as premise for the calculation under the DCF Method is as follows. Please note that the Business Plan which Yamada & Partners Advisory used for the calculation under the DCF method do not include fiscal years in which significant increase or decrease in profit is expected on a year-on-year basis, but includes fiscal years in which a significant increase or decrease in free cash flow is expected on a year-on-year basis.

Specifically, in the fiscal year ending February 29, 2028, while the Company's home center business, its core business, will operate and place orders for products regardless of weekdays and holidays, the payment for the purchases cannot be made on bank holidays and thus, due to the end of February 2027 falling on a holiday, a significant balance of accounts payable will be extinguished, resulting in an estimated decrease of 1,359 million yen on a year-on-year basis in free cash flow. Further, for the fiscal year ending February 28, 2029, the Company estimates an increase of 3,611 million yen on a year-on-year basis in free cash flow due to the reversal effect from the above extinguishment in accounts payable expected for the fiscal year ending February 29, 2028.

The Business Plan has been prepared by directors independent from the Offeror Related Parties for the purpose of verifying the appropriateness of the terms of the Transaction and has been approved by the Company's executive directors excluding those with potential conflicts of interest (i.e., Mr. Asakura, Mr. Morisaku Wagato, and Mr. Masami Tashiro). The Business Plan has been formulated based on the past performance, current profitability and external environment, setting reasonable assumptions for each item. Upon preparation of the Business Plan, the Special Committee held a question-and-answer session with the Company regarding the assumptions and the content and confirmed and approved its reasonableness. The term of the Business Plan is set at a five-year period as a realistic timeframe during which the results of the medium-to-long-term strategy could be quantitatively realized.

In addition, the synergies expected to be realized as a result of the Transactions are not reflected, except for the reduction in costs associated with maintaining the listing, because it is difficult to

specifically estimate the impact on earnings as at this time.

	(million yen)					
	Fiscal year ending Feb. 28, 2026 (three months)	Fiscal year ending Feb. 28, 2027	Fiscal year ending Feb. 29, 2028	Fiscal year ending Feb. 28, 2029	Fiscal year ending Feb. 28, 2030	Fiscal year ending Feb. 28, 2031
Net sales	38,111	150,598	153,601	156,051	158,493	161,085
Operating profit	1,397	5,698	6,577	7,227	7,917	8,728
EBITDA	2,066	9,304	10,255	10,945	11,739	12,583
Free cash flow	989	3,033	1,674	5,285	5,876	6,455

In calculating the share value of the Company Shares, Yamada & Partners Advisory, in principle, adopted the information, etc. provided by the Company and publicly available information as is, assuming that all of the materials and information, etc. are accurate and complete, and has not independently verified the accuracy or completeness thereof. In addition, no independent evaluation or assessment of the assets and liabilities (including off-balance-sheet assets and liabilities, or other contingent liabilities) of the Company has been conducted, and no request for appraisal or assessment thereof has been made to any third-party agent. Furthermore, it is assumed that information regarding the Company's financial projection was reasonably prepared by Mr. Kazuya Ito, who is a disinterested director of the Company, based on the best possible estimates and judgments as of the date hereof. However, Yamada & Partners Advisory has conducted Q&A sessions with the Company regarding the Business Plan used as a basis for the calculations and has confirmed the details thereof.

In addition, the Special Committee has confirmed the reasonableness of factors, such as the details of the Business Plan, key prerequisites, and the background to its preparation, through Q&A sessions with the Company and has given approval for the proposed Business Plan. Please note that, while the Share Options are also included in the subject of the Tender Offer, the Company has not obtained a valuation report or opinion on the fairness of the Share Option Price (fairness opinion) from any third-party valuator, because the Share Option Price is set at 1 yen in every case.

(II) Procurement of a share valuation report from an independent third-party valuator retained by the Offeror
(i) Company Shares

According to the Offeror, in determining the Tender Offer Price, the Offeror requested Daiwa Securities, its financial adviser, to calculate the Company's share value as its third-party valuator independent of the Offeror Group, the Company, and Valor Holdings. According to the Offeror, Daiwa Securities is not a related party of the Offeror Group, the Company, or Valor Holdings and has no material interest in the Transactions.

According to the Offeror, after considering, from among various share valuation methods, the valuation method that should be adopted when calculating the share value of the Company, and from the perspective that it would be appropriate to assess the value of the Company Shares in multiple ways

based on the premise that the Company is a going concern, Daiwa Securities calculated the share value of the Company Shares using each of: (i) the market share price method which takes into account the trend of the Company's market share price; (ii) the comparable company method because there are several listed companies comparable to the Company and it is possible to infer the share value of the Company Shares by comparison with such comparable companies; and (iii) the DCF Method which takes into account factors such as the details and forecast of the Company's business performance. According to the Offeror, as of February 10, 2026, the Offeror received from Daiwa Securities a share valuation report (the "Share Valuation Report (Daiwa Securities)"). In addition, according to the Offeror, as the Offeror believes that sufficient consideration has been given to the interests of the Company's minority shareholders, taking into account the other measures to ensure the fairness of the Tender Offer Price that are implemented in connection with the Transactions, the Offeror has not obtained an opinion concerning the fairness of the Tender Offer Price (fairness opinion) from Daiwa Securities.

According to the Offeror, the Offeror understands from the Share Valuation Report (Daiwa Securities), that the valuation methods adopted and the ranges of the per share value of the Company Shares calculated using such methods are as follows.

Market share price method: 1,096 yen to 1,142 yen

Comparable company method: 1,194 yen to 1,756 yen

DCF Method: 1,067 yen to 1,637 yen

It is understood that under the market share price method, February 10, 2026 was used as the base date, and the per share value of the Company Shares was calculated to range from 1,096 yen to 1,142 yen, based on the closing price of the Company Shares listed on the TSE Prime Market on the base date (1,142 yen), the simple average of the closing prices for the immediately preceding one-month period (January 13, 2026 to February 10, 2026) (1,126 yen), the simple average of the closing prices for the immediately preceding three-months period (November 11, 2025 to February 10, 2026) (1,134 yen), and the simple average of the closing prices for the immediately preceding six-months period (August 12, 2025 to February 10, 2026) (1,096 yen).

It is understood that under the comparable company method, the per share value of the Company Shares was calculated to range from 1,194 yen to 1,756 yen, by calculating the share value of the Company Shares through comparison of market share prices as well as financial indices indicating profitability, etc. and the like of listed companies engaged in businesses similar to those of the Company.

It is understood that under the DCF Method, based on various factors including the business plan prepared by the Company for the six fiscal years from the fiscal year ending February 28, 2026 to the fiscal year ending February 28, 2031, the most recent trend in the Company's business performance, the results of the due diligence conducted by the Offeror on the Company from mid-November 2025 to early January, 2026, and publicly available information, etc. the per share value of the Company Shares was calculated to range from 1,067 yen to 1,637 yen, as a result of analyzing the enterprise value and the equity value of the Company by discounting the free cash flow that is expected, based on the Company's future earnings forecast from the fiscal year ending February 28, 2026 to the fiscal year

ending February 28, 2031 with adjustments made by the Offeror, to be generated by the Company in the 4th quarter of the fiscal year ending February 28, 2026 and onwards to the present value at a certain discount rate. Please note that the Company's financial projection for the future which Daiwa Securities used for the DCF Method analysis does not include fiscal years in which significant increase or decrease in profit is expected, neither does it include fiscal years in which a significant increase or decrease in free cash flow is expected. In addition, the Company's financial projection for the future which Daiwa Securities used for the DCF Method analysis does not assume the implementation of the Transaction nor reflect the synergy effects expected from the Transaction, as it is impossible to estimate the specific impact on earnings.

According to the Offeror, the Offeror decided to set the Tender Offer Price at 1,465 yen at the board of directors meeting held on February 12, 2026, comprehensively taking into consideration that the share value of the Company in the Share Valuation Report (Daiwa Securities) obtained on February 10, 2026 exceeded the upper limit of the valuation results calculated by the market share price method and fell within the range of the valuation results of the comparable company method and the DCF method, the results of the due diligence on the Company conducted by the Offeror, whether the Company's board of directors approve the Tender Offer or not, the trend of the market share price of the Company Shares in the past three years (the highest closing price of 1,272 yen and the lowest closing price of 919 yen), and the prospects for the tenders to be made in the Tender Offer, also based on the results of the consultations and negotiations with the Company.

According to the Offeror, the Tender Offer Price of 1,465 yen is a price obtained by adding a premium of 28.28% to the closing price of 1,142 yen of the Company Shares in the TSE Prime Market on February 10, 2026, the business day immediately preceding the date of the Offeror's announcement of the Tender Offer, a premium of .30.11% to the simple average of the closing prices of 1,126 yen for the immediately preceding one-month period (January 13, 2026 to February 10, 2026), premium of .29.19% to the simple average of the closing prices of 1,134 yen for the immediately preceding three-months period (November 11, 2025 to February 10, 2026), or a premium of .33.67% to the simple average of the closing prices of 1,096 yen for the immediately preceding six-months period (August 12, 2025 to February 10, 2026), respectively.

(ii) Share Options

The Share Options provide, as a condition of exercise, that they may be exercised in a lump sum during the exercise period, and only from the day following the day on which the Company's director loses its status as the Company's director to the day on which 10 days therefrom have elapsed. According to the Offeror, considering that, among various factors, the Offeror cannot exercise the Stock Options even if it acquires the same, the Offeror set the Stock Option Price at 1 yen each.

According to the Offeror, it is noted that the Offeror has not obtained any valuation reports or opinions (fairness opinions) from any third-party valiators as the Offeror decided on the Share Option Price as described above.

(4) Possibility of delisting and reasons therefor

The Company Shares are listed on the TSE Prime Market as of the Resolution Date. As the Offeror has not set a maximum number of shares to be purchased in the Tender Offer, the Company Shares may be delisted

through the prescribed procedures in accordance with the TSE's delisting criteria depending on the results of the Tender Offer.

In addition, even if such delisting criteria are not met as at the time of successful completion of the Tender Offer, in case where the Tender Offer is successfully completed, the Offeror plans to implement a series of procedures, as described in "(5) Policies on organizational restructuring, etc. after the Tender Offer (matters concerning "two-step acquisition")" below. Therefore, when such procedures are implemented, the Company Shares will be delisted through the prescribed procedures in accordance with the TSE's delisting criteria. After the delisting of the Company Shares, the Company Shares may no longer be traded on the Prime Market of the TSE.

(5) Policies on organizational restructuring, etc. after the Tender Offer (matters concerning "two-step acquisition")

As stated in "(I) Outline of the Tender Offer" in "(2) Grounds and reasons for the opinion on the Tender Offer" above, if the Offeror and Valor Holdings are unable to acquire all of the Company Shares in the Tender Offer (including the Company Shares issued upon exercise of the Share Options but excluding the treasury shares owned by the Company and the Non-Tendered Shares), the Offeror and Valor Holdings plan to implement the Squeeze-out Procedure to make the Offeror and Valor Holdings the only shareholders of the Company and to take the Company Shares private through the method described below following the successful completion of the Tender Offer.

Specifically, the Offeror intends to request that the Company convene an extraordinary shareholders meeting (the "Extraordinary General Shareholders Meeting") promptly after the settlement of the Tender Offer, at which the matters to be resolved shall include the Share Consolidation and, on the condition that the Share Consolidation takes effect, a partial amendment of the articles of incorporation to abolish the provision concerning the share unit number. The Offeror and Valor Holdings intend to vote in favor of each of the above proposals at the Extraordinary General Shareholders Meeting. As of the Resolution Date, the date of the Extraordinary General Shareholders Meeting is planned to be held around early May 2026.

If the proposal for the Share Consolidation is approved at the Extraordinary General Shareholders Meeting, then on the date on which the Share Consolidation takes effect, the shareholders of the Company will hold the Company Shares in the number corresponding to the Share Consolidation ratio approved at the Extraordinary General Shareholders Meeting. If any fraction of less than one share results from the implementation of the Share Consolidation, an amount in cash equal to the purchase price to be obtained by selling to the Company or the Offeror the Company Shares equivalent to the total number of such fractional shares (any fractional shares less than one share resulting from the aggregation of fractional shares shall be discarded; hereinafter the same) will be delivered to the shareholders of the Company in accordance with the procedures provided in Article 235 of the Companies Act and other relevant laws and regulations.

With respect to the purchase price of the Company Shares equivalent to such total number of fractional shares, the Offeror intends to request the Company to file a court petition to obtain permission for a voluntary sale after it is set in such a way so that, as a result of selling these shares, the amount of money to be delivered to the Company shareholders who did not tender in the Tender Offer (however, excluding the Offeror, Valor Holdings, and the Company) will be the same as the price obtained by multiplying the Tender Offer Price for the Company Shares by the number of Company Shares held by each such shareholder. While the ratio of the Share Consolidation is not determined as of the Resolution Date, the Offeror intends to request the

Company to ensure that the ratio of the Share Consolidation will be determined such that the number of Company Shares held by Company shareholders who did not tender in the Tender Offer (excluding the Offeror, Valor Holdings, and the Company) will be a fraction of less than one share so that the Offeror and Valor Holdings will hold all of the issued shares of the Company (excluding the treasury shares owned by the Company).

As for provisions that aim to protect the rights of general shareholders in connection with the Share Consolidation, the Companies Act provides that if the Share Consolidation is implemented and fractional shares of less than one share are created as a result of the Share Consolidation, when the prescribed conditions are met, then the shareholders of the Company (excluding the Offeror and the Company) may request that the Company purchase all of the fractional shares less than one share of the Company Shares that they hold at a fair price in accordance with Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations and may file a court petition to determine the price of the Company Shares.

Furthermore, if the Squeeze-Out Procedure is expected to be completed by May 29, 2026, the Offeror intends to request the Company to partially amend its articles of incorporation to abolish the provisions regarding the record date for voting rights at the ordinary general shareholders meeting scheduled to be held in late May 2026 (the “Ordinary General Shareholders Meeting”) for the fiscal year ending February 28, 2026 in order to restrict the exercise of voting rights at the Ordinary General Shareholders Meeting to the Offeror and Valor Holdings only, on the condition that the Squeeze-Out Procedure is completed. Therefore, even shareholders listed or recorded in the Company’s shareholder register as of February 28, 2026 may not be able to exercise their voting rights at the Ordinary General Shareholders Meeting.

As described above, upon the Share Consolidation, the number of the Company Shares to be owned by the Company’s shareholders who did not tender in the Tender Offer (excluding the Offeror, Valor Holdings and the Company) will be a fraction of less than one share and the Company’s shareholders who object to the Share Consolidation (excluding the Offeror, Valor Holdings and the Company) will be able to file such court petition. When such petition is filed, the court will eventually determine the purchase price of the Company Shares.

If not all of the Share Options have been purchased in the Tender Offer, the Offeror plans to request the Company to implement reasonably necessary procedures for the execution of the Transactions, such as purchasing the Share Options, recommending that the Share Option Holders forfeit their Share Options or to implement such procedures; however, the details thereof are undetermined as of the Resolution Date. If the Company receives such a request, the Company intends to cooperate with such request.

Regarding the procedures above, and the implementation method and timing may change, depending on the situation, such as the amendment, effectuation, and interpretation, etc. by the authorities of relevant laws and regulations. Even in such a case, the method of eventually delivering money to the Company’s shareholders who did not tender in the Tender Offer (excluding the Offeror, Valor Holdings and the Company) will be adopted, and in such case, the amount of money delivered to the Company’s shareholders will be calculated to be equal to the Tender Offer Price multiplied by the number of Company Shares held by the shareholders of the Company.

The allotment agreement of the Restricted Stock provides that, if a matter concerning a share consolidation as prescribed in Article 180 of the Companies Act is approved at the Company’s general shareholders meeting during the restricted period (provided, however, that this shall only apply when the effective date of a share consolidation as defined under Article 180, Paragraph 2, Item 2 of the Companies Act (the “Squeeze-Out

Effective Date") occurs prior to the expiration of the restricted period), the transfer restriction shall be lifted immediately prior to the business day preceding the Squeeze-Out Effective Date, as determined by a resolution of the Company's board of directors. Accordingly, as it is expected that the transfer restriction on the Restricted Stock will be lifted immediately prior to the business day preceding the Squeeze-Out Effective Date, all of the Restricted Stock is to be subject to the Share Consolidation.

For the specific procedures and time of implementation, etc. of the above, the Offeror will, after the successful completion of the Tender Offer, request the Company to have a consultation and to promptly announce the details once they have been determined.

Please note that the Tender Offer does not in any way solicit the approval of the Company's shareholders at the Extraordinary General Shareholders Meeting.

The Company's shareholders and the Share Option Holders are encouraged to consult their tax accountants or other professionals with respect to the tax treatment of the participation in the Tender Offer and the procedures described above at their own discretion.

(Note) Regarding the BBT-Owned Shares, it is provided in the Board Benefit Trust (BBT) Agreement that the trust administrator will not instruct the shareholders to tender in a tender offer such as the Tender Offer where the company's board of directors has expressed its approval. Therefore, it is not expected that the shareholders of the BBT-Owned Shares would tender their shares in the Tender Offer and the Offeror does not intend to purchase the BBT-Owned Shares through the Tender Offer. If the proposal for the Share Consolidation is approved at the Extraordinary General Shareholders Meeting, the BBT-Owned Shares are to be transferred to the Company without consideration on the basis of the decision to delist the Company Shares.

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

As of the Resolution Date, the Offeror does not own any Company Shares or Share Options and the Tender Offer does not constitute a tender offer by a controlling shareholder. Furthermore, none of the Company's management is scheduled to invest, directly or indirectly, in the Offeror, and the Transaction, including the Tender Offer, does not constitute a management buyout (MBO) transaction.

However, considering the fact that (i) the Transaction is conducted on the premise of privatizing the Company Shares and making Valor Holdings and the Offeror the sole shareholders of the Company, (ii) Valor Holdings has an agreement with the Offeror that the Offeror will not tender its shares in the Tender Offer and, pursuant to the Shareholders Agreement and the MOU, the Offeror will remain a shareholder of the Company and continue to maintain its influence as the Company's parent company after the implementation of the Transaction, and (iii) the Offeror and the Company have executed the Capital and Business Alliance Agreement regarding the operation of the Company following the completion of the Transaction, and the Offeror and Valor Holdings have executed the MOU. Accordingly, it is possible that the interests of Valor Holdings, the Company's parent company, and the Company's minority shareholders may not align. Considering the above possibilities and the intent of the request under Article 441 (Matter to be Observed in relation to MBO, etc.) of the Securities Listing Regulations of the TSE, the Company has implemented the following measures to ensure due care in its decision-making regarding the Transaction, to eliminate the influence of Valor Holdings in the discussion process for the Transaction and the arbitrariness in the Company's decision-making, and to ensure fairness through the entire process of deliberation and decision-making on the pros and cons of the Transaction,

the fairness and appropriateness of the terms of the Transaction, and other matters.

Since the Offeror believes that setting a minimum number of the “Majority of Minority” in the Tender Offer would destabilize the successful completion of the Tender Offer, which in turn might not serve the interests of minority shareholders who wish to tender in the Tender Offer, and it has not set a minimum number of the “Majority of Minority” in the Tender Offer. However, since the Offeror and the Company implemented the following measures, the Offeror believes that due consideration was given to the interests of the Company’s minority shareholders.

The following descriptions regarding measures implemented by the Offeror are based on explanations given by the Offeror.

(I) Procurement of a share valuation report from an independent third-party valuator retained by the Offeror

The Offeror, in determining the Tender Offer Price, requested Daiwa Securities as its financial adviser to be its third-party valuator independent of the Offeror Group, the Company and Valor Holdings to calculate the value of the Company Shares and obtained the Share Valuation Report (Daiwa Securities). Daiwa Securities does not constitute the Offeror Group or a related party of the Company or Valor Holdings and has no material interest in the Transactions.

For details of the Share Valuation Report (Daiwa Securities) retained by the Offeror from Daiwa Securities, please refer to “(III) Procurement of a share valuation report from an independent third-party valuator retained by the Offeror” in “(3) Matters related to calculation” above.

(II) Procurement of a share valuation report from an independent third-party valuator retained by the Company

To ensure fairness in the decision-making process regarding the Tender Offer Price proposed by the Offeror, the Company, in expressing its opinion on the Tender Offer, requested a valuation of the Company Shares from Yamada & Partners Advisory, a third-party valuator independent from the Offeror Related Party, the Company Group, and the success or failure of the Transaction, and obtained the Share Valuation Report (Yamada & Partners Advisory) as of February 10, 2026. For details of such Share Valuation Report, please refer to “(3) Matters related to calculation” - “(I) Procurement of a share valuation report from an independent third-party valuator retained by the Company” - “(ii) Summary of calculation” above.

The Company has not obtained an opinion concerning the fairness of the Tender Offer Price (fairness opinion) from Yamada & Partners Advisory, as the Company considers that sufficient consideration is given to the interests of minority shareholders in light of other measures taken in the Transactions to ensure the fairness of the Tender Offer Price.

(III) Expert advice to the Company from an independent financial advisor

The Company has appointed SMBC’s M&A Advisory Services Dept. as a financial advisor for the Transaction and has received expert advice from SMBC’s M&A Advisory Services Dept. from a financial perspective including advice on measures to be taken to ensure fairness in the process of the Transaction and the decision-making method and process, etc. of the Company for the Transaction.

SMBC’s M&A Advisory Services Dept. does not constitute the Offeror Related Parties or a related party of the Company Group and has no material interest in the Transactions including the Tender Offer. SMBC as a corporation holds the status as a shareholder of the Offeror (shareholding ratio to the total number of issued shares as of the end of August, 2025 (excluding treasury shares): 0.12%), the status as

a shareholder of Valor Holdings (shareholding ratio to the total number of issued shares as of the end of August, 2025 (excluding treasury shares): 0.50%) and has conducted loan transactions, etc. with the Offeror Related Parties and the Company Group as part of ordinary banking transactions.

While SMBC as a corporation may consider making a loan to the Offeror in connection with the Transaction, the Company has appointed SMBC's M&A Advisory Services Dept. based on the judgment that SMBC has, under legal obligations in accordance with the relevant laws and regulations including Article 13-3-2, Paragraph 1 of the Banking Act (Act No. 59 of 1981, as amended) and Article 14-11-3-3 the Ordinance for Enforcement of the Banking Act (Order of the Ministry of Finance No. 10 of 1982, as amended), has constructed and implemented appropriate conflict of interest management systems such as information barriers within the bank (between sections in charge of financial advisory and sections in charge of ordinary banking operations) and SMBC's M&A Advisory Services Dept. as a financial advisor has implemented appropriate measures to prevent adverse effects. The Special Committee has confirmed at the first meeting of the Special Committee that there are no issues with respect to the independence or expertise of the financial advisor appointed by the Company and that the Special Committee may receive expert advice therefrom as necessary.

Furthermore, the compensation to SMBC's M&A Advisory Services Dept. for the Transactions includes a performance fee to be paid subject to the successful completion of the Transactions, etc. Taking into account general practices in similar transactions and the appropriateness of the compensation structure that would impose a reasonable financial burden on the Company if the Transactions fail, etc. the Company has determined that the inclusion of a performance fee to be paid subject to the completion of the Tender Offer would not negate the independence of SMBC's M&A Advisory Services Dept., and therefore appointed SMBC's M&A Advisory Services Dept. as the Company's financial advisor in accordance with the above compensation structure.

(IV) Expert advice to the Company from an independent law firm

To ensure transparency and reasonableness in the decision-making process of the Company's board of directors regarding the Transaction, the Company has appointed Anderson Mori & Tomotsune as a legal advisor independent from the Offeror Related Parties and the Company Group and the success or failure of the Transaction, and has received necessary legal advice from Anderson Mori & Tomotsune on the method and process of decision-making by the Company's board of directors regarding the Transaction and other matters to note. Anderson Mori & Tomotsune does not constitute the Offeror Related Parties or a related party of the Company Group and has no material interest in the Transactions including the Tender Offer. The fees paid to Anderson Mori & Tomotsune are to be paid only on an hourly basis regardless of success or failure of the Transaction and do not include any performance fee upon successful completion of the Transaction. The Special Committee has confirmed at the first meeting of the Special Committee that there are no issues with respect to the independence or expertise of the legal advisor appointed by the Company and that the Special Committee may receive expert advice therefrom as necessary.

(V) Establishment of an independent special committee at the Company and procurement of a report

(i) Background of establishment, etc.

Prior to deliberation and resolution by the Company's board of directors on the pros and cons of the Transaction, the Company has established the Special Committee by resolution at the Company's board

of directors held on September 30, 2025, which consists of four members who are outside directors and audit and supervisory committee members of the Company (Mr. Shigemi Umezu, Mr. Kazuo Suzuki, Ms. Ayako Ota and Mr. Takeshi Hachimura), for the purpose of eliminating arbitrariness in the decision-making process of the Company regarding the Transaction and ensuring fairness, transparency and objectivity in the Company's decision-making process. The Company has appointed such four members of the Special Committee from the beginning so that the composition of the Special Committee as a whole will ensure a balance in knowledge, experience and ability and there has been no change to the members of the Special Committee. Upon the appointment of the Special Committee members, the Company confirmed that none of the four members, (Mr. Shigemi Umezu, Mr. Kazuo Suzuki, Ms. Ayako Ota and Mr. Takeshi Hachimura, has material interest with any of the Offeror Related Parties and that all the four members are independent of the success or failure of the Transactions. Mr. Kazuo Suzuki was elected by the members of the Special Committee to serve as its chairperson.

Each member of the Special Committee will be paid a fixed amount, and no performance fee payable upon the announcement or successful completion of the Transaction including the Tender Offer is adopted.

Based on the above, as stated in “(i) Background of establishment of review system” in “(IV) Decision-making process leading to and grounds for the opinion in favor of the Tender Offer by the Company” in “(2) Grounds and reasons for the opinion on the Tender Offer” above, the Company consulted with the Special Committee regarding the Matters for Consultation. Furthermore, the Company's board of directors has resolved the following matters.

- (a) In considering the matters for consultation, the Special Committee may use the Company's advisors with respect to the Transactions, and may retain a third-party institution, etc. to conduct the valuation of the Company's shares, the provision of the fairness opinion with respect to the Transactions and other matters that the Special Committee deems necessary, and in such case, the Company shall bear the reasonable costs of such service.
- (b) The decision of the Company's board of directors regarding the Transactions shall be made with the utmost respect for the judgment of the Special Committee, and in particular, if the Special Committee determines that the terms and conditions of the Transactions are not appropriate, the Company's board of directors shall not opine in favor of the Transactions under such terms and conditions.
- (c) The Special Committee shall be authorized to request the Company's directors, employees, and other persons deemed necessary by the Special Committee to attend Special Committee meetings and request explanations of necessary information in order to ensure the committee's appropriate decisions.
- (d) The Special Committee shall be authorized to be in substance involved in the process of negotiations concerning the terms and conditions of the Transactions by confirming in advance the Company's plan on negotiation concerning the terms and conditions of the Transactions, receiving reports from the Company on the status of negotiation in a timely manner, stating its opinions and giving instructions and requests to the Company.

(ii) Background of consideration

The Special Committee held a total of 16 meetings between September 30, 2025 and February 10,

2026, and performed its duties regarding the Matters for Consultation through such means as reporting, information sharing, consideration, and decision making via email. Specifically, the Special Committee confirmed that there were no issues regarding the independence, expertise and performance of SMBC's M&A Advisory Services Dept. as the Company's financial advisor, Yamada & Partners Advisory as its third-party valuation agency, and Anderson Mori & Tomotsune as its legal advisor, and approved such appointments.

On September 30, 2025, the Special Committee appointed Nishida Law Office as its own legal advisor independent from the Offeror Related Parties, the Company Group and the success or failure of the Transaction, after confirming that there were no issues regarding its expertise, performance and independence from the Offeror Related Parties, the Company Group and the success or failure of the Transaction.

The Special Committee has received explanations from the Offeror and Valor Holdings regarding the background that led to the proposal of the Transaction, the purpose of the Transaction, and the management structure and operation policy, etc. after the Transaction and held a Q&A session.

The Special Committee has also received explanations from the Company regarding the purpose of the Transaction, the estimated impact of the Transaction on the Company's business, and the management structure and operation policy, etc. after the Transaction and held a Q&A session.

Furthermore, taking into account the advice given by SMBC's M&A Advisory Services Dept. from a financial perspective, the Special Committee received explanations from the Company and held a Q&A session regarding the details of the business plan of the Company, important preconditions, and the background of preparation, etc., and confirmed the reasonableness of these matters and approved the same. As stated in "(II) Procurement of a share valuation report from an independent third-party valuator retained by the Company" above, Yamada & Partners Advisory conducted a share valuation of the Company Shares based on the Company's business plan, independent of the parties related to the preparation of the business plan. The Special Committee received explanations from the method of share valuation adopted by Yamada & Partners Advisory and the reasons for adopting such valuation method, the details of valuation by each valuation method and important preconditions and confirmed the reasonableness thereof after holding a Q&A session and after deliberation and discussion.

The Special Committee has held reviews and discussions upon the Company's negotiation with the Offeror, taking into account the financial advice given by SMBC's M&A Advisory Services Dept. and legal advice given by Anderson Mori & Tomotsune, which are the Company's advisors, and stated necessary opinions as necessary upon the negotiation policy of the Company. Specifically, the Special Committee stated that the Company should request an increase of the Tender Offer Price to the Offeror on six occasions, having been timely informed from the Company regarding the details of negotiations and discussion on the Tender Offer Price and the Share Option Price each time when the Company received a proposal of the Tender Offer Price and the Share Option Price from the Offeror. Since the Company has conducted negotiations with the Offeror according to such opinion, etc., the Special Committee was substantially involved in the negotiation and discussion process between the Company and the Offeror.

As a result, on February 10, 2026, the Company received a proposal from the Offeror, which would set the Tender Offer Price at 1,465 yen and the Share Option Price at 1 yen and increased the Tender

Offer Price to 1,120 yen, from the initially proposed price of 1,465 yen.

(iii) Details of the decision-making

For the details of and reasons for the Special Committee's opinion on the Matters for Consultation, please refer to the Report in Attachment 1.

(VI) Unanimous approval of all disinterested directors (including directors who are members of Audit and Supervisory Committee) of the Company

Based on the Share Valuation Report (Yamada & Partners Advisory) received from Yamada & Partners Advisory, the Report submitted by the Special Committee, legal advice given by Anderson Mori & Tomotsune and other relevant materials, the Company has carefully discussed and considered the terms of the Transaction including the Tender Offer.

As a result, as stated in "(IV) Decision-making process leading to and grounds for the opinion in favor of the Tender Offer by the Company" in "(2) Grounds and reasons for the opinion on the Tender Offer" above, having determined that the Transactions would contributes to the enhancement of the Company's corporate value and that the terms of the Transactions including the Tender Offer Price are appropriate, the Company has resolved at the board of directors meeting held on February 12, 2026, with unanimous approval of eight disinterested directors including the directors who also serve as the Audit and Supervisory Committee members, to express its approval of the Tender Offer and to recommend the shareholders to tender their shares in the Tender Offer and to leave the decision on whether to tender their Share Options to the discretion of the Share Option Holders.

At the board of directors meeting described above, after discussion by eight directors out of 11 directors of the Company, excluding Mr. Asakura, Mr. Morisaku Wagato, and Mr. Masami Tashiro, the board has resolved as above with unanimous approval.

To avoid any suspicion of conflict of interest and to ensure the fairness of the Transaction, out of the Company's directors, Mr. Asakura, who has executed the Tender Agreement, and Mr. Morisaku Wagato and Mr. Masami Tashiro, who also serve as officers of Valor Holdings, have not participated in any discussion and resolution at the Company's board of directors related to the Transaction nor taken part in any discussion or negotiation with the Offeror regarding the Transaction on behalf of the Company.

(VII) Establishment of independent review system at the Company

As described in "(IV) Decision-making process leading to and grounds for the opinion in favor of the Tender Offer by the Company" in "(2) Grounds and reasons for the opinion on the Tender Offer" above, the Company has established a system internally to consider, negotiate, and make decisions regarding the Transactions from the standpoint of being independent from the Offeror. Specifically, on September 25, 2025, after receiving a notice that stated that the Offeror has started consideration for implementing the Transaction, the Company established a project team to consider the Transactions and to discuss and negotiate with the Offeror. The members of the project team exclude Mr. Asakura, who has executed the Tender Agreement, and Mr. Morisaku Wagato, and Masami Tashiro, who also serve as officers of Valor Holdings. The project team is composed only of six officers and employees of the Company (including Mr. Kazuya Ito, a director) who do not concurrently serve as officers and employees of the Offeror or Valor Holdings and has not served as officers or employees of the Offeror in the past, and such treatment continues. The Special Committee confirmed that there were no issues with the Company's

review system (including the scope of the Company's directors, officers and employees involved in the consideration, negotiation, and decision-making regarding the Transactions and their duties) from the viewpoint of independence and fairness.

(VIII) Establishment of measures to ensure purchase opportunities from other purchasers

The Capital and Business Alliance Agreement between the Offeror and the Company includes protective provisions that provides that: the Company shall not, in principle, from the date of execution of the Capital and Business Alliance Agreement (the "Execution Date") until the effective date of the Squeeze-Out Procedure, (i) engage in any transaction that substantially competes with, contradicts, conflicts with, or impedes the execution of the Transaction or the business alliance prescribed in the Capital and Business Alliance Agreement (the "Competing Transactions (Capital and Business Alliance Agreement)") nor (ii) make any proposal, solicitation, discussion, negotiation or provide any information regarding the Competing Transactions (Capital and Business Alliance Agreement), but shall, (iii) upon receiving any proposal, solicitation, discussion, negotiation, or provision of information or any other similar offer regarding the Competing Transactions (Capital and Business Alliance Agreement), upon becoming aware of the existence of such proposal, or upon the occurrence or discovery of any other circumstance that is reasonably deemed to make it impossible to maintain an opinion supporting the Tender Offer, immediately notify the Offeror of such fact and the content thereof and discuss how to handle such proposal or other offer with the Offeror in good faith; and (b) from the Execution Date until the last day of the Tender Offer Period, the Company shall maintain the details of the Resolution (to be defined in "II. Capital and Business Alliance Agreement" - "2. Details of alliance" - "(2) Matters concerning the Tender Offer" below) without any amendment or withdrawal, and shall not pass any resolution inconsistent therewith. However, the Company will not assume the above obligations if it is reasonably deemed that maintaining an opinion supporting the Tender Offer would violate the duty of care of a good manager of the Company's directors, to ensure that opportunities for competing offers by parties other than the Offeror are not unduly restricted.

The Offeror has set the Tender Offer Period at 30 business days, which is longer than the statutory minimum of 20 business days. By setting the Tender Offer Period longer than the statutory minimum, the Offeror intends to ensure that the Company's shareholders and the Share Option Holders have adequate opportunity to make informed decisions regarding tendering their shares and Share Options to the Tender Offer, and that persons other than the Offeror have an opportunity to make competing purchase offers, etc. thus ensuring the fairness of the Tender Offer.

4. Matters concerning material agreements regarding the tendering of shares by the Company's shareholders and other matters in relation to the Tender Offer

(1) Capital and Business Alliance Agreement

In connection with the Tender Offer, the Offeror and the Company have entered into the Capital and Business Alliance Agreement dated February 12, 2026. For the details of the Capital and Business Alliance Agreement, please refer to "II. Capital and Business Alliance Agreement" below.

(2) Non-Tender Agreement

The Offeror has entered into the Non-Tender Agreement with Valor Holdings. The summary of the Non-

Tender Agreement is as follows. It is noted that the Tender Offeror has not entered into any agreements with Valor Holdings regarding the Transactions other than the Non-Tender Agreement as well as the Shareholders Agreement described in “(4) Shareholders Agreement” below and the MOU described in “(5) MOU” below, and there is no consideration to be provided by the Offeror to Valor Holdings in connection with the Transactions.

A. Valor Holdings will not tender any of the Non-Tendered Shares in the Tender Offer once the Tender Offer commences.

B. Valor Holdings shall not, from the date of execution of the Non-Tender Agreement to the commencement date of settlement for the Tender Offer, conduct any transactions (the “Competing Transactions (Non-Tender Agreement)”) with or for any third party other than the Offeror regarding the transfer, gift, pledge, or other dispositions that substantially conflicts with or may impede the implementation of the Tender Offer in relation to the of the Non-Tendered Shares, or enter into any arrangements regarding the same, and shall not make any proposals, solicitations, discussions, or negotiations, or provide information regarding the Competing Transactions (Non-Tender Agreement). However, if Valor Holdings receives from a third party other than the Offeror, a proposal (the “Third-Party Proposal”) concerning the Competing Transactions (Non-Tender Agreement) assuming the privatization of the Company Shares without any involvement of Valor Holdings, or if a tender offer for the Company Shares (together with the Third-Party Proposal, the “Third-Party Proposal, Etc.”) is announced or commenced and Valor Holdings objectively and reasonably determines that the Third-Party Proposal, Etc. could be superior to the terms and conditions of the Transactions for Valor Holdings, even after considering Valor Holdings’ business relationship with the Offeror and the Company based on the results of the discussions specified in C. below, this shall not apply.

C. Should Valor Holdings receive any proposal, solicitation, discussion, negotiation, provision of information, or any other offers from a third party regarding the Competing Transactions (Non-Tender Agreement), or should Valor Holdings become aware that the Company has received such an offer from a third party other than the Offeror, Valor Holdings shall immediately notify the Offeror to the effect and the details thereof and shall discuss the handling in good faith with the Offeror.

D. In addition to those provided in B. and C. above, from the date of execution of the Non-Tender Agreement to the effective date of the Squeeze-out Procedure, Valor Holdings shall not transfer, pledge, or otherwise dispose of (including tendering the Company Shares in the Tender Offer or other tender offers) the Non-Tendered Shares or acquire the shares and the like of the Company unless otherwise explicitly permitted by the Non-Tender Agreement.

E. The Offeror and Valor Holdings will implement the Squeeze-out Procedure (including the exercise of voting rights in support of the agenda concerning the Share Consolidation at the Company’s shareholders meeting) as soon as practicable after the settlement of the Tender Offer.

F. In addition to the above, the Non-Tender Agreement includes agreements regarding, among others: (a) the preconditions for the Offeror to commence the Tender Offer; (b) the Offeror’s obligation to implement the Tender Offer subject to the fulfillment of such preconditions; (c) representations and warranties by the Offeror and Valor Holdings (Note 1) (Note 2); (d) the obligation not to exercise, from the date of execution of the Non-Tender Agreement to the effective date of the Squeeze-Out Procedure, the shareholder rights, including the right to demand for convening the Company’s shareholders meeting, the right to demand that certain matters be included in the purpose of the Company’s shareholders meeting, and the right to submit agenda proposals, without the Offeror’s

prior written consent; (e) compensation, etc. (Note 3); and (f) termination events (Note 4).

- (Note 1) In the Non-Tender Agreement, the Offeror represents and warrants: (a) the validity of its establishment and existence; (b) the existence of the authority and power necessary for the execution and performance of the Non-Tender Agreement; (c) the validity and enforceability of the Non-Tender Agreement; (d) the fulfillment of necessary approvals, permits, and other requirements for the execution and performance of the Non-Tender Agreement; (e) the absence of any conflict between the execution and performance of the Non-Tender Agreement and applicable laws and regulations; (f) the absence of any bankruptcy proceedings; and (g) the absence of any relationship with anti-social forces.
- (Note 2) In the Non-Tender Agreement, Valor Holdings represents and warrants: (a) the validity of its establishment and existence; (b) the existence of the authority and power necessary for the execution and performance of the Non-Tender Agreement; (c) the validity and enforceability of the Non-Tender Agreement; (d) the fulfillment of necessary approvals, permits, and other requirements for the execution and performance of the Non-Tender Agreement; (e) the absence of any conflict between the execution and performance of the Non-Tender Agreement and applicable laws and regulations; (f) the absence of any bankruptcy proceedings; (g) the absence of any relationship with anti-social forces; and (h) the rights to the Company Shares held by Valor Holdings.
- (Note 3) In the Non-Tender Agreement, the Offeror and Valor Holdings are obligated to compensate the other party for any loss or damage incurred by the other party arising from or related to a breach of their obligations under the Non-Tender Agreement or a breach of their representations and warranties.
- (Note 4) The Non-Tender Agreement stipulates that it shall terminate upon: (a) written agreement between the Offeror and Valor Holdings; or (b) if the Tender Offer is withdrawn or completes in unsuccessful results.

(3) Tender Agreement

The Offeror has entered into the Tender Agreement with Asakura HD, the third-largest shareholder of the Company, and Mr. Asakura, the Representative Director, Chairperson and CEO and the seventh-largest shareholder of the Company, respectively. A summary of the Tender Agreement is as follows. The Offeror has not entered into any agreements with Asakura HD or Mr. Asakura regarding the Transactions other than the Tender Agreement. No benefits will be provided by the Offeror to Asakura HD or Mr. Asakura other than the monetary consideration obtained by tendering shares in this Tender Offer.

A. Tender Agreement (Asakura HD)

- (a) Asakura HD shall, promptly after the commencement of the Tender Offer by the Offeror (no later than ten business days from the commencement date of the Tender Offer), tender the Shares Agreed to Tender (Asakura HD) in the Tender Offer (the “Tender”), and shall not withdraw the Tender nor terminate the agreement for the purchase of the Shares Agreed to Tender (Asakura HD) realized by such Tender, on the condition that (i) the Tender Offer has been lawfully commenced and has not been withdrawn, (ii) the Offeror has performed and complied with its obligations as an offeror under the Tender Agreement (Asakura HD) in all material respects, (iii) the Offeror has not materially breached any representations and warranties under the Tender Agreement (Asakura HD), and (iv) there are no laws, regulations, or judgments by judicial or

administrative authorities prohibiting or restricting the Tender Offer; however, Asakura HD may, at its sole discretion, waive any of these conditions and proceed with the tender.

- (b) From the execution date of the Tender Agreement (Asakura HD) until the commencement date of the settlement of the Tender Offer, Asakura HD shall not transfer, gift, pledge, or otherwise dispose of the Shares Agreed to Tender (Asakura HD) to any third party other than the Offeror, nor shall it enter into any agreement with any third party regarding such transfer, gift, pledge, or other disposition, nor shall it enter into any transaction or agreement that substantially conflicts with or may impede the execution of the Tender Offer, nor make any proposal, solicitation, discussion, negotiation, or provide any information regarding the Competing Transactions (the “Competing Transactions (Tender Agreement)”).
- (c) If Asakura HD receives any proposal, solicitation, discussion, negotiation, information provision, or other offer from a third party regarding the Competing Transactions (Tender Agreement), or discovers that the Company has received such offer from a third party other than the Offeror, Asakura HD shall immediately notify the Offeror of the fact and content thereof and shall discuss the response in good faith with the Offeror.
- (d) After executing the Tender Agreement (Asakura HD), Asakura HD shall not, until the commencement date of the settlement of the Tender Offer, exercise any shareholder rights pertaining to the Company Shares without prior written approval of the Offeror, including the right to request the convening of a general shareholders meeting, the right to propose agenda items, and the right to propose resolutions, without the prior written consent of the Offeror.
- (e) If the Tender Offer is successful and the settlement therefor is completed, and if a general shareholders meeting of the Company is to be held after the commencement date of such settlement with a record date for exercising rights prior to such commencement date, at the discretion of the Offeror, Asakura HD shall either (i) grant comprehensive proxy authority to the Offeror or a person designated by the Offeror, or (ii) exercise the voting rights in accordance with the Offeror’s instructions, regarding the exercise of voting rights and any other rights pertaining to the Company’s common stock purchased under the Tender Offer at the Company’s general shareholders meeting.
- (f) In addition to the above, the Tender Agreement (Asakura HD) provides for representations and warranties (Note 1) (Note 2), indemnification provisions (Note 3), and grounds for termination of the agreement (Note 4).

(Note 1) Under the Tender Agreement (Asakura HD), the Offeror represents and warrants the (i) the validity of its establishment and continued existence, (ii) the existence of the necessary authority and power to execute and perform the Tender Agreement (Asakura HD), (iii) the validity and enforceability of the Tender Agreement (Asakura HD), (iv) the fulfillment of all necessary permits, licenses, and approvals required for the execution and performance of the Tender Agreement (Asakura HD), (v) the absence of any conflict between the execution and performance of this Tender Agreement (Asakura HD) and applicable laws and regulations, and (vi) the absence of any relationship with anti-social forces.

(Note 2) Under the Tender Agreement (Asakura HD), Asakura HD represents and warrants the (i) the

validity of its establishment and continued existence, (ii) the existence of the necessary authority and power to execute and perform the Tender Agreement (Asakura HD), (iii) the validity and enforceability of the Tender Agreement (Asakura HD), (iv) the fulfillment of all necessary permits, licenses, and approvals required for the execution and performance of the Tender Agreement (Asakura HD), (v) the absence of any conflict between the execution and performance of this Tender Agreement (Asakura HD) and applicable laws and regulations, (vi) the absence of any insolvency proceedings, and (vii) the absence of any relationship with anti-social forces.

(Note 3) It is provided that the Offeror and Asakura HD shall compensate the other party for any damages incurred by such party arising from or related to a breach of their obligations under the Tender Agreement (Asakura HD) or a breach of their representations and warranties.

(Note 4) The Tender Agreement (Asakura HD) shall terminate (i) if the Offeror and Asakura HD agree to do so in writing, (ii) if the Tender Offer is withdrawn or fails to be closed, (iii) if (a) there is a material breach of any obligation under the Tender Agreement (Asakura HD), (b) there is a material breach of the representations and warranties under the Tender Agreement (Asakura HD), (c) a petition for commencement of bankruptcy proceedings or similar proceedings is filed, (d) the Tender Offer has not commenced by May 31, 2026, due to reasons not attributable to the party, and the party notifies the other party of the cancellation of the Tender Agreement (Asakura HD).

B. Tender Agreement (Mr. Asakura)

- (a) Mr. Asakura shall, promptly after the commencement of the Tender Offer by the Offeror (no later than ten business days from the commencement date of the Tender Offer), conduct the Tender of the Shares Agreed to Tender (Mr. Asakura), and shall not withdraw the Tender nor terminate the agreement for the purchase of the Shares Agreed to Tender (Mr. Asakura) realized by such Tender, on the condition that (i) the Tender Offer has been lawfully commenced and has not been withdrawn, (ii) the Offeror has performed and complied with its obligations as an offeror under the Tender Agreement (Mr. Asakura) in all material respects, (iii) the Offeror has not materially breached any representations and warranties under the Tender Agreement (Mr. Asakura), and (iv) there are no laws, regulations, or judgments by judicial or administrative authorities prohibiting or restricting the Tender Offer; however, Mr. Asakura may, at its sole discretion, waive any of these conditions and proceed with the tender.
- (b) From the execution date of the Tender Agreement (Mr. Asakura) until the commencement date of the settlement of the Tender Offer, Mr. Asakura shall not transfer, gift, pledge, or otherwise dispose of the Shares Agreed to Tender (Mr. Asakura) to any third party other than the Offeror, nor shall it enter into any agreement with any third party regarding such transfer, gift, pledge, or other disposition, nor shall it enter into any transaction or agreement that substantially conflicts with or may impede the execution of the Tender Offer, nor make any proposal, solicitation, discussion, negotiation, or provide any information regarding the Competing Transactions (Tender Agreement).
- (c) If Mr. Asakura receives any proposal, solicitation, discussion, negotiation, information provision,

or other offer from a third party regarding the Competing Transactions (Tender Agreement), or discovers that the Company has received such offer from a third party other than the Offeror, Mr. Asakura shall immediately notify the Offeror of the fact and content thereof and shall discuss the response in good faith with the Offeror.

(d) After executing the Tender Agreement (Mr. Asakura), Mr. Asakura shall not, until the commencement date of the settlement of the Tender Offer, exercise any shareholder rights pertaining to the Company Shares without prior written approval of the Offeror, including the right to request the convening of a general shareholders meeting, the right to propose agenda items, and the right to propose resolutions, without the prior written consent of the Offeror.

(e) If the Tender Offer is successful and the settlement therefor is completed, and if a general shareholders meeting of the Company is to be held after the commencement date of such settlement with a record date for exercising rights prior to such commencement date, at the discretion of the Offeror, Mr. Asakura shall either (i) grant comprehensive proxy authority to the Offeror or a person designated by the Offeror, or (ii) exercise the voting rights in accordance with the Offeror's instructions, regarding the exercise of voting rights and any other rights pertaining to the Company's common stock purchased under the Tender Offer at the Company's general shareholders meeting.

(f) In addition to the above, the Tender Agreement (Mr. Asakura) provides for representations and warranties (Note 1) (Note 2), indemnification provisions (Note 3), and grounds for termination of the agreement (Note 4).

(Note 1) Under the Tender Agreement (Mr. Asakura), the Offeror represents and warrants the (i) the validity of its establishment and continued existence, (ii) the existence of the necessary authority and power to execute and perform the Tender Agreement (Mr. Asakura), (iii) the validity and enforceability of the Tender Agreement (Mr. Asakura), (iv) the fulfillment of all necessary permits, licenses, and approvals required for the execution and performance of the Tender Agreement (Mr. Asakura), (v) the absence of any conflict between the execution and performance of this Tender Agreement (Mr. Asakura) and applicable laws and regulations, and (vi) the absence of any relationship with anti-social forces.

(Note 2) Under the Tender Agreement (Mr. Asakura), Mr. Asakura represents and warrants the (i) the validity of its establishment and continued existence, (ii) the existence of the necessary authority and power to execute and perform the Tender Agreement (Mr. Asakura), (iii) the validity and enforceability of the Tender Agreement (Mr. Asakura), (iv) the fulfillment of all necessary permits, licenses, and approvals required for the execution and performance of the Tender Agreement (Mr. Asakura), (v) the absence of any conflict between the execution and performance of this Tender Agreement (Mr. Asakura) and applicable laws and regulations, (vi) the absence of any insolvency proceedings, (vii) the absence of any relationship with anti-social forces, and (viii) the lawful and valid ownership of the Shares Agreed to Tender (Mr. Asakura).

(Note 3) It is provided that the Offeror and Mr. Asakura shall compensate the other party for any damages incurred by such party arising from or related to a breach of their obligations under the Tender Agreement (Mr. Asakura) or a breach of their representations and warranties.

(Note 4) The Tender Agreement (Mr. Asakura) shall terminate (i) if the Offeror and Mr. Asakura agree to do so in writing, (ii) if the Tender Offer is withdrawn or fails to be closed, (iii) if (a) there is a material breach of any obligation under the Tender Agreement (Mr. Asakura), (b) there is a material breach of the representations and warranties under the Tender Agreement (Mr. Asakura), (c) a petition for commencement of bankruptcy proceedings or similar proceedings is filed, (d) the Tender Offer has not commenced by May 31, 2026, due to reasons not attributable to the party, and the party notifies the other party of the cancellation of the Tender Agreement (Mr. Asakura).

(4) Shareholders Agreement

It is understood that as described in “(I) Outline of the Tender Offer” in “(2) Grounds and reasons for the opinion on the Tender Offer” in “3. Details of, and grounds and reasons for, the opinion on the Tender Offer” above, the Offeror executed the Shareholders Agreement with Valor Holdings as of February 12, 2026, with respect to such matters as the Company’s structure, operation and the treatment of shares after the completion of the Transaction . Except for certain provisions, the Shareholders Agreement will become effective when the Squeeze-out Procedure is completed and the ratio of voting rights held by Valor Holdings and the Offeror in the Company becomes 51.00% and 49.9% respectively.

(5) MOU

The Offeror has entered into the MOU dated February 12, 2026 with Valor Holdings concerning the capital and business alliance, which was executed for the purpose of advancing the growth strategy of the three companies including the Company. The Offeror and Valor Holdings expect that the details of their capital and business alliance will be considered through further discussions and negotiations after successful completion of the Tender Offer, and as of today the specific terms and the scheduled date for concluding an agreement regarding the capital and business alliance remain undecided.

As of the Resolution Date, the Offeror has no plans to purchase additional shares of the Company.

5. Details of provisions of benefits by the Offeror or its special related parties

Not applicable.

6. Response policy relating to fundamental policy regarding the control of the Company

Not applicable.

7. Questions to the Offeror

Not applicable.

8. Request for postponement of the Tender Offer Period

Not applicable.

9. Future prospects

Please refer to “(II) Background, purposes and decision-making process leading to the Offeror’s decision to conduct the Tender Offer” and “(III) Management policy after the Tender Offer” in “(2) Grounds and reasons for the opinion on the Tender Offer,” as well as “(4) Possibility of delisting and reasons therefor” and “(5) Policies on organizational restructuring, etc. after the Tender Offer (matters concerning “two-step acquisition”),” in “3. Details of, and grounds and reasons for the opinion on the Tender Offer” above.

10. Matters concerning MBO, etc.

(1) Matters concerning measures to ensure fairness and to avoid conflicts of interest

The Transaction does not constitute a so-called MBO, etc., and the “Matters to be Observed Pertaining to Disclosure of MBO, etc.” set forth in Article 441 of the Securities Listing Regulations do not apply.

However, given that (i) the Transaction contemplates privatizing the Company Shares and reducing the Company’s shareholders to only Valor Holdings and the Offeror; (ii) Valor Holdings will not tender in the Tender Offer and, pursuant to the Shareholders Agreement entered into with the Offeror, is expected to remain a shareholder of the Company after the Transaction and continue to exert influence as the Company’s parent company; and (iii) the Offeror and the Company have entered into the Capital and Business Alliance Agreement regarding the Company’s operations following the completion of the Transaction, and the Offeror and Valor Holdings have entered into the MOU; there is a possibility that the interests of Valor Holdings, the Company’s parent, and the Company’s minority shareholders may not coincide. Accordingly, the Company implements the procedures prescribed in the “Matters to be Observed Pertaining to Disclosure of MBO, etc.” as actions analogous to an MBO, etc. With respect to the Transaction, including the Tender Offer, the Company has implemented the measures to ensure fairness and to avoid conflicts of interest as described in “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest” in “3. Details of, and grounds and reasons for, the opinion on the Tender Offer” above.

(2) Status of compliance with the policy concerning measures to protect minority shareholders

The Transaction also constitutes a transaction involving a controlling shareholder and other parties specified by the enforcement regulations. The Company’s “Policy Concerning Measures to Protect Minority Shareholders upon Conducting Transactions with Controlling Shareholder” as set forth in the Corporate Governance Report published on May 30, 2025, state:

“We decide whether to enter into transactions with companies in the Valor Holdings Group and, where transactions are entered into, determine their terms in the same manner as for transactions with other parties, taking into account contract terms, market prices and other relevant factors, and handle such transactions fairly and appropriately so as not to harm the interests of minority shareholders. When deciding to enter into material transactions, we consult with a Conflict-of-Interest Management Committee (special committee), composed of four independent outside directors who have no conflicts of interest with the controlling shareholder. The Conflict-of-Interest Management Committee (special committee) deliberates on the necessity and reasonableness of the proposed transactions from the perspective of minority shareholder protection, as well as the appropriateness and fairness of the terms and conditions, and reports its findings to the board of directors. The board of directors makes decisions on whether to proceed with the transactions while respecting the Committee’s report. During the fiscal year ended February 28, 2025, the

Conflict-of-Interest Management Committee held three meetings and, after deliberating on the necessity and reasonableness of the proposed transactions as well as the appropriateness and fairness of the terms and conditions, reported to the board of directors that none of the matters were disadvantageous to minority shareholders. All four members of the Conflict of Interest Management Committee attended all three meetings.”

The Company has, as described in “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest” in “3. Details of, and grounds and reasons for, the opinion on the Tender Offer,” received the Report from the Special Committee, obtained the Share Valuation Report (Yamada & Partners Advisory) from Yamada & Partners Advisory, an independent third-party valuator, and received legal advice from Anderson Mori & Tomotsune, to ensure the fairness of the Tender Offer and to avoid conflicts of interest. Therefore, the Company considers that these measures comply with the above guidelines.

(3) Opinion of the Special Committee on fairness to general shareholders

Furthermore, as described in “(V) Establishment of an independent special committee at the Company and procurement of a report” in “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest” in “3. Details of, and grounds and reasons for, the opinion on the Tender Offer” above, the Company received the Report from the Special Committee concerning the fairness, to the Company’s general shareholders, of the Transaction, including the Tender Offer. For details of the Report, please refer to Attachment 1.

11. Other matters necessary for investors to properly understand and assess the Company information

(1) Announcement of “Notice Concerning Revision of Year-End Dividend Forecast for the Fiscal Year Ending February 28, 2026 (No Distribution) and Abolition of Shareholder Benefits”

At the board of directors meeting held on February 12, 2026, the Company resolved, subject to the completion of the Tender Offer, to revise its dividend forecast for the fiscal year ending February 28, 2026 so that no year-end dividend will be paid for that fiscal year, and to abolish its shareholder benefits. For details, please refer to the “Notice Concerning Revision of Year-End Dividend Forecast for the Fiscal Year Ending February 28, 2026 (No Distribution) and Abolition of Shareholder Benefits” announced by the Company today.

II. Capital and Business Alliance Agreement

The Company has entered into the Capital and Business Alliance Agreement with the Offeror as of February 12, 2026. A summary of the matters agreed under the Capital and Business Alliance Agreement is as follows.

1. Reasons for alliance

Please refer to “(2) Grounds and reasons for the opinion on the Tender Offer” in “3. Details of, and grounds and reasons for, the opinion on the Tender Offer” in “I. Opinion concerning the Tender Offer” above.

2. Details of alliance

In connection with the Tender Offer, the Offeror and the Company have entered into the Capital and Business Alliance Agreement dated February 12, 2026. A summary of the Capital and Business Alliance Agreement is as follows.

(1) Purpose

Please refer to “(2) Grounds and reasons for the opinion on the Tender Offer” of “3. Details of, and grounds and reasons for, the opinion on the Tender Offer.”

(2) Matters concerning the Tender Offer

- (a) On the execution date of the Capital and Business Alliance Agreement, the Company has resolved to express an opinion (the “Opinion”) that it supports the Tender Offer and recommends that the Company’s shareholders tender their shares in the Tender Offer (provided, however, that whether the Share Option Holders will tender their Share Options in the Tender Offer shall be left to the discretion of the Share Option Holders,) and to adopt a resolution, subject to the successful completion of the Tender Offer, not to pay the year-end dividend for the fiscal year ending February 28, 2026 and to abolish the shareholder benefits from the fiscal year ending February 28, 2026 (the “Resolution”). The Company will publicly disclose these matters and their details in accordance with applicable laws and regulations.
- (b) From the execution date of the Capital and Business Alliance Agreement until the last day of the Tender Offer Period, the Company will maintain the contents of the Resolution and will not amend or withdraw it, nor will it adopt any resolution that conflicts with it. However, if it is reasonably determined that maintaining the Opinion would violate the directors’ duty of care, this restriction shall not apply; in such case, the Company will consult in good faith with the Offeror regarding the appropriate course of action.
- (c) Except as provided in the proviso (b) above, from the execution date of the Capital and Business Alliance Agreement until the date on which the Squeeze-out Procedure takes effect, the Company shall (i) not engage in any transaction that substantially competes with, contradicts, conflicts with, or impedes the execution of the Transactions or the Business Alliance (the “Competing Transactions (Capital and Business Alliance Agreement)”) nor enter into any agreements relating thereto, (ii) not propose, solicit, enter into discussions or negotiations with, or provide information to, any parties in relation to Competing Transactions (Capital and Business Alliance Agreement), and (iii) if the Company receives any proposal, solicitation, request for discussions or negotiations, information or other approaches from a third party regarding a Competing Transaction (Capital and Business Alliance Agreement), becomes aware of the existence of such a proposal, or otherwise occur or becomes aware of circumstances that would reasonably make it difficult to maintain the Opinion, shall immediately notify the Offeror of such fact and of the contents of the proposal.
- (d) From the execution date of the Capital and Business Alliance Agreement until the date on which the Squeeze-out Procedure takes effect, except the matters expressly provided in the Capital and Business Alliance Agreement and the matters approved by the Offeror in advance in writing, the Company shall perform its business or cause the companies of the Company Group in the same manner as before, exercising the care of a prudent manager and within the scope of its ordinary business.
- (e) From the execution date of the Capital and Business Alliance Agreement until the date on which the

Squeeze-out Procedure takes effect, unless otherwise expressly provided in the Capital and Business Alliance Agreement, the Company shall obtain prior written approval of the Offeror, when the Company intends to decide on any of the following: the issuance of shares, other actions which may have an effect on the number and ratio of voting rights or the number and ratio of shareholding of the Company on a fully diluted basis, organizational restructuring, distribution of surplus, or any other action that may significantly adversely affect the Company Group.

(f) Upon the successful completion of the Tender Offer, the Company shall, as soon as practicable after the settlement of the Tender Offer is completed, upon the Tender Offeror's request, implement the procedures necessary to carry out the Squeeze-Out Procedures, including convening a general shareholders meeting for the purpose of approving the resolution pertaining to the Squeeze-Out Procedures, and shall provide all necessary cooperation to complete the Squeeze-Out Procedures.

3. Business alliance

The Company and the Offeror agree to discuss and examine the following matters (collectively, the "Business Alliance"):

- (1) Support to increase the Company's PB ratio
 - (i) Gradual integration of the Company's PB product planning, development and supply functions into the Offeror's operations
- (2) Collaboration in the pet business
 - (i) Provision of the Company's know-how in operating specialized pet stores (companion animal sales and services)
 - (ii) Consideration of opening the Company's specialized pet stores as tenants in the Offeror's stores or of joint store openings with the Offeror
 - (iii) Joint development of PB brands that can be promoted across both home centers and specialized pet stores
- (3) Support for the Company's Business for Professionals
 - (i) Provision of the Offeror's expertise and know-how in its Business for Professionals for the development and deployment in professional-oriented formats of the Company
- (4) Joint promotion of logistics rationalization
 - (i) Information exchange and sharing of know-how among related companies, including Valor Holdings
 - (ii) Optimization of logistics bases for the home improvement center, pet and e-commerce businesses
- (5) Initiatives to optimize business operating costs
 - (i) Consideration of joint procurement of fixtures, materials and equipment
 - (ii) Joint research on improvements and rationalization of store operations
- (6) Initiatives on human capital management
 - (i) Information exchange concerning the improvement of the internal environment through enhancement of HR-related systems
 - (ii) Collaboration on developing future leaders, including through personnel exchanges
- (7) Other initiatives to enhance corporate value
 - (i) Information exchange on improving facility convenience and expanding profitability through attracting

tenants and events

- (ii) Joint research on business infrastructure, including core systems, that supports sustainable enhancement of corporate value

4. Cancelation and termination

- (1) The Company and the Offeror may cancel the Capital and Business Alliance Agreement by giving written notice to the other party if any of the following events occurs; provided that this shall not preclude claims for damages against the party with respect to which such event has occurred:
 - (i) The Offeror or its subsidiaries cease to own any Company Shares after the completion of the Squeeze-out Procedure;
 - (ii) The other party materially breaches any of its obligations or representations and warranties set forth in the Capital and Business Alliance Agreement, and such breach is not cured within 30 days from written demand for its correction being made;
 - (iii) The other party suspends performance of its payment obligations, becomes subject to measures to suspend transactions imposed by a clearinghouse, or a petition is filed for commencement of bankruptcy or other similar proceedings with respect to the other party;
 - (iv) The other party resolves to dissolve or is ordered to dissolve; or
 - (v) The other party becomes subject to a seizure, provisional seizure, provisional measures, or petition for commencement of an auction, or becomes subject to a demand or seizure due to delinquency in taxes or public dues.
- (2) In addition, the Capital and Business Alliance Agreement shall terminate upon occurrence of any of the following events:
 - (i) The Company and the Offeror agree to terminate the Capital and Business Alliance Agreement;
 - (ii) The Capital and Business Alliance Agreement is canceled by either party pursuant to item (1) above;
 - (iii) The Tender Offer is not commenced by May 31, 2026; or
 - (iv) The Tender Offer fails (including the case where the Offeror withdraws the Tender Offer in accordance with laws and regulations).

Notwithstanding the termination of the Capital and Business Alliance Agreement, any obligations and liabilities that have already arisen under the Capital and Business Alliance Agreement at the time of termination, and any obligations and liabilities arising after the termination based on any events, acts, or omissions thereof occurring prior to the termination, shall remain in effect.

5. Others

In addition to the above, the Capital and Business Alliance Agreement contains agreement on the Company's management structure, representations and warranties, indemnification obligations for breaches of obligations or representations and warranties, and general provisions including confidentiality obligation, prohibition on assignment, notification, public announcement, entire agreement, cost and expense, amendment and modification, governing law and jurisdiction, and good faith consultation.

6. Information on alliance partner

Please refer to "1. Summary of the Offeror" in "I. Opinion concerning the Tender Offer" above.

End

(Reference)

Report (Attachment 1)