

[Translation]



May 11, 2026

To whom it may concern

Company name: PALTAC CORPORATION
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(Securities code: 8283; TSE Prime Market)
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Notice Concerning Expression of Opinion in Support of, and Recommendation of Tendering in, the Tender Offer for the Company Shares by MEDIPAL HOLDINGS CORPORATION, the Company's Parent Company

The Company hereby announces that, at the board of directors' meeting held today, it resolved to express its opinion in support of the tender offer (the "Tender Offer") for the common shares of the Company (the "Company Shares") by MEDIPAL HOLDINGS CORPORATION, the controlling shareholder (parent company) of the Company (the "Tender Offeror"), and to recommend that the shareholders of the Company tender their shares in the Tender Offer, as follows. The above resolution of the Company's board of directors was made on the premise that the Tender Offeror intends to make the Company a wholly owned subsidiary of the Tender Offeror through the Tender Offer and a series of subsequent procedures, and that the Company Shares are scheduled to be delisted.

1. Outline of the Tender Offeror

(1) Name	MEDIPAL HOLDINGS CORPORATION
(2) Location	3-1-1 Kyobashi, Chuo-ku, Tokyo
(3) Name and Title of Representative	Shuichi Watanabe, Representative Director, President and CEO
(4) Description of Business Activities	Sale of pharmaceuticals, cosmetics, daily necessities, animal health products, etc., and provision of services
(5) Capital	22,398 million yen (as of September 30, 2025)
(6) Date of Establishment	May 6, 1923
(7) Major Shareholders and Ownership Ratios (as of September 30, 2025) (Note 1)	The Master Trust Bank of Japan, Ltd. (Trust Account) 15.11%
	NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST 5.08% (Standing Proxy: Securities Services Operations,

	The Hongkong & Shanghai Banking Corporation Limited, Tokyo Branch)	
	Custody Bank of Japan, Ltd. (Trust Account)	4.33%
	STATE STREET BANK AND TRUST COMPANY 505001 (Standing Proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	3.16%
	NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS (Standing Proxy: Securities Services Operations, The Hongkong & Shanghai Banking Corporation Limited, Tokyo Branch)	2.91%
	Kobayashi Pharmaceutical Co., Ltd.	2.47%
	MEDICEO Employee Shareholders' Association of MP Group	2.41%
	NORTHERN TRUST CO. (AVFC) RE NON TREATY CLIENTS ACCOUNT (Standing Proxy: Securities Services Operations, The Hongkong & Shanghai Banking Corporation Limited, Tokyo Branch)	2.37%
	STATE STREET BANK AND TRUST COMPANY 505103 (Standing Proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	1.67%
(8) Relationship Between the Company and the Tender Offeror	NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT (Standing Proxy: Securities Services Operations, The Hongkong & Shanghai Banking Corporation Limited, Tokyo Branch)	1.54%
	Capital Relationship	As of today, the Tender Offeror owns 31,853,485 Company Shares (ownership ratio (Note 2): 52.40%). The Company is a consolidated subsidiary of the Tender Offeror.
	Personnel Relationship	As of today, among the 13 directors of the Company, the President and Representative Director thereof concurrently serves as a director of the Tender Offeror, and one director thereof concurrently serves as a director of the Tender Offeror.
	Business Relationship	The Company sells and purchases products as ordinary business transactions with the companies belonging to the Tender Offeror Group (defined in “(b) Background, Purpose, and Decision-making Process Leading to the Tender Offeror’s Decision to Implement the Tender Offer” of “(2) Basis and Reasons for the

	Opinion” of “3. Details of, Basis, and Reasons for the Opinion Regarding the Tender Offer” below). In addition, the Company bears the burden of the cost of group insurance managed collectively by the Tender Offeror Group, and receives insurance premiums and other payments under that insurance contract.
Status as Related Parties	The Tender Offeror is the parent company of the Company, and the Tender Offeror and the Company are related parties of each other.

(Note 1) Information in the section “Major Shareholders and Ownership Ratios (as of September 30, 2025)” above has been cited from “Major Shareholders” in the semi-annual report for the 117th term submitted by the Tender Offeror on November 13, 2025.

(Note 2) The “ownership ratio” means the percentage calculated based on the number of shares (60,794,224 shares) obtained by deducting the number of treasury shares owned by the Company as of March 31, 2026 (1,205,776 shares) from the total number of issued shares of the Company as of the same date (62,000,000 shares) as stated in “Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026 <under Japanese GAAP>” announced by the Company today (the “Company’s Financial Results”) (rounded to two decimal places). Hereinafter, the same applies to the description of the ownership ratio unless otherwise specified.

2. Outline of Purchase

Purpose of the Tender Offer	Making the Company a wholly owned subsidiary
Period of Purchase	From May 12, 2026 (Tuesday) to July 7, 2026 (Tuesday) (41 business days)
Price of Purchase	6,650 yen per share of common stock
Minimum Number of Shares to Be Purchased	8,676,100 (shares) (Note 3)
Maximum Number of Shares to Be Purchased	— (shares)

(Note 3) With respect to the minimum number of shares to be purchased, the Ownership Ratio of Shares after the purchase, in the case where the purchase is made, will be 66.67%.

(Note 4) On September 29, 2025, The Bank of New York Mellon filed the Registration Statement (Form F-6EF) for American Depositary Receipts (the “ADRs”) representing the Company Shares with the U.S. Securities and Exchange Commission. However, with respect to the ADRs, approval has been obtained from the Director-General of the Kanto Local Finance Bureau pursuant to Article 5, paragraph (3), item (iii) of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers (Ministry of Finance Order No. 38 of 1990, as amended; the “Cabinet Office Order”), to the effect that no solicitation of offers for purchase or offers for sales will be made.

3. Details of, Basis, and Reasons for the Opinion Regarding the Tender Offer

(1) Details of the Opinion

At the board of directors’ meeting held today, the Company resolved to express its opinion in support of the Tender Offer and to recommend that the Company’s shareholders tender their shares in the Tender Offer, based on the basis and reasons stated in “(2) Basis and Reasons for the Opinion” below.

The above resolution of the board of directors was made by the method stated in “(h) Approval of All Disinterested Directors of the Company and No Objection Opinion of All Disinterested Audit and Supervisory Board Members” of “(3) Measures to Ensure Fairness of the Tender Offer” below.

(2) Basis and Reasons for the Opinion

Among the basis and reasons for the opinion regarding the Tender Offer, descriptions relating to the Tender Offeror are based on explanations received from the Tender Offeror.

(a) Outline of the Tender Offer

As of today, the Tender Offeror is a stock company listed on the Prime Market of the Tokyo Stock Exchange, Inc. (the “TSE”) and forms a corporate group consisting of the Tender Offeror, 32 subsidiaries (including the Company), and 19 affiliates (such corporate group is hereinafter referred to as the “Tender Offeror Group”), and it conducts a prescription pharmaceutical wholesale business, a cosmetics, daily necessities, and OTC pharmaceutical wholesale business, and an animal health products and food processing raw materials wholesale and related business, through one of the largest distribution networks in Japan.

According to the Tender Offeror, as of today, the Tender Offeror owns 31,853,485 Company Shares listed on the Prime Market of the TSE (ownership ratio: 52.40%), and has made the Company its consolidated subsidiary. According to the Tender Offeror, by a resolution adopted at the board of directors’ meeting held on May 11, 2026, the Tender Offeror decided to conduct the Tender Offer in order to acquire all of the Company Shares (excluding the Company Shares owned by the Tender Offeror and the treasury shares owned by the Company) (the “Shares Subject to the Tender Offer”), at 6,650 yen as a price of purchase per the Company Share in the Tender Offer (the “Tender Offer Price”), as part of a series of transactions with the aim of making the Tender Offeror the sole shareholder of the Company to make the Company its wholly owned subsidiary (the “Transaction”). According to the Tender Offeror, the Tender Offeror has set the minimum number of shares to be purchased at 8,676,100 shares (ownership ratio: 14.27%). If the total number of shares that are tendered in the Tender Offer (the “Tendered Shares”) falls short of the minimum number of shares to be purchased (8,676,100 shares), the Tender Offeror will purchase none of the Tendered Shares. On the other hand, according to the Tender Offeror, since the Tender Offeror intends to acquire the Shares Subject to the Tender Offer through the Tender Offer, the Tender Offeror has not set a maximum number of shares to be purchased. According to the Tender Offeror, if the total number of the Tendered Shares is equal to or more than the minimum number of shares to be purchased (8,676,100 shares), the Tender Offeror will purchase the Tendered Shares. According to the Tender Offeror, in order for the Tender Offeror to own two-thirds or more of the total number of voting rights in the Company upon completion of the Tender Offer, the minimum number of shares to be purchased (8,676,100 shares) has been set at the number of shares obtained by: (a) deducting the number of treasury shares owned by the Company as of March 31, 2026 as stated in the Company’s Financial Results (1,205,776 shares), from the total number of issued shares of the Company as of the same date as stated in the Company’s Financial Results (62,000,000 shares), resulting in 60,794,224 shares which correspond to 607,942 voting rights; (b) multiplying that number of voting rights by two-thirds, resulting in 405,295 voting rights (rounded up to the nearest whole number); (c) deducting from that number of voting rights the number of voting rights (318,534 voting rights) for the Company Shares owned by the Tender Offeror as of today (31,853,485 shares), resulting in 86,761 voting rights; and (d) multiplying that number of voting rights by the number of shares constituting one unit of the Company (100 shares). According to the Tender Offeror, the minimum number of shares to be purchased has been set as above for the following reason: while the Tender Offeror intends to make the Company its wholly owned subsidiary through the Transaction, if the Tender Offer is completed but the Tender Offeror fails to acquire the Shares Subject to the

Tender Offer through the Tender Offer, and the procedures for a share consolidation stated in “(4) Policy on Organizational Restructuring, etc. After the Tender Offer” below are conducted, then these procedures require a special resolution of a shareholders’ meeting as set forth in Article 309, paragraph (2) of the Companies Act; therefore, the minimum number of shares to be purchased has been set as above so that the Tender Offeror will be able to meet this requirement alone. According to the Tender Offeror, if the Tender Offer is completed but the Tender Offeror fails to acquire the Shares Subject to the Tender Offer through the Tender Offer, the Tender Offeror plans to implement a series of procedures after completion of the Tender Offer, to make the Tender Offeror the sole shareholder of the Company (the “Squeeze-out Procedures”). For an outline of the Squeeze-out Procedures, please see “(4) Policy on Organizational Restructuring, etc. After the Tender Offer” below.

According to the Tender Offeror, the Tender Offeror plans to fund the purchase price required for the Transaction, including the Tender Offer, by means of loans from Mizuho Bank, Ltd. (“Mizuho Bank”) (the “Bank Financing”), and plans to obtain the Bank Financing no later than the business day immediately preceding the commencement date of settlement for the Tender Offer, subject to, among other things, completion of the Tender Offer. The detailed terms and conditions of the Bank Financing will be specified in the loan agreement related to the Bank Financing, upon separate consultation with Mizuho Bank.

(b) Background, Purpose, and Decision-making Process Leading to the Tender Offeror’s Decision to Implement the Tender Offer

According to the Tender Offeror, the Tender Offeror traces its origins back to October 1898, when it was founded in Kobe City, and was incorporated as Sanseido Co., Ltd. in May 1923. Thereafter, in September 1995, according to the Tender Offeror, the Tender Offeror was listed on the Second Section of both the TSE and Osaka Securities Exchange Co., Ltd. (the “OSE”), and in September 1997, it was designated to the First Section of each exchange (with the shares listed on the First Section of the OSE being delisted in December 2003). According to the Tender Offeror, in April 2022, following reorganization of the market segments of the TSE, the Tender Offeror transitioned to the Prime Market of the TSE. According to the Tender Offeror, the Tender Offeror has been engaged primarily in the pharmaceutical wholesaling business since its founding. According to the Tender Offeror, following a merger of three pharmaceutical wholesalers, i.e., Sanseido Co., Ltd., KURAYA CORPORATION, and TOKYO PHARMACEUTICAL Co., Ltd., in April 2000, the Tender Offeror built a distribution platform covering all regions of Japan and changed its trade name to KURAYA SANSEIDO Inc., and in October 2004, after spinning off its prescription pharmaceutical wholesale business, it became a holding company and changed its trade name to MEDICEO Holdings Co., Ltd. According to the Tender Offeror, in October 2005, the Tender Offeror implemented a business integration to make the Company its wholly owned subsidiary by way of share exchange, thereby expanding its business fields to “Pharmaceuticals, Health, and Beauty,” and in connection with this, it changed its trade name to Mediceo Paltac Holdings Co., Ltd. According to the Tender Offeror, in October 2009, the Tender Offeror changed its trade name to its current trade name, MEDIPAL HOLDINGS CORPORATION. According to the Tender Offeror, under its management philosophy of “contributing to people’s health and the advancement of society through creation of value in distribution,” the Tender Offeror possesses comprehensive capabilities, as a group, to support people’s “lives” and “livelihoods” from multiple perspectives. According to the Tender Offeror, in particular, in the prescription pharmaceutical wholesale business, the Tender Offeror has established strict quality control centered on ALCs (Note 5), which are highly functional logistics centers that handle a wide variety of products while maintaining a high level of delivery accuracy, and a highly specialized information provision system through ARs (Note 6), and has thereby fulfilled its role as social infrastructure and has grown into a leading company in the prescription pharmaceutical wholesale industry.

(Note 5) “ALC” is an abbreviation for Area Logistics Center and refers to a highly functional logistics center that mainly supplies prescription pharmaceuticals, medical supplies, and other products to dispensing pharmacies, hospitals, and clinics.

(Note 6) “AR” is an abbreviation for Assist Representative and refers to the designation used within the Tender Offeror Group for MSs (Note 7) who have passed the MR (Medical Representative) certification examination, pharmacists, and other similar personnel.

(Note 7) “MS” is an abbreviation for Marketing Specialist and refers to a sales representative engaged in the pharmaceutical wholesale business.

On the other hand, the Company was founded as a sundries merchant in Osaka in December 1898, and since then has developed business activities rooted in the local community. In October 1976, the trade name was changed to Paltac Corporation, and in May 1988, it was approved as an OTC-registered stock by the Japan Securities Dealers Association (the “JSDA”) and commenced trading its shares in both the Tokyo and Osaka regions. Subsequently, in December 2004, the OTC registration with the JSDA was canceled, and the shares were listed on the JASDAQ Securities Exchange, Inc.

Furthermore, in October 2005, a business integration was implemented through a share exchange with MEDICEO Holdings Co., Ltd. (the predecessor of the Tender Offeror), which is engaged in the prescription pharmaceutical wholesale business, and the Company became its wholly owned subsidiary.

The Company was relisted on the First Section of the TSE and the First Section of the OSE in March 2010, and changed its trade name to PALTAC CORPORATION in July 2015. Currently, due to the reorganization of the market segments of the TSE implemented in April 2022, the Company is listed on the Prime Market of the TSE.

As of today, the Company Group (Note 8) belongs to the Tender Offeror Group, whose parent company is the Tender Offeror, and its principal business is to purchase cosmetics, daily necessities, and OTC pharmaceuticals from manufacturers and sell them to retailers nationwide. The Company Group stands between manufacturers and retailers and provides indispensable wholesale functions as a wholesaler in the distribution stage, such as logistics, inventory management (Note 9), information communication, and financial function (Note 10).

(Note 8) The “Company Group” means the Company and its non-consolidated subsidiaries. The same applies hereinafter. As of March 31, 2026, the Company Group comprises the Company and three non-consolidated subsidiaries.

(Note 9) The “inventory management” function refers to holding inventory between manufacturers and retailers and absorbing fluctuations in demand as well as differences in order lots, thereby enabling supply–demand adjustment and shorter lead times.

(Note 10) The “financial function” refers to providing credit, such as sales on credit incidental to commercial transactions, and adjusting cash flows between manufacturers and retailers.

In operating its business for sustainable growth, the Company recognizes the decline in the working population, the progression of the declining birthrate and aging population, the diversification of values, and climate change and resource/energy shortages as structural and medium- to long-term environmental changes. While these changes may pose risks such as a decrease in revenue due to the contraction of the domestic economy and a decline in profitability due to

rising business operation costs, against the backdrop of a declining working population, retailers are also facing increasing difficulties in securing personnel, which is expected to lead to a growing preference for wholesalers with highly efficient logistics functions, and as consumption patterns become more complex due to a declining birthrate, aging population, and diversification of values, demand is expected to rise for solutions that leverage the actual distribution data related to procurement, sales, and other transactions held by the Company; therefore, the Company believes they can generate new revenue opportunities.

Under such an environment, the Company has set “Creating the future of people and society through the power of connections” as its long-term vision and aims to further enhance the competitive advantage of its existing businesses based on the nationwide logistics network, continuous business relationships with retailers and manufacturers, and information assets relating to purchasing, sales, and logistics, etc., which the Company has cultivated as an entity responsible for the intermediate distribution of daily necessities. In addition, the Company aims to apply these foundations to peripheral areas and new areas that can be developed originating from the Company’s existing businesses, through initiatives such as the provision of solutions such as demand analysis and sales promotion proposals to business partners by leveraging the actual distribution data related to procurement, sales, and other transactions held by the Company, the expansion of logistics functions into other fields, and the enhancement of procurement networks domestically and internationally, and aims to provide value over a wider range through the optimization of the supply chain.

To achieve this, the Company has positioned the three years up to the fiscal year ending March 2027 as the phase of “Constructing the foundation for transformation through structural reform,” and is working on the medium-term management plan “PALTAC VISION 2027” (the “Company’s Medium-Term Management Plan”). Specifically, the Company is securing financial resources for growth investments by improving the profitability of existing businesses, while promoting initiatives to provide new value, such as strengthening logistics functions including the development of next-generation logistics models and the promotion of joint logistics, strengthening sales functions such as enhancing product procurement capabilities, and developing a foundation for utilizing distribution data to support these.

The capital relationship between the Tender Offeror and the Company began in October 2005, when the Tender Offeror (former trade name: MEDICEO Holdings Co., Ltd.; its current trade name has been used since October 2009), which became a holding company by way of company split in October 2004, made the Company its wholly owned subsidiary by way of share exchange with the Company. Thereafter, in March 2010, in order to ensure the independence of the Company from the Tender Offeror Group, establish a framework for independent financing, and actively expand its business to enhance its corporate value, the Tender Offeror sold 9,000,000 Company Shares, which were a portion of the Company Shares owned by the Tender Offeror, at the time of relisting on the First Section of the TSE and the First Section of the OSE. As a result, as of the end of March 2010, the Tender Offeror came to own 21,235,657 Company Shares (ownership ratio at that time (Note 11): 57.03%). Subsequently, as a result of a share split conducted by the Company in January 2012, the Tender Offeror came to own 31,853,485 Company Shares (ownership ratio at that time: 57.03%). In addition, as a result of the capital increase through public offering of new shares and the third-party allocation conducted by the Company in December 2012, and acquisition of the Company Shares conducted on a continuous basis by the Company by way of share repurchase, the Tender Offeror owns 31,853,485 Company Shares (ownership ratio: 52.40%) as of today.

(Note 11) The “ownership ratio at that time” means the percentage calculated based on the number of shares obtained by deducting the number of treasury shares owned by the Company as of the end of the relevant fiscal year, from the total number of issued shares of the Company as of the same date as stated in the Company’s

annual securities report for each fiscal year including the date of the relevant ownership (rounded to two decimal places).

According to the Tender Offeror, the Tender Offeror Group considers “Pharmaceuticals, Health, and Beauty” as one business field and has set “Expand, Support, and Connect ‘Pharmaceuticals, Health, and Beauty’ – an Orchestra in Support of People’s Health” as its “Ideal Situation.” According to the Tender Offeror, as the strategy for achieving this, the Tender Offeror Group has advanced “2027 MEDIPAL Medium-Term Vision” formulated in October 2022. According to the Tender Offeror, the Tender Offeror Group aims not only to expand its business scale but also to shift its management resources to priority businesses for growth, by steadily growing and deepening its “core businesses,” including its prescription pharmaceutical wholesale business, as well as the cosmetics, daily necessities, and OTC pharmaceutical wholesale business undertaken by the Company, while positioning new businesses, the medical equipment and reagents business, and the AGRO & FOOD business (Note 12) as its priority businesses, and strategically advancing a shift in its business portfolio. According to the Tender Offeror, for the Tender Offeror, the Company is a core company undertaking one of the core businesses of the Tender Offeror Group and has established a solid position as a leading company in the cosmetics, daily necessities, and OTC pharmaceutical wholesale industry that is separate and independent from prescription pharmaceuticals, supported by a strong customer base and superior customer proposal capabilities. According to the Tender Offeror, accordingly, the Tender Offeror positions the Company as an important subsidiary within the Tender Offeror Group.

(Note 12) The “AGRO & FOOD business” refers to the wholesale of animal health products and food processing raw materials and related business.

According to the Tender Offeror, it understands that the Company has set “creating the future of people and society through the power of connections” as its long-term vision. According to the Tender Offeror, the Tender Offeror recognizes that the Company has developed, through people, digital technologies, and partnerships, the “power of connections” that it has built through distribution as a “wholesaler” since its founding, and has continued to grow based on a dual growth strategy of growth of existing businesses and creating new businesses, under the belief of “bringing innovation to distribution networks.” In May 2024, the Company formulated the Company’s Medium-Term Management Plan under which, in addition to further deepening its existing domestic businesses, according to the Tender Offeror, it recognizes that the Company is taking on the challenge of “innovation in distribution” by applying the distribution and information networks that it has fostered thus far to global expansion and new fields, thereby expanding the business fields themselves.

The Company is currently a central presence supporting the Tender Offeror Group in the “Health and Beauty” segment within the Tender Offeror Group’s business field of “Pharmaceuticals, Health, and Beauty.” In the future, the Company intends to further evolve the “industry-leading distribution productivity” and the “distribution network for daily necessities” that it possesses, thereby providing new value not only in its traditional business fields but also in areas adjacent to its existing businesses, and improving profitability through strengthened global expansion. Through these initiatives, the Company seeks to provide value to new fields. According to the Tender Offeror, the Tender Offeror believes that the Company’s importance within the Tender Offeror Group will continue to increase further.

According to the Tender Offeror, as both companies are seeking to create new value and expand their business fields by leveraging their respective strengths, as compared with March 2010, when the Tender Offeror sold a portion of the Company Shares it held, the external business environment surrounding the Tender Offeror Group and the Company has been undergoing accelerated structural changes. According to the Tender Offeror, specifically, first, amid the tightening

of healthcare finances driven by population aging and decline, the center of medical and nursing care has been shifting from hospitals to communities and home-based settings, and the “integration of healthcare and daily life,” in which the whole of society supports all aspects from prevention and pre-disease conditions to maintenance of daily living functions, has progressed, leading to the gradual disappearance of boundaries among product categories, such as pharmaceuticals, daily necessities, and food products. According to the Tender Offeror, second, under constraints, such as labor shortages across society and rising logistics costs, there is a strong demand for evolution from traditional distribution models toward new, more sustainable and optimized supply systems that function as social infrastructure. According to the Tender Offeror, third, as consolidation and reorganization continue to advance in the retail industry, particularly among drugstores and food supermarkets, procurement price reductions, along with centralized procurement and inventory management associated with the operation of extensive store networks, have progressed, thereby further heightening the need for reduced stockouts, agile responses to demand fluctuations, and efficient supply of a wide variety of products.

According to the Tender Offeror, in order to respond to those changes in the business environment, create new value, and support people’s physically and mentally healthy lives, the Tender Offeror believes that it is essential for the Tender Offeror Group as a whole to address the following strategic challenges, rather than pursuing optimization on a company-by-company basis or adopting a product-centric approach: (a) providing products and services comprehensively from a consumer-centric perspective that stays closely attuned to the needs of consumers; (b) building a mechanism to deliver products in optimal ways tailored to the characteristics of products and regions; and (c) establishing a common data platform that enables efficient and effective utilization of management resources across the Tender Offeror Group and supports swift and accurate decision-making.

According to the Tender Offeror, currently, both companies operate independently as listed companies, and as a result, there are certain restrictions on sharing of know-how, etc. possessed by each. According to the Tender Offeror, by making the Company a wholly owned subsidiary through the Transaction, these restrictions will be eliminated, and the Tender Offeror believes that by integrating the “capacity to respond to stringent healthcare-related supply requirements” that the Tender Offeror Group’s prescription pharmaceutical wholesale business possesses with the “intermediary distribution capacity to efficiently supply a wide variety of products in the daily necessities market” that the Company possesses, it will be possible to establish a competitive advantage that enables flexible and continuous responses to social issues and business partners’ needs.

According to the Tender Offeror, the Tender Offeror believes that the Transaction will contribute to bringing together the evolving future visions of both companies into one. According to the Tender Offeror, through this, the Tender Offeror aims to transform the Tender Offeror Group not merely into a “collection of individual companies,” but into a strong corporate group that supports “every aspect of daily life” in an integrated manner.

According to the Tender Offeror, more specifically, the Tender Offeror expects that the following initiatives and synergetic effects will arise by making the Company its wholly owned subsidiary through the Transaction:

(i) Strengthening of Capacity to Provide Solutions to Business Partners and Consumers

According to the Tender Offeror, by linking (a) the healthcare collaboration networks, testing services, digital services in the Tender Offeror Group’s prescription pharmaceutical wholesale business and functional raw materials, such as naturally derived polysaccharides, that can be provided through its food processing raw materials wholesale and related business with (b) the Company’s know-how in product assortment and sales floor design for daily necessities, the Tender

Offeror Group will discover new solutions for its business partners and consumers.

According to the Tender Offeror, more specifically, by closely connecting signs of issues and demand stemming from consumers' latent concerns, such as changes in physical condition, that the Tender Offeror Group identifies through its prescription pharmaceutical wholesale business with the Company's intermediary distribution function for daily necessities, the Tender Offeror Group will establish, to meet the demands of business partners and consumers, for example, providing digitally enabled information on risks associated with lifestyle-related diseases and other conditions, as well as testing services, a framework that enables proactive measures contributing to pre-disease prevention and preventive care, such as disease awareness activities, encouragement of medical consultations, and early detection. According to the Tender Offeror, as a result, the Tender Offeror believes that it will be possible to swiftly provide retailers, as customers, with proposals for store operations, including sales floor design and inventory placement, that are aligned with consumers' health-related needs. Furthermore, according to the Tender Offeror, by organically linking those store operation proposals with resources, such as testing services and digital services, the Tender Offeror Group aims to provide value to consumers in the form of total healthcare, connecting processes ranging from the early stages at which consumers begin to perceive health-related issues through prevention, hygiene management, and daily self-care.

In addition, according to the Tender Offeror, the knowledge accumulated through the process of connecting healthcare and daily life is expected to be shared with and utilized by manufacturers, as suppliers, as information that can be leveraged to enhance the precision of product planning, product development, and production planning, including indications of emerging changes in demand and underlying factors behind such changes, and the Tender Offeror believes that this will contribute to new product development, etc. According to the Tender Offeror, in product development, through joint development that captures signs of demand and collaboration with the Tender Offeror Group's food processing raw materials wholesale and related business, the Tender Offeror believes that it will become possible to support the supply of raw materials that reflect consumers' health awareness and usage scenarios, which, in turn, will lead to the provision of high value-added solutions to manufacturers.

According to the Tender Offeror, the Tender Offeror believes that these initiatives will further strengthen relationships with business partners and consumers across the Tender Offeror Group, including the Company, while also contributing to creation of new revenue opportunities and enhancement of profitability.

(ii) Building of Next-Generation Logistics Models and Expansion of Product Provision Fields

According to the Tender Offeror, by integrally leveraging (a) the Tender Offeror Group's capacity to respond to stringent supply requirements that it has fostered over many years through distribution of pharmaceuticals, etc., (b) the Company's operational capacity to handle a wide variety of products in a stable and efficient manner that it has built, and (c) the know-how related to automation, such as robotics, that both companies have accumulated through their respective businesses, the Tender Offeror Group aims to build next-generation logistics infrastructure capable of providing optimal supply tailored to product characteristics and demand conditions.

According to the Tender Offeror, the core of these initiatives lies not only in integrating logistics infrastructure, such as existing logistics bases and transportation and delivery networks, but also in building common infrastructure that enables flexible design, management, and operation of service levels themselves in accordance with demand characteristics, taking into account conditions required for each product, including supply requirements, delivery frequency, and inventory placement. According to the Tender Offeror, by utilizing such infrastructure, the Tender Offeror Group will be able to ensure its capacity to respond to supply requirements tailored to demand characteristics, while also enabling

optimal allocation of personnel and efficient utilization of facilities, IT systems, and other resources by restraining excessive individual investments and duplicative investments, which is expected to contribute to sustainable growth and improved capital efficiency across the Tender Offeror Group, including the Company. Furthermore, according to the Tender Offeror, the Tender Offeror believes that these initiatives will go beyond logistics as a function of wholesale businesses for pharmaceuticals, daily necessities, and similar products, and will lead to creation of new revenue opportunities through the use of such infrastructure as logistics infrastructure for business partners that are required to respond to environmental changes surrounding logistics, as well as through expansion into new fields, including food.

Accordingly, according to the Tender Offeror, the Tender Offeror believes that logistics infrastructure that enables the optimization of both responses to supply requirements and operational efficiency in accordance with demand characteristics will, over the long term, serve as a source of competitive advantage that is not easily replicable by other companies, and will contribute to enhancement of the value provided by the Tender Offeror Group as a whole, as well as expansion of its business foundation.

(iii) Advancement of Data-Driven Business Operations

According to the Tender Offeror, by utilizing the data and operational knowledge relating to sales, supply and demand, logistics, quality, etc. that the Tender Offeror Group and the Company have accumulated over many years through their respective businesses, the Tender Offeror Group aims to develop a common decision-making platform that supports business operations across the Tender Offeror Group as a whole. According to the Tender Offeror, through this initiative, the Tender Offeror believes that it will be possible to further enhance the precision of management resource allocation and business operations, while mutually complementing the strengths and knowledge fostered by both companies.

According to the Tender Offeror, this initiative is not intended to construct new large-scale systems, but rather focuses on enabling cross-business and cross-functional comparison and analysis by organizing and standardizing data definitions, evaluation metrics, and underlying assumptions for decision-making that have been operated separately by the two companies. According to the Tender Offeror, as an initial step, the Tender Offeror envisions taking stock of the information and know-how held by both companies and organizing, on a cross-sectional basis, data related to demand understanding and supply design, thereby establishing information infrastructure that serves as a basis for decision-making on business operations.

According to the Tender Offeror, as a result, the Tender Offeror believes that decisions that have relied on company-specific optimization can be reorganized from the perspective of optimization across the Tender Offeror Group, enabling more objective and timely decision-making with regard to demand domains, the optimal configuration of supply structures, and the level of management resources to be input. According to the Tender Offeror, this, in turn, is expected to lead to maximization of the synergies described in (i) and (ii) above. Furthermore, according to the Tender Offeror, the Tender Offeror believes that the advancement of data-driven business operations will contribute not only to operational improvements and improvement in the precision of resource allocation within the Tender Offeror Group, but also to digital transformation (DX) through linkage and utilization of data related to the supply chain in the future. According to the Tender Offeror, for example, the Tender Offeror believes that this may evolve into the provision of data-driven solutions that will contribute to improvements in the precision of production planning and product planning at business partner manufacturers. According to the Tender Offeror, through this initiative, the Tender Offeror anticipates that a foundation will be established for building a “sustainable growth mechanism” that enables the Tender Offeror Group as a whole to continue generating profits at a consistently high level while responding flexibly to environmental changes.

(iv) Strengthening of Personnel Base Through Personnel Exchanges

According to the Tender Offeror, the Tender Offeror Group and the Company have each steadily accumulated expertise and knowledge in their respective business domains through day-to-day business operations and on-site initiatives. According to the Tender Offeror, as a result of the Transaction, integrated business operations as a group will be enabled, and cross-business and cross-functional personnel exchanges and collaboration are expected to be promoted, and the Tender Offeror believes that this will expand the opportunities available to each employee while also increasing the Tender Offeror Group's bench strength as a whole.

According to the Tender Offeror, the diverse perspectives and experiences accumulated through such personnel exchanges will not only support the growth and career development of individual employees, but also serve as an important foundation for concretely and continuously executing, at the operational level, the strategies of the Tender Offeror Group and the Company, including the process of embodying the initiatives described in (i) through (iii) above. According to the Tender Offeror, amid accelerating changes in the business environment, the Tender Offeror believes that maintaining a deep pool of human resources equipped with both the capacity to formulate strategies and the capacity to translate those strategies into implementation and operations will enhance the competitiveness of, and the reproducibility of growth across, the Tender Offeror Group, including the Company.

According to the Tender Offeror, in light of the aforementioned background, purpose, and expected synergetic effects, in early July 2025, the Tender Offeror commenced initial consideration regarding making the Company its wholly owned subsidiary. According to the Tender Offeror, thereafter, in mid-September 2025, the Tender Offeror appointed Nishimura & Asahi (Gaikokuho Kyodo Jigyo) as its legal advisor independent from the Tender Offeror Group and the Company, and in mid-September 2025, the Tender Offeror appointed Nomura Securities Co., Ltd. ("Nomura Securities") as its financial advisor and third-party valuation organization independent from the Tender Offeror Group and the Company, established a framework for conducting specific discussions and negotiations in connection with the Transaction, and commenced discussions and examinations. According to the Tender Offeror, thereafter, on October 21, 2025, the Tender Offeror informed the Company of its intention to commence consideration toward implementation of the Transaction, and received a response from the Company indicating its willingness to proceed with its consideration of the Transaction. According to the Tender Offeror, subsequently, in late November 2025, the Tender Offeror received from the Company a list of questions regarding the expected synergies (the "Questions") in writing. According to the Tender Offeror, on November 28 and December 8, 2025, discussions were held between the Tender Offeror and the Company, and on December 25, 2025, the Tender Offeror provided written responses to the Questions. According to the Tender Offeror, in parallel with those discussions and examinations, on December 9, 2025, the Tender Offeror submitted to the Company a legally non-binding initial proposal setting out (i) the background and purpose of the Transaction, (ii) the expected synergetic effects, and (iii) a request to conduct due diligence ("Due Diligence") for the purpose of further considering and exploring the Transaction (the "Letter of Intent").

According to the Tender Offeror, thereafter, the Tender Offeror was informed by the Company of its willingness to cooperate with Due Diligence, and the Tender Offeror and the Company commenced specific discussions and consideration toward the Transaction from mid-December 2025. According to the Tender Offeror, subsequently, in order to examine the feasibility of the Tender Offer and the synergies expected by the Tender Offeror, the Tender Offeror conducted Due Diligence on the Company from early February 2026 to early March 2026. According to the Tender Offeror, in parallel, the Tender Offeror held discussions with the Company and the Special Committee (as defined in "(i) Background to Establishment of Review Framework" in "(d) Decision-making Process of the Company's Board

of Directors” below; hereinafter the same applies) regarding the significance and purpose of the Transaction, the synergetic effects expected to be generated by the Transaction, and the management structure and business policies of the Company after the Transaction. According to the Tender Offeror, specifically, on February 17, 2026, the Tender Offeror received written questions from the Special Committee regarding the significance and purpose of the Transaction in response to the Letter of Intent, and on February 20, 2026, the Tender Offeror provided a written response answering some of such questions. According to the Tender Offeror, on February 26, 2026, the Tender Offeror received a written request for follow-up responses and additional questions concerning synergies in the Transaction and growth strategies after the Transaction. According to the Tender Offeror, in response, on March 2, 2026, the Tender Offeror provided a written response to such questions, and also personally provided the response to such questions and held a question-and-answer session and discussions regarding the significance and purpose of the Transaction in an interview at the Special Committee’s meeting held on March 6, 2026. According to the Tender Offeror, thereafter, on March 25, 2026, the Tender Offeror again provided a written response, and personally held a question-and-answer session and discussions regarding such response in an interview at the Special Committee’s meeting held on April 2, 2026.

According to the Tender Offeror, since March 11, 2026, the Tender Offeror has conducted several rounds of negotiations with the Company and the Special Committee regarding the Tender Offer Price. According to the Tender Offeror, specifically, comprehensively considering information obtained through the Due Diligence and the preliminary valuation analysis for the Company Shares conducted by Nomura Securities, its financial advisor, based on such information, on March 11, 2026, on the premise that the Company would not distribute interim dividends, for the term ending September 30, 2026, the Tender Offeror made a proposal to set the Tender Offer Price at 5,650 yen (a price obtained by adding a premium of 19.70% (rounded to the second decimal place; hereinafter the same applies to the premium value (%)) to 4,720 yen, which was the closing price of the Company Shares on the Prime Market of the TSE as of the preceding business day, 15.19% to 4,905 yen, which was the simple average closing price for the past one month up to the same date (rounded to the nearest whole number; hereinafter the same applies to the calculation of simple average closing prices), 15.38% to 4,897 yen, which was the simple average closing price for the past three months up to the same date, and 18.97% to 4,749 yen, which was the simple average closing price for the past six months up to the same date) (the “First Proposal”).

According to the Tender Offeror, in response, on March 16, 2026, the Tender Offeror received a written response from the Company and the Special Committee requesting that the Tender Offeror make a revised proposal of the Tender Offer Price, stating that the Tender Offer Price of 5,650 yen set forth in the First Proposal could hardly be regarded as giving due consideration to the interests of the Company’s minority shareholders when taking into account the preliminary analysis regarding the share value of the Company conducted by the third-party valuation organization of the Company and that of the Special Committee.

According to the Tender Offeror, following this, on March 26, 2026, the Tender Offeror made a proposal to set the Tender Offer Price at 5,900 yen (a price obtained by adding a premium of 26.34% to 4,670 yen, which was the closing price of the Company Shares on the Prime Market of the TSE as of the preceding business day, 24.08% to 4,755 yen, which was the simple average closing price for the past one month up to the same date, 21.20% to 4,868 yen, which was the simple average closing price for the past three months up to the same date, and 24.32% to 4,746 yen, which was the simple average closing price for the past six months up to the same date) (the “Second Proposal”). According to the Tender Offeror, in response, on March 30, 2026, the Tender Offeror received a written response from the Company and the Special Committee requesting that the Tender Offeror make a revised proposal of the Tender Offer Price, stating that the Tender Offer Price of 5,900 yen set forth in the Second Proposal could hardly be regarded as giving due consideration to

the interests of the Company's minority shareholders when taking into account the preliminary analysis regarding the share value of the Company conducted by the third-party valuation organization of the Company and that of the Special Committee.

According to the Tender Offeror, following this, on April 6, 2026, the Tender Offeror made a proposal to set the Tender Offer Price at 6,100 yen (a price obtained by adding a premium of 23.56% to 4,937 yen, which was the closing price of the Company Shares on the Prime Market of the TSE as of the preceding business day, 28.50% to 4,747 yen, which was the simple average closing price for the past one month up to the same date, 25.28% to 4,869 yen, which was the simple average closing price for the past three months up to the same date, and 28.21% to 4,758 yen, which was the simple average closing price for the past six months up to the same date) (the "Third Proposal"). According to the Tender Offeror, in response, on April 8, 2026, the Tender Offeror received a written response from the Company and the Special Committee requesting that the Tender Offeror make a revised proposal of the Tender Offer Price, stating that the Tender Offer Price of 6,100 yen set forth in the Third Proposal could hardly be regarded as giving due consideration to the interests of the Company's minority shareholders when taking into account the preliminary analysis regarding the share value of the Company conducted by the third-party valuation organization of the Company and that of the Special Committee.

According to the Tender Offeror, following this, on April 10, 2026, the Tender Offeror made a proposal to set the Tender Offer Price at 6,300 yen (a price obtained by adding a premium of 29.71% to 4,857 yen, which was the closing price of the Company Shares on the Prime Market of the TSE as of the preceding business day, 32.21% to 4,765 yen, which was the simple average closing price for the past one month up to the same date, 29.44% to 4,867 yen, which was the simple average closing price for the past three months up to the same date, and 32.13% to 4,768 yen, which was the simple average closing price for the past six months up to the same date) (the "Fourth Proposal"). According to the Tender Offeror, in response, on the same day, the Tender Offeror received a written response from the Company and the Special Committee requesting that the Tender Offeror make a revised proposal of the Tender Offer Price, stating that the Tender Offer Price of 6,300 yen set forth in the Fourth Proposal could hardly be regarded as giving due consideration to the interests of the Company's minority shareholders when taking into account the preliminary analysis regarding the share value of the Company conducted by the third-party valuation organization of the Company and that of the Special Committee.

According to the Tender Offeror, following this, on April 15, 2026, the Tender Offeror made a proposal to set the Tender Offer Price at 6,400 yen (a price obtained by adding a premium of 35.77% to 4,714 yen, which was the closing price of the Company Shares on the Prime Market of the TSE as of the preceding business day, 33.92% to 4,779 yen, which was the simple average closing price for the past one month up to the same date, 31.80% to 4,856 yen, which was the simple average closing price for the past three months up to the same date, and 34.12% to 4,772 yen, which was the simple average closing price for the past six months up to the same date) (the "Fifth Proposal"). According to the Tender Offeror, in response, on April 16, 2026, the Tender Offeror received a written response from the Company and the Special Committee requesting that the Tender Offeror make a revised proposal of the Tender Offer Price, stating that the Tender Offer Price of 6,400 yen set forth in the Fifth Proposal could not be regarded as giving due consideration to the interests of the Company's minority shareholders when taking into account the preliminary analysis regarding the share value of the Company conducted by the third-party valuation organization of the Company and that of the Special Committee.

According to the Tender Offeror, following this, on April 20, 2026, the Tender Offeror made a proposal to set the Tender Offer Price at 6,480 yen (a price obtained by adding a premium of 38.85% to 4,667 yen, which was the closing price of the Company Shares on the Prime Market of the TSE as of the preceding business day, 35.65% to 4,777 yen, which was

the simple average closing price for the past one month up to the same date, 33.77% to 4,844 yen, which was the simple average closing price for the past three months up to the same date, and 35.68% to 4,776 yen, which was the simple average closing price for the past six months up to the same date) (the “Sixth Proposal”). According to the Tender Offeror, in response, on April 21, 2026, the Tender Offeror received a written response from the Company and the Special Committee requesting that the Tender Offeror make a revised proposal of the Tender Offer Price, stating that the Tender Offer Price of 6,480 yen set forth in the Sixth Proposal still could not be regarded as giving due consideration to the interests of the Company’s minority shareholders when taking into account the preliminary analysis regarding the share value of the Company conducted by the third-party valuation organization of the Company and that of the Special Committee, the market price trends of the Company Shares, and the perspective of fair distribution to minority shareholders of the synergies expected to be realized after the Transaction.

According to the Tender Offeror, following this, on April 22, 2026, the Tender Offeror made a proposal to set the Tender Offer Price at 6,500 yen (a price obtained by adding a premium of 38.98% to 4,677 yen, which was the closing price of the Company Shares on the Prime Market of the TSE as of the preceding business day, 36.15% to 4,774 yen, which was the simple average closing price for the past one month up to the same date, 34.52% to 4,832 yen, which was the simple average closing price for the past three months up to the same date, and 36.07% to 4,777 yen, which was the simple average closing price for the past six months up to the same date) (the “Seventh Proposal”). According to the Tender Offeror, in response, on April 23, 2026, the Tender Offeror received a written response from the Company and the Special Committee requesting that the Tender Offeror make a revised proposal of the Tender Offer Price, stating that it is difficult to regard the Tender Offer Price of 6,500 yen set forth in the Seventh Proposal as giving due consideration to the interests of the Company’s minority shareholders when taking into account the historical market price trends of the Company Shares and the perspective of fair distribution to minority shareholders of the synergies expected to be realized after the Transaction, from the perspective of protecting the interests of the Company’s minority shareholders.

According to the Tender Offeror, following this, on April 24, 2026, the Tender Offeror made a proposal to set the Tender Offer Price at 6,550 yen (a price obtained by adding a premium of 41.84% to 4,618 yen, which was the closing price of the Company Shares on the Prime Market of the TSE as of the preceding business day, 37.37% to 4,768 yen, which was the simple average closing price for the past one month up to the same date, 35.92% to 4,819 yen, which was the simple average closing price for the past three months up to the same date, and 37.12% to 4,777 yen, which was the simple average closing price for the past six months up to the same date) (the “Eighth Proposal”). According to the Tender Offeror, in response, on the same day, the Tender Offeror received a written response from the Company and the Special Committee requesting that the Tender Offeror make a revised proposal of the Tender Offer Price, stating that it is difficult to regard the Tender Offer Price of 6,550 yen set forth in the Eighth Proposal as giving due consideration to the interests of the Company’s minority shareholders when taking into account the historical market price trends of the Company Shares and the perspective of fair distribution to minority shareholders of the synergies expected to be realized after the Transaction, from the perspective of protecting the interests of the Company’s minority shareholders.

According to the Tender Offeror, following this, on April 27, 2026, the Tender Offeror made a proposal to set the Tender Offer Price at 6,600 yen (a price obtained by adding a premium of 43.10% to 4,612 yen, which was the closing price of the Company Shares on the Prime Market of the TSE as of the preceding business day, 38.45% to 4,767 yen, which was the simple average closing price for the past one month up to the same date, 37.04% to 4,816 yen, which was the simple average closing price for the past three months up to the same date, and 38.19% to 4,776 yen, which was the simple average closing price for the past six months up to the same date) (the “Ninth Proposal”). According to the Tender Offeror, in response, on April 28, 2026, the Tender Offeror received a written response from the Company and the Special

Committee requesting that the Tender Offeror make a revised proposal of the Tender Offer Price, stating that they would like the Tender Offeror to give further consideration to the interests of the Company's minority shareholders with regard to the Tender Offer Price of 6,600 yen set forth in the Ninth Proposal when taking into account the historical market price trends of the Company Shares and the perspective of fair distribution to minority shareholders of the synergies expected to be realized after the Transaction, from the perspective of protecting the interests of the Company's minority shareholders.

According to the Tender Offeror, following this, on April 30, 2026, the Tender Offeror made a proposal to set the Tender Offer Price, on the basis that the Company would not distribute an interim dividend for the term ending September 30, 2026, or a year-end dividends for the term ending March 31, 2027, at 6,630 yen (a price obtained by adding a premium of 42.06% to 4,667 yen, which was the closing price of the Company Shares on the Prime Market of the TSE as of the preceding business day, 39.23% to 4,762 yen, which was the simple average closing price for the past one month up to the same date, 37.92% to 4,807 yen, which was the simple average closing price for the past three months up to the same date, and 38.82% to 4,776 yen, which was the simple average closing price for the past six months up to the same date) (the "Tenth Proposal"). According to the Tender Offeror, in response, on May 1, 2026, the Tender Offeror received a written response from the Company and the Special Committee requesting that the Tender Offeror make a revised proposal of the Tender Offer Price, stating that they would like the Tender Offeror to further increase the Tender Offer Price of 6,630 yen set forth in the Tenth Proposal from the perspective of giving further consideration to the interests of the Company's minority shareholders.

According to the Tender Offeror, following this, on May 7, 2026, the Tender Offeror made a proposal to set the Tender Offer Price at 6,650 yen (a price obtained by adding a premium of 43.16% to 4,645 yen, which was the closing price of the Company Shares on the Prime Market of the TSE as of the preceding business day, 40.38% to 4,737 yen, which was the simple average closing price for the past one month up to the same date, 38.51% to 4,801 yen, which was the simple average closing price for the past three months up to the same date, and 39.09% to 4,781 yen, which was the simple average closing price for the past six months up to the same date) (the "11th Proposal").

According to the Tender Offeror, in response, on May 8, 2026, the Tender Offeror received from the Company a written response in the name of the Company and the Special Committee stating that they would accept the Tender Offer Price of 6,650 yen set forth in the 11th Proposal.

According to the Tender Offeror, based on the foregoing consideration and discussions, on May 11, 2026, the Tender Offeror resolved to implement the Tender Offer as part of the Transaction at a Tender Offer Price of 6,650 yen.

(c) Management Policy After the Tender Offer

According to the Tender Offeror, with respect to the management policy after the Transaction, the Tender Offeror has engaged in repeated discussions with the Company and the Special Committee, and taking into account the views of the Special Committee, the Tender Offeror recognizes that it is important to respect the Company's current management policy, as well as its initiative and self-direction, to the maximum extent in order to generate the synergies of the Transaction stated in "(b) Background, Purpose, and Decision-making Process Leading to the Tender Offeror's Decision to Implement the Tender Offer" above and to maximize the medium- to long-term corporate value of both companies.

Accordingly, with respect to operation of the Company after the Transaction, the Tender Offeror will engage in good faith discussions with the Company regarding the specific details after completion of the Tender Offer based on the principles set forth in items (i) to (vii) below.

According to the Tender Offeror, the Tender Offeror intends to make the Company its wholly owned subsidiary. As stated in "(a) Outline of the Tender Offer" under "(2) Basis and Reasons for the Opinion" above and "(4) Policy on

Organizational Restructuring, etc. After the Tender Offer” below, if the Tender Offeror fails to acquire the Shares Subject to the Tender Offer through the Tender Offer, it plans to implement, after the completion of the Tender Offer, a share consolidation or a demand for share cash-out as part of the Squeeze-out Procedures.

- (i) In order to share the management resources of the Tender Offeror and the Company and maximize the corporate value of both companies, the Tender Offeror and the Company will, promptly after completion of the Squeeze-out Procedures, establish and operate a committee to consider measures to enhance their corporate value in connection with issues to be examined in the cosmetics, daily necessities, and OTC pharmaceutical wholesale business, the prescription pharmaceutical wholesale business, etc. with the aim of determining specific initiatives and allocation of roles relating to business collaboration through the exchange of information and opinions regarding such business collaboration. The committee will include members of the management team and will have a balanced composition of representatives from the Tender Offeror and the Company, and subcommittees will be established in accordance with individual issues to be examined. Details of the committee will separately be discussed in good faith with the Company so that such details can be determined by completion of the Squeeze-out Procedures.
- (ii) Taking into account the importance of maintaining the Company’s ability to make prompt decisions and conduct agile business operations after the Transaction, the Tender Offeror will, at an early stage after completion of the Transaction, discuss with the Company the various rules and policies applicable to the Tender Offeror’s group companies and consider necessary revisions thereto. In making revisions, utmost consideration will be given to ensuring that the business operations of the Company will not be hindered, taking into account the Company’s business activities, scale of sales, etc.
- (iii) With respect to the management team structure of the Company after the Transaction, the Tender Offeror will, while respecting the current structure to the maximum extent, consider such structure from the perspectives of enhancing the Company’s medium- to long-term corporate value and ensuring continuity of its growth strategies, taking fully into account the Company’s intentions as well as operational necessities of its business.
- (iv) As a basic policy, the Tender Offeror will not make any changes to the employment conditions of the Company’s employees in a disadvantageous manner after the Transaction.
- (v) As a basic policy, the Tender Offeror will maintain the Company’s trade name after the Transaction, and if any change thereto is contemplated, the Tender Offeror will engage in good faith discussions with the Company in advance.
- (vi) If, after the Transaction, the Tender Offeror intends to transfer or otherwise dispose of the Company Shares, or to conduct a merger or any other organizational restructuring transaction involving the Company, or any other acts that would result in a material change to the Company’s management team structure, the Tender Offeror will engage in good faith discussions with the Company in advance.
- (vii) With respect to the Company’s financial planning, the Tender Offeror will, after the Transaction, fully respect securing of the Company’s cash and cash equivalents and the necessity of making required investments, including growth investments and capital expenditures such as equipment renewal, and will engage in ongoing good faith discussions with the Company so as to promote the Company’s growth strategies to the maximum extent.

- (d) Decision-making Process of the Company's Board of Directors
- (i) Background to Establishment of Review Framework

The Company received a notice from the Tender Offeror on October 21, 2025, stating that it had commenced consideration towards the implementation of the Transaction. In response to this, in considering the Transaction and conducting discussions and negotiations with the Tender Offeror regarding the Transaction, the Company took into consideration the fact that the Tender Offeror is the controlling shareholder (parent company) of the Company whose ownership ratio of the Company Shares has reached 52.40%, and that the Transaction constitutes a transaction that typically involves issues of structural conflicts of interest and information asymmetry. In order to address these issues and ensure the fairness of the Transaction, in early November 2025, the Company appointed Oh-Ebashi LPC & Partners (“Oh-Ebashi”) as a legal advisor independent from the Tender Offeror Group and the Company Group and from the success or failure of the Transaction, and appointed Daiwa Securities Co. Ltd. (“Daiwa Securities”) as a financial advisor and a third-party valuation organization independent from the Tender Offeror Group and the Company Group.

Thereafter, the Company received a Letter of Intent regarding the Transaction from the Tender Offeror again on December 9, 2025. In response to such proposal, in order to ensure the fairness of the Transaction, based on the advice of Oh-Ebashi, the Company immediately commenced the establishment of a framework to consider, negotiate, and make decisions regarding the Transaction from a standpoint independent from the Tender Offeror, from the perspective of enhancing the corporate value of the Company and securing the interests of the general shareholders of the Company. Specifically, the Company proceeded with preparations for the establishment of a Special Committee as stated in “(c) Establishment of Independent Special Committee by the Company and Acquisition of Report from Special Committee” of “(3) Measures to Ensure Fairness of the Tender Offer” below. By a resolution of the board of directors held on December 22, 2025, in order to constitute a meeting body with an appropriate size while ensuring a balance of knowledge, experience, and capability, the Company established a Special Committee (hereinafter referred to as the “Special Committee”) composed of three members: Mr. Ichiro Yoshitake, who has extensive experience and broad insight as a business executive (Independent Outside Director of the Company, Outside Director of Unicafe Inc.), Ms. Kaori Oishi, who has specialized expertise and extensive experience as an attorney (Independent Outside Director of the Company, Outside Director and an Audit and Supervisory Committee Member of Towa Pharmaceutical Co., Ltd., Outside Director of ESLEAD CORPORATION, Partner of Kitahama Partners, Attorney), and Ms. Kyoko Hikita, who has specialized expertise and a high level of insight in finance and accounting as a certified public accountant (Independent Outside Audit and Supervisory Board Member of the Company, Outside Audit and Supervisory Board Member of AOYAMA TRADING Co., Ltd., Outside Director and an Audit and Supervisory Committee Member of UNISOL Holdings Corporation, President of Hikita CPA Office, Certified Public Accountant), as a meeting body distinct from the standing special committee within the Company (for the background of consideration and details of decision by the Special Committee, please refer to “(c) Establishment of Independent Special Committee by the Company and Acquisition of Report from Special Committee” of “(3) Measures to Ensure Fairness of the Tender Offer” below). The Company has established a standing special committee as an advisory body to the board of directors, composed of all independent outside directors and independent outside audit & supervisory board members, for the purpose of appropriately monitoring and supervising conflicts of interest with controlling shareholders, etc. and enhancing corporate governance. The aforementioned three candidates were selected from among the members of the committee. The Company has seven independent outside directors and three independent outside audit & supervisory board members. However, if all independent outside directors and independent outside audit & supervisory board members were appointed as members

of the Special Committee, the possibility of impairing the agility and efficiency of deliberations and negotiations regarding the Transaction could not be ruled out, and the Company was concerned that this in turn could run counter to the interests of general shareholders. On the other hand, the Company believed that forming the Special Committee with Mr. Ichiro Yoshitake, Ms. Kaori Oishi, and Ms. Kyoko Hikita, in light of their backgrounds and expertise among those of the Company's independent outside officers, would ensure necessary and sufficient experience and knowledge for consideration and negotiations regarding the Transaction from the perspectives of corporate management, legal affairs and risk management, and finance and financial affairs, while enabling agile and efficient consideration and negotiations regarding the Transaction. Accordingly, the Company selected Mr. Ichiro Yoshitake, Ms. Kaori Oishi, and Ms. Kyoko Hikita as members of the Special Committee.

Based on the above, the Company consulted the Special Committee on: (i) the reasonableness of the purpose of the Transaction (including whether the Transaction contributes to enhancing the corporate value of the Company); (ii) the fairness and appropriateness of the terms and conditions of the Transaction (including the level of consideration, the method of implementing the Transaction, and the type of consideration); (iii) the fairness of the procedures for the Transaction; (iv) based on (i) through (iii) above, whether the Transaction is fair to the general shareholders; and (v) whether it is appropriate for the Company's board of directors to make a decision to conduct the Transaction (expressing an opinion in support of the Tender Offer and recommending that the Company's shareholders tender their shares in the Tender Offer, and conducting necessary procedures if the Squeeze-out Procedures are implemented after the completion of the Tender Offer), and requested the Special Committee to state its opinion to the Company's board of directors (hereinafter collectively referred to as the "Advisory Matters"). Furthermore, upon the establishment of the Special Committee, the Company's board of directors resolved that it would make a decision regarding the Transaction by respecting the determination of the Special Committee to the maximum extent, and that if the Special Committee judged that the terms and conditions of the Transaction were not fair, the Company's board of directors would not support the Transaction. In addition, the Company's board of directors resolved to grant the Special Committee the authority to: (i) receive information necessary to consider and make decisions on the Transaction from the Company's officers and employees (including the authority to require attendance at Special Committee meetings); (ii) be substantially involved in the terms and conditions and the negotiation process of the Transaction (including stating opinions, giving instructions or making requests to the Company, and the Special Committee independently negotiating with the prospective purchaser); (iii) approve (including ratifying) the external professional advisors appointed by the Company; (iv) seek advice from the Company's external professional advisors at the Company's expense; (v) appoint its own external professional advisors and seek their advice, if necessary, at the Company's expense; and (vi) exercise authority regarding matters that the Special Committee deems necessary for considering and making decisions on the Transaction, such as the approval of persons assisting the duties of the Special Committee (for the method of resolution at the relevant board of directors' meeting, please refer to "(c) Establishment of Independent Special Committee by the Company and Acquisition of Report from Special Committee" of "(3) Measures to Ensure Fairness of the Tender Offer" below). Note that the Company has a standing special committee consisting of all of the Company's outside directors and outside audit & supervisory board members, as described in "(c) Establishment of Independent Special Committee by the Company and Acquisition of Report from Special Committee" of "(3) Measures to Ensure Fairness of the Tender Offer" below. However, since the Company's board of directors, including the relevant outside officers, has agreed to respect the determination of the Special Committee to the maximum extent regarding the Advisory Matters, the board of directors has resolved not to consult the standing special committee regarding the Transaction in addition to the Special Committee. Furthermore, as described in "(c) Establishment of Independent Special Committee by the Company and Acquisition of Report from Special Committee" of "(3) Measures to Ensure Fairness of the Tender Offer" below, on January 20, 2026, based on the above authority, the Special Committee determined to appoint Anderson Mori & Tomotsune ("Anderson

Mori & Tomotsune”) as its own legal advisor independent from the Tender Offeror Group and the Company Group and from the success or failure of the Transaction, and to appoint Plutus Consulting Co., Ltd. (“Plutus Consulting”) as its own financial advisor and third-party valuation organization independent from the Tender Offeror Group and the Company Group and from the success or failure of the Transaction.

In addition, as described in “(c) Establishment of Independent Special Committee by the Company and Acquisition of Report from Special Committee” of “(3) Measures to Ensure Fairness of the Tender Offer” below, after confirming that there were no issues regarding their independence from the Tender Offeror Group and the Company Group, independence from the success or failure of the Transaction, and expertise/experience, etc., the Company received approval from the Special Committee for the appointment of Daiwa Securities as the Company’s financial advisor and third-party valuation organization, and Oh-Ebashi as the Company’s legal advisor.

Furthermore, as described in “(g) Establishment of Independent Internal Framework by the Company” of “(3) Measures to Ensure Fairness of the Tender Offer” below, the Company established a framework within the Company to consider, negotiate, and make decisions regarding the Transaction (including the scope and duties of the Company’s officers and employees involved in considering, negotiating, and making decisions regarding the Transaction) from a standpoint independent from the Tender Offeror Group, and received approval from the Special Committee that there were no issues regarding the independence and fairness of such consideration framework.

(ii) Background of Review and Negotiation

The Company has carefully discussed and considered the pros and cons of the Transaction and the appropriateness of its terms and conditions, based on the report on the valuation results of the Company Shares, advice on the negotiation strategies with the Tender Offeror, and other advice from a financial perspective received from Daiwa Securities, as well as advice on measures to ensure the fairness of procedures in the Transaction and other legal advice received from Oh-Ebashi, while fully respecting the details of the opinion of the Special Committee.

Furthermore, after receiving the Letter of Intent regarding the Transaction from the Tender Offeror on December 9, 2025, the Company has continuously discussed and negotiated the terms and conditions regarding the Transaction, including the Tender Offer Price, with the Tender Offeror.

Specifically, after the Company received the Letter of Intent regarding the Transaction on December 9, 2025, and established the Special Committee by a resolution of the Company’s board of directors on December 22, the Company and the Special Committee proceeded with their consideration and discussions. Prior to this, after receiving the notice from the Tender Offeror on October 21, 2025, stating that it had commenced consideration towards the implementation of the Transaction, the Company proceeded with its initial consideration and discussions, sent written preliminary questions regarding the Transaction to the Tender Offeror on November 27, 2025, held discussions between the Tender Offeror and the Company on November 28 and December 8, 2025, and received a written response from the Tender Offeror on December 25, 2025. Such initial consideration and discussions were approved by the Special Committee at its first meeting held on December 22, 2025. Thereafter, the Company and the Special Committee sent written questions regarding the significance and purpose of the Transaction to the Tender Offeror on February 17, 2026, and received a written response to some of such questions from the Tender Offeror on February 20, 2026. Furthermore, based on such response, the Company and the Special Committee sent additional written questions on February 26, 2026, and received a written response to the questions from the Tender Offeror on March 2, 2026. Based on these responses, an interview with the Tender Offeror by the Special Committee was conducted on March 6, 2026. Thereafter, on March 25, the Company received a written response from the Tender Offeror again, and at the Special Committee meeting held on April 2, 2026, an interview with the Tender Offeror was conducted again regarding the matters responded to.

Regarding the Tender Offer Price, the Company has conducted several rounds of negotiations with the Tender Offeror since March 11, 2026. Specifically, as a result of comprehensively taking into account information obtained through due diligence conducted on the Company by the Tender Offeror, an analysis concerning the Company's financial condition, management status, and future outlook, etc. based on the Business Plan (defined below) disclosed by the Company, and the preliminary valuation analysis for the Company Shares conducted by Nomura Securities, the third-party valuation organization of the Tender Offeror, the Company and the Special Committee received the first proposal regarding the Transaction from the Tender Offeror on March 11, 2026, which included setting the Tender Offer Price at 5,650 yen (a premium of 19.70% over 4,720 yen, the closing price of the Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 15.19% over 4,905 yen, the simple average closing price for the past one month up to the same day; a premium of 15.38% over 4,897 yen, the simple average closing price for the past three months up to the same day; and a premium of 18.97% over 4,749 yen, the simple average closing price for the past six months up to the same day) on the premise that the Company would not distribute any interim dividends with a record date of September 30, 2026. Thereafter, on March 16, the Company and the Special Committee requested the Tender Offeror to make a fundamental review of the Tender Offer Price, stating that the proposed Tender Offer Price could hardly be regarded as giving due consideration to the interests of the Company's minority shareholders.

Following this, on March 26, 2026, the Company received a revised proposal from the Tender Offeror to set the Tender Offer Price at 5,900 yen (a premium of 26.34% over 4,670 yen, the closing price of the Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 24.08% over 4,755 yen, the simple average closing price for the past one month up to the same day; a premium of 21.20% over 4,868 yen, the simple average closing price for the past three months up to the same day; and a premium of 24.32% over 4,746 yen, the simple average closing price for the past six months up to the same day). In response to this, on March 30, the Company and the Special Committee requested the Tender Offeror to make a fundamental review of the Tender Offer Price, stating that the proposed Tender Offer Price could hardly be regarded as giving due consideration to the interests of the Company's minority shareholders.

Following this, on April 6, 2026, the Company received a revised proposal from the Tender Offeror to set the Tender Offer Price at 6,100 yen (a premium of 23.56% over 4,937 yen, the closing price of the Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 28.50% over 4,747 yen, the simple average closing price for the past one month up to the same day; a premium of 25.28% over 4,869 yen, the simple average closing price for the past three months up to the same day; and a premium of 28.21% over 4,758 yen, the simple average closing price for the past six months up to the same day). In response to this, on April 8, the Company and the Special Committee requested the Tender Offeror to make a fundamental review of the Tender Offer Price, stating that the proposed Tender Offer Price could still hardly be regarded as giving due consideration to the interests of the Company's minority shareholders.

Following this, on April 10, 2026, the Company received a revised proposal from the Tender Offeror to set the Tender Offer Price at 6,300 yen (a premium of 29.71% over 4,857 yen, the closing price of the Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 32.21% over 4,765 yen, the simple average closing price for the past one month up to the same day; a premium of 29.44% over 4,867 yen, the simple average closing price for the past three months up to the same day; and a premium of 32.13% over 4,768 yen, the simple average closing price for the past six months up to the same day). In response to this, on the same day, the Company and the Special Committee requested the Tender Offeror to make a fundamental review of the Tender Offer Price, stating that the proposed Tender Offer Price could still hardly be regarded as giving due consideration to the interests of the Company's minority

shareholders.

Following this, on April 15, 2026, the Company received a revised proposal from the Tender Offeror to set the Tender Offer Price at 6,400 yen (a premium of 35.77% over 4,714 yen, the closing price of the Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 33.92% over 4,779 yen, the simple average closing price for the past one month up to the same day; a premium of 31.80% over 4,856 yen, the simple average closing price for the past three months up to the same day; and a premium of 34.12% over 4,772 yen, the simple average closing price for the past six months up to the same day). In response to this, on April 16, the Company and the Special Committee requested the Tender Offeror to make a fundamental review of the Tender Offer Price, stating that the proposed Tender Offer Price could not be regarded as giving due consideration to the interests of the Company's minority shareholders.

Following this, on April 20, 2026, the Company received a revised proposal from the Tender Offeror to set the Tender Offer Price at 6,480 yen (a premium of 38.85% over 4,667 yen, the closing price of the Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 35.65% over 4,777 yen, the simple average closing price for the past one month up to the same day; a premium of 33.77% over 4,844 yen, the simple average closing price for the past three months up to the same day; and a premium of 35.68% over 4,776 yen, the simple average closing price for the past six months up to the same day). In response to this, on April 21, the Company and the Special Committee requested the Tender Offeror to make a fundamental review of the Tender Offer Price, stating that the proposed Tender Offer Price could not be regarded as giving due consideration to the interests of the Company's minority shareholders when taking into account the market price trends of the Company Shares and the perspective of a fair distribution of synergies expected to be generated after the Transaction to the minority shareholders.

Following this, on April 22, 2026, the Company received a revised proposal from the Tender Offeror to set the Tender Offer Price at 6,500 yen (a premium of 38.98% over 4,677 yen, the closing price of the Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 36.15% over 4,774 yen, the simple average closing price for the past one month up to the same day; a premium of 34.52% over 4,832 yen, the simple average closing price for the past three months up to the same day; and a premium of 36.07% over 4,777 yen, the simple average closing price for the past six months up to the same day). In response to this, on April 23, the Company and the Special Committee requested the Tender Offeror to make a revised proposal for the Tender Offer Price, stating that it is difficult to regard the proposed Tender Offer Price as giving due consideration to the interests of the Company's minority shareholders when taking into account the historical market price trends of the Company Shares and the perspective of a fair distribution of synergies expected to be generated after the Transaction to the minority shareholders.

Following this, on April 24, 2026, the Company received a revised proposal from the Tender Offeror to set the Tender Offer Price at 6,550 yen (a premium of 41.84% over 4,618 yen, the closing price of the Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 37.37% over 4,768 yen, the simple average closing price for the past one month up to the same day; a premium of 35.92% over 4,819 yen, the simple average closing price for the past three months up to the same day; and a premium of 37.12% over 4,777 yen, the simple average closing price for the past six months up to the same day). In response to this, on the same day, the Company and the Special Committee requested the Tender Offeror to make a revised proposal for the Tender Offer Price, stating that it is difficult to regard the proposed Tender Offer Price as giving due consideration to the interests of the Company's minority shareholders when taking into account the historical market price trends of the Company Shares and the perspective of a fair distribution of synergies expected to be generated after the Transaction to the minority shareholders.

Following this, on April 27, 2026, the Company received a revised proposal from the Tender Offeror to set the Tender Offer Price at 6,600 yen (a premium of 43.10% over 4,612 yen, the closing price of the Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 38.45% over 4,767 yen, the simple average closing price for the past one month up to the same day; a premium of 37.04% over 4,816 yen, the simple average closing price for the past three months up to the same day; and a premium of 38.19% over 4,776 yen, the simple average closing price for the past six months up to the same day). In response to this, on April 28, the Company and the Special Committee requested the Tender Offeror to make a revised proposal for the Tender Offer Price, stating that they would like the Tender Offeror to give further consideration to the interests of the Company's minority shareholders with regard to the proposed Tender Offer Price when taking into account the historical market price trends of the Company Shares and the perspective of fair distribution to minority shareholders of the synergies expected to be realized after the Transaction.

Following this, on April 30, 2026, the Company received a revised proposal from the Tender Offeror to set the Tender Offer Price at 6,630 yen (a premium of 42.06% over 4,667 yen, the closing price of the Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 39.23% over 4,762 yen, the simple average closing price for the past one month up to the same day; a premium of 37.92% over 4,807 yen, the simple average closing price for the past three months up to the same day; and a premium of 38.82% over 4,776 yen, the simple average closing price for the past six months up to the same day) on the premise that the Company would not distribute any interim dividends at the end of September 2026 or year-end dividends at the end of March 2027. In response to this, on May 1, 2026, the Company and the Special Committee requested the Tender Offeror to make a revised proposal for the Tender Offer Price, stating that although the proposed Tender Offer Price had been increased from the previous proposal, further consideration should be given to the interests of the Company's minority shareholders.

Following this, on May 7, 2026, the Company received a revised proposal from the Tender Offeror to set the Tender Offer Price at 6,650 yen (a premium of 43.16% over 4,645 yen, the closing price of the Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 40.38% over 4,737 yen, the simple average closing price for the past one month up to the same day; a premium of 38.51% over 4,801 yen, the simple average closing price for the past three months up to the same day; and a premium of 39.09% over 4,781 yen, the simple average closing price for the past six months up to the same day). On May 8, 2026, the Company sent a response to the Tender Offeror indicating its acceptance of the Tender Offeror's proposal and reached an agreement to set the Tender Offer Price at 6,650 yen.

In the above consideration and negotiation process, the Company engaged in discussions and negotiations with the Tender Offeror regarding the Tender Offer Price based on the opinions heard from the Special Committee and the advice from Daiwa Securities and Oh-Ebashi. At that time, the Special Committee received advice from its advisors, Plutus Consulting and Anderson Mori & Tomotsune, exchanged opinions with the Company and its advisors as needed, and confirmed and approved matters as appropriate. Specifically, first, given its importance, the Special Committee expressed the opinion that the Business Plan should be presented to the Tender Offeror after its contents were approved by the Special Committee regarding the reasonableness of the contents, material assumptions, and the process of preparation, etc., of the business plan of the Company presented by the Company to the Tender Offeror and used as the basis for the valuation of the Company Shares by Daiwa Securities and Plutus Consulting (the "Business Plan"). Based on this opinion, at the Special Committee meeting held on January 26, 2026, the Special Committee confirmed and approved the reasonableness of the contents, material assumptions, and the process of preparation, etc., of the Business Plan. After that, the Company presented the Business Plan to the Tender Offeror on January 29, 2026. Also, Daiwa Securities, the Company's financial advisor, handled negotiations with the Tender Offeror in accordance with the negotiation strategies deliberated and decided by the Special Committee in advance. Whenever a proposal regarding the Tender Offer Price

was received from the Tender Offeror, Daiwa Securities immediately reported it to the Special Committee each time, received opinions, instructions, and requests from the Special Committee regarding the negotiation strategies, etc., with the Tender Offeror, and responded in accordance with them.

Then, the Company received a report dated May 9, 2026, from the Special Committee (the “Report”) stating that: (a) the Transaction contributes to the enhancement of the Company’s corporate value, and the purpose of the Transaction is considered reasonable; (b) the fairness and appropriateness of the terms and conditions of the Transaction (including the level of consideration, the method of implementation of the Transaction, and the type of consideration) are considered to be ensured; (c) the fairness of the procedures for the Transaction is considered to be ensured; (d) based on (a) through (c) above, the Transaction is considered to be fair to the general shareholders; and (e) it is considered appropriate for the Company’s board of directors to make a decision to conduct the Transaction (expressing an opinion in support of the Tender Offer and recommending that the Company’s shareholders tender their shares in the Tender Offer, and conducting necessary procedures if the Squeeze-out Procedures are implemented after the completion of the Tender Offer) (for details of the Report, please refer to Attachment 1). In addition, together with the Report, the Company also received from the Special Committee a stock valuation report on the Company Shares dated May 8, 2026, which the Special Committee received from Plutus Consulting (the “Stock Valuation Report (Plutus Consulting)”), and a fairness opinion stating that the Tender Offer Price of 6,650 yen per share is fair from a financial perspective to the general shareholders of the Company (hereinafter referred to as the “Fairness Opinion (Plutus Consulting)”) (for outlines of the Stock Valuation Report (Plutus Consulting) and the Fairness Opinion (Plutus Consulting), please refer to “(e) Acquisition of Stock Valuation Report and Fairness Opinion by Special Committee from Independent Third-Party Valuation Organization” in “(3) Measures to Ensure Fairness of the Tender Offer” below).

(iii) Details of Decision

Given the above background, at the Company’s board of directors’ meeting held today, the Company carefully discussed and considered whether the Transaction, including the Tender Offer, contributes to enhancing the Company’s corporate value, and whether the terms and conditions of the Transaction, including the Tender Offer Price, are appropriate. The Company did so by fully respecting the details of the judgment of the Special Committee indicated in the Report, while taking into account the legal advice received from Oh-Ebashi, the advice from a financial perspective received from Daiwa Securities, and the contents of the stock valuation report on the Company Shares dated May 8, 2026, received from Daiwa Securities (“Stock Valuation Report (Daiwa Securities)”), as well as the legal advice received from Anderson Mori & Tomotsune through the Special Committee, and the contents of the Stock Valuation Report (Plutus Consulting) and the Fairness Opinion (Plutus Consulting) received from Plutus Consulting.

As a result, as stated below, the Company also came to the conclusion that taking the Company private through the Transaction, including the Tender Offer by the Tender Offeror, contributes to enhancing the Company’s corporate value. Under its long-term vision and the Company’s Medium-Term Management Plan anticipating future environmental changes, the Company has steadily progressed with developing the foundation for deepening its existing businesses and expanding the areas where it provides value. However, the Company believes that it is necessary to further accelerate these initiatives in order to expand into broader business fields in the future. Above all, the Company considers that supplementing and strengthening operational expertise in areas different from the past, as well as data infrastructure and functions that contribute to the optimization of the entire supply chain from production to sales, is an important issue in executing its strategies.

Recognizing these issues, the Company received a proposal from the Tender Offeror Group and proceeded with

consideration by focusing on the relationship with its business. The Tender Offeror Group positions the prescription pharmaceutical wholesale business and the cosmetics, daily necessities, and OTC pharmaceutical wholesale business handled by the Company as its foundational businesses. In addition, the Tender Offeror Group possesses functions such as a medical coordination network, testing services, digital services, and wholesale of food processing raw materials, and is promoting the expansion of its business fields utilizing these functions. In this way, the direction of expanding functions and areas of provision originating from the existing distribution infrastructure is aligned with the Company's long-term vision. The Tender Offeror Group is strengthening its unique business foundations, networks, data, human resources, and know-how in areas different from those of the Company, such as medical care, in line with this direction. Based on the above, the Company believes that in its future business development, utilizing these resources possessed by the Tender Offeror Group integrally and dynamically with the Company's foundation is effective in increasing the feasibility of the Company's strategies and expanding their effects.

On the other hand, under the current structure premised on a parent-subsidary double listing, it is necessary to give consideration to the interests of general shareholders. As a result, the Company recognizes that there are certain constraints on the cross-functional utilization of data, human resources, and know-how, as well as the integrated promotion of medium- to long-term measures, and that there are structural limits in executing the above measures at a sufficient speed and scope.

From this perspective, the Transaction contributes to further accelerating the transformation that the Company has been aiming for and expanding the scope of its development by integrally utilizing the management resources of both the Company and the Tender Offeror Group. The Company has judged that the realization of synergies contributing to the enhancement of corporate value in the medium to long term is expected, particularly in the following points.

I. Strengthening Solution Provision Capabilities through Advanced Understanding of Demand Originating from Consumers

In order for the Company to contribute more broadly to the optimization of the entire supply chain, including retailers and manufacturers who are business partners, through the provision of functions based on distribution data, it is not enough to merely grasp demand that has already materialized as an accumulation of sales results. The Company recognizes that it is important to enhance the ability to grasp changes in consumer behavior and demand, including the underlying lifestyle issues, regional characteristics, and how demand spreads.

In particular, regarding health-related demand, against the backdrop of the progression of an aging population and other factors, the focal point of medical and nursing care is shifting from inside hospitals to communities and homes. As the need to support the entire spectrum from prevention and pre-symptomatic conditions to the maintenance of daily functioning as a whole society increases, the tendency for demand to manifest across multiple categories, such as OTC pharmaceuticals, health/hygiene-related products, and food products, is becoming stronger.

Based on this recognition, through the Transaction, by combining the contact points with medical institutions and dispensing pharmacies, etc. possessed by the Tender Offeror Group, and the information and expertise obtained from prevention/testing-related services and the utilization of digital technology, with the Company's distribution data, the Company believes it will become possible to structurally grasp changes in health-related demand, including the signs thereof, the underlying lifestyle issues, regional differences, and the status of demand manifestation across multiple categories, from the stage before they materialize as sales results.

As a result, it will become possible to make proposals to retailers, who are sales destinations, regarding sales floor design and inventory placement, etc. centered on demand themes rather than on a single-item basis, more promptly and accurately than ever before. Furthermore, to manufacturers, who are suppliers, it will become possible to provide signs of changes in demand and the background thereto as information that can be utilized to improve the accuracy of product

planning, product development, and production planning. Consequently, the Company believes that it will be likely that products tailored to the region and lifestyle issues will be appropriately provided to consumers at the necessary timing, and the quality of value that can actually be selected and used in daily life can be improved.

Based on this advanced understanding of demand, the Company believes that it can create new revenue opportunities and improve profitability by providing solutions that support decision-making from an earlier stage in the supply chain from production to consumers.

II. Expansion of Value Provision Areas through Advanced Logistics Models

As environmental constraints surrounding logistics intensify, the Company views designing the nature of processing, storage, and sorting at logistics centers and the prior and subsequent transport, delivery, and supply operations according to required standards, while premised on products with varying handling conditions and supply requirements, and supplying them sustainably as an important issue for the future.

Under this awareness of issues, the Company is currently proceeding with the design and verification of logistics centers with productivity clearly distinct from conventional ones, based on its long-term vision and the Company's Medium-Term Management Plan, and is also building a logistics network through collaboration across industries and customs, including joint delivery.

Through the Transaction, the Company expects to build a structure that can flexibly design and operate logistics models corresponding to the standards required for different products and supply conditions, rather than simply combining daily necessities logistics and pharmaceutical logistics. This will be achieved by combining and developing the Company's expertise in highly efficient logistics operations premised on a wide variety of products, the Tender Offeror Group's expertise in highly efficient logistics operations premised on strict supply requirements, and the expertise in facility design and operation premised on automation that both companies have accumulated in their respective areas.

As a result, it is expected to become possible to design base locations, delivery frequencies, and automation levels according to the characteristics of handled products more precisely than before, and to advance the effective utilization of management resources, including the joint use of bases, facilities, and IT, etc., as well as the optimal allocation of human resources, thereby improving capital efficiency in terms of logistics functions.

Furthermore, based on these results, the Company believes that it will lead to the creation of new revenue opportunities by extending its logistics functions not only to providing functions in intermediate distribution but also to the logistics areas individually built and operated by each business operator, such as manufacturers' logistics and retailers' logistics, and by expanding support to different product areas such as food products.

III. Practice of Data Collaboration Across Different Areas and Acquisition of Expertise

In order for the Company to advance the provision of distribution solutions utilizing data and expand into new business areas, data collaboration with diverse companies in the supply chain is necessary. The Company recognizes that in doing so, in addition to utilizing data accumulated in its own areas, it is important to establish a state where data from areas with different definitions, evaluation indicators, and prerequisites for judgment can be connected, analyzed, and utilized cross-functionally.

Through the Transaction, the Company expects to acquire expertise in connecting and utilizing different data systems alongside the Tender Offeror Group, through practical application both in terms of business practices, such as organizing and standardizing definitions and evaluation indicators for data relating to demand understanding and logistics operations, and in technical aspects, such as data format conversion and inter-system connection design.

This will enable the Company to develop an information infrastructure that supports the advanced demand understanding

mentioned in I. above and the advanced logistics models mentioned in II. above, while minimizing the burden of system investment and the construction of operational systems that would be required if the Company were to build an equivalent infrastructure independently. Furthermore, the Company believes it will acquire expertise that can be applied to collaboration with companies other than the Tender Offeror Group.

IV. Strengthening the Human Resource Foundation to Support Execution of Transformation

Based on the recognition that human resources are the source of value creation and the most important asset, the Company positions the independent and spontaneous active participation of diverse human resources as a prerequisite for realizing its long-term vision. To execute the expansion of the value provision areas intended by the Company, it is necessary to form a pool of human resources who possess experience and expertise beyond the existing business areas and who can consistently handle everything from business planning to operations.

Triggered by the Transaction, the Company and the Tender Offeror Group expect to promote joint operations beyond functional and corporate boundaries, focusing on priority areas such as understanding demand and advancing logistics models. This will expand the opportunities for the Company's human resources to participate in setting tasks, making decisions, and implementing solutions across multiple areas.

As a result, in addition to broadening the experience and careers of individuals, the Company expects that a robust talent pool capable of adapting external information and functions to their own business operations while considering different constraints and business requirements will be formed as an organization. The Company believes that such a solid pool of human resources will enhance the continuity of transformation and the reproducibility of results, contributing to the enhancement of corporate value over the medium to long term.

On the other hand, general disadvantages associated with delisting may include the inability to procure funds from capital markets, and possible effects on the name recognition, creditworthiness, and securing of human resources that the Company has enjoyed as a listed company. However, considering the Company's current financial condition, etc., the necessity of procuring funds through equity financing is not expected for the time being, and the Company believes it has built relationships of trust with many stakeholders, including employees and business partners, through its long-standing business and social activities. In addition, taking into account the social credibility and recognition possessed by the Tender Offeror, even if the Company becomes a wholly owned subsidiary of the Tender Offeror, it is unlikely to have a negative impact on the Company's social credibility or recruitment activities compared to its current status as a listed company. Therefore, the Company considers that the disadvantages of going private through the Transaction are limited. Furthermore, if the Transaction is implemented, the capital relationship with existing shareholders other than the Tender Offeror will be dissolved. However, given that even at present, transactions with such existing shareholders are conducted on an arm's-length basis where applicable, the Company believes that concerns about a decrease in transactions with existing shareholders are limited.

Furthermore, based on the following points, the Company determined that the Tender Offer Price and other terms and conditions relating to the Tender Offer are appropriate, and that the Tender Offer provides an opportunity for the shareholders of the Company to sell the Company Shares at a price with a reasonable premium and under reasonable terms and conditions.

- (a) According to the stock valuation results regarding the Company Shares conducted by Daiwa Securities, as described in "(b) Acquisition of Stock Valuation Report by the Company from Independent Third-party Valuation Organization" under "(3) Measures to Ensure Fairness of the Tender Offer" below, the results of the share valuation of the Company Shares by Daiwa Securities indicate that the valuation exceeds the upper end of the

ranges calculated by the market share price method and the comparable company method, and exceeds the median of the range calculated by the discounted cash flow method (the “DCF Method”).

- (b) As described in “(e) Acquisition of Stock Valuation Report and Fairness Opinion by Special Committee from Independent Third-Party Valuation Organization” under “(3) Measures to Ensure Fairness of the Tender Offer” below, according to the stock valuation results regarding the Company Shares conducted by Plutus Consulting in the Stock Valuation Report (Plutus Consulting), the results of the share valuation of the Company Shares by Plutus Consulting indicate that the valuation exceeds the upper end of the ranges calculated by the market share price method and the comparable company method, and exceeds the median of the range calculated by the DCF Method. In addition, the Special Committee has acquired from Plutus Consulting the Fairness Opinion (Plutus Consulting) stating that the Tender Offer Price of 6,650 yen per share is fair from a financial perspective to the general shareholders of the Company.
- (c) The Tender Offer Price of 6,650 yen includes a premium of 42.73% over 4,659 yen, the closing price of the Company Shares on the Prime Market of the TSE on May 8, 2026, the business day immediately preceding the date of announcement of the Tender Offer; a premium of 42.12% over 4,679 yen, the simple average closing price for the past one month up to the same day (from April 9, 2026 to May 8, 2026); a premium of 38.95% over 4,786 yen, the simple average closing price for the past three months up to the same day (from February 9, 2026 to May 8, 2026); and a premium of 38.80% over 4,791 yen, the simple average closing price for the past six months up to the same day (from November 10, 2025 to May 8, 2026). With respect to the premium levels of the Tender Offer Price, among 18 precedent transactions (the “Reference Transactions”), consisting of tender offers conducted by parent companies for the purpose of acquiring all shares of listed subsidiaries in Japan with a market capitalization of at least 100 billion yen and a price-to-book ratio of at least 1x that were completed between June 28, 2019 (the date on which the Ministry of Economy, Trade and Industry published the “Fair M&A Guidelines”) and March 11, 2026 (excluding transactions in which the market price significantly increased or fluctuated due to speculation or media reports, and two-step tender offer transactions), the average premium rates were 33.45% based on the closing price on the business day immediately preceding the announcement date, 35.60% based on the one-month simple average of closing prices prior to the announcement, 37.19% based on the three-month simple average, and 38.24% based on the six-month simple average. The median premium rates were 25.97%, 31.58%, 34.09%, and 36.59%, respectively. Accordingly, the Tender Offer Price is considered to provide a premium comparable to those observed in the Reference Transactions.
- (d) In light of the Company’s long-term stock price trends, the price is equal to the highest closing price of the Company Shares (closing price on June 6, 2018) over the period since listing.
- (e) Measures to ensure the fairness of the Tender Offer as described in “(3) Measures to Ensure Fairness of the Tender Offer” below have been implemented, and it is recognized that the interests of general shareholders are secured.
- (f) The Tender Offer Price is a price raised from 5,650 yen, the initial proposal price from the Tender Offeror, as a result of the Company conducting sincere negotiations with the Tender Offeror with substantial involvement of the Special Committee, which is independent from the Company Group and the Tender Offeror Group, after sufficiently implementing measures to ensure the fairness of the terms and conditions relating to the Transaction, including the Tender Offer Price, as described in “(3) Measures to Ensure Fairness of the Tender Offer” below.

- (g) In the Report acquired from the Special Committee, which is independent within the Company, as stated in “(c) Establishment of Independent Special Committee by the Company and Acquisition of Report from Special Committee” under “(3) Measures to Ensure Fairness of the Tender Offer” below, it is judged that the fairness and appropriateness of the terms and conditions of the Transaction, including the Tender Offer Price, have been ensured.

Based on the above, at the board of directors’ meeting held today, the Company resolved to express its opinion in support of the Tender Offer and to recommend that the Company’s shareholders tender their shares in the Tender Offer.

For the method of the resolution at the Company’s board of directors’ meeting above, please refer to “(h) Approval of All Disinterested Directors of the Company and No Objection Opinion of All Disinterested Audit and Supervisory Board Members” under “(3) Measures to Ensure Fairness of the Tender Offer” below.

(3) Measures to Ensure Fairness of the Tender Offer

In light of the fact that the Tender Offeror is the controlling shareholder (parent company) of the Company, and that the Transaction constitutes a transaction that typically involves issues of structural conflicts of interest and information asymmetry between the Tender Offeror and shareholders of the Company other than the Tender Offeror, the Tender Offeror and the Company have implemented the following measures to ensure the fairness of the Tender Offer and avoid conflicts of interest.

Of the descriptions below, those regarding the measures, etc. implemented by the Tender Offeror are based on explanations received from the Tender Offeror.

As stated in “(1) Outline of the Tender Offer” under “(2) Basis and Reasons for the Opinion” above, as of today, the Tender Offeror owns 31,853,485 Company Shares (ownership ratio: 52.40%). Therefore, the Tender Offeror explained that if it sets a minimum number of shares to be purchased based on the so-called “majority of minority” requirement in the Tender Offer, this could make completion of the Tender Offer uncertain and, conversely, may not serve the interests of the Company’s general shareholders who wish to tender their shares in the Tender Offer. For this reason, the Tender Offeror has not set a minimum number of shares to be purchased based on the so-called “majority of minority” requirement in the Tender Offer. However, since the Tender Offeror and the Company have implemented the following measures, the Tender Offeror and the Company believe that due consideration has been given to the interests of the Company’s general shareholders.

- (a) Acquisition of Stock Valuation Report by the Tender Offeror from Independent Third-party Valuation Organization

In determining the Tender Offer Price, in order to ensure the fairness of the Tender Offer Price, the Tender Offeror states that it requested that Nomura Securities, its financial advisor, as a third-party valuation organization independent from the Tender Offeror and the Company, evaluate the value of the Company shares.

After considering multiple stock valuation methods and examining which valuation methods should be adopted for the valuation of the Company Shares, Nomura Securities conducted a valuation of the Company’s share value using the following valuation methods: the average market share price method, as the market share price exists; the comparable company method, as there are multiple listed companies comparable to the Company and it is possible to analogize the share value of the Company Shares by comparison with that of similar companies; and the discounted cash flow method (the “DCF Method”), in

order to reflect the status of future business activities in the valuation, and the Tender Offeror obtained from Nomura Securities a stock valuation report dated May 8, 2026 (the “Tender Offeror Stock Valuation Report”) (Note).

According to the Tender Offeror, Nomura Securities is not a related party of the Tender Offeror or the Company and has no material interest in the Tender Offer. Furthermore, by comprehensively considering the factors stated in “(3) Measures to Ensure Fairness of the Tender Offer,” the Tender Offeror believes that due consideration has been given to the interests of the Company’s general shareholders. Therefore, the Tender Offeror states that it has not obtained an opinion concerning the fairness of the Tender Offer Price (a fairness opinion) from Nomura Securities.

According to the Tender Offeror, the ranges of the value per share of the Company Shares evaluated by Nomura Securities using each of the above methods are as follows:

Average market share price method:	4,658 yen to 4,791 yen
Comparable company method:	2,877 yen to 5,009 yen
DCF Method:	5,102 yen to 8,056 yen

Under the average market share price method, by setting the reference date as May 8, 2026, the range of the per-share value of the Company Shares was calculated to be 4,658 yen to 4,791 yen based on: 4,659 yen, which was the closing price of the Company Shares on the Prime Market of the TSE as of the reference date; 4,658 yen, which was the simple average closing price for the latest five business days; 4,679 yen, which was the simple average closing price for the latest one-month period; 4,786 yen, which was the simple average closing price for the latest three-month period; and 4,791 yen, which was the simple average closing price for the latest six-month period.

Under the comparable company method, the share value of the Company was calculated by comparison with the market prices and financial indicators showing profitability of listed companies that engage in businesses similar to those of the Company, and the range of the per-share value of the Company Shares was calculated to be 2,877 yen to 5,009 yen.

Under the DCF Method, based on the future earnings forecasts for the Company in and after the fiscal year ending March 2027 that considered various factors, including the earnings and investment plans in the business plan for the four fiscal years from the fiscal year ending March 2027 to the fiscal year ending March 2030 received from the Company and provided to Nomura Securities after confirmation by the Tender Offeror (the business plan received from the Company does not include free cash flow) (the “Business Plan”), recent trends in the business performance, as well as publicly available information, etc., the corporate value and the share value of the Company were analyzed and evaluated by discounting the free cash flow expected to be generated by the Company in the future back to the present value using a certain discount rate; and the range of the per-share value of the Company Shares was calculated to be 5,102 yen to 8,056 yen. With respect to the numerical figures of the Company’s financial forecasts set forth in the Business Plan on which Nomura Securities’ valuation of the share value was based, fiscal years in which a significant increase or decrease in profits is expected are not included, but fiscal years in which a significant increase or decrease in free cash flow is expected are included. Specifically, for each of the fiscal years ending March 2027 through March 2029, the Company expects a significant year-on-year increase or decrease in free cash flow, primarily due to increases and decreases in capital expenditures for purposes, such as establishment of new facilities. The Business Plan is not premised on the Transaction being implemented and does not reflect the synergies expected to be realized through implementation of the Transaction because it is difficult to specifically estimate those synergies at present. Comprehensively considering the valuation results of the Company’s share value in the Tender Offeror Stock Valuation Report obtained from Nomura Securities, the results of the due diligence, whether the Company’s board of directors should support the Tender Offer, and the forecast for tendering shares in the Tender Offer, etc., based on the results of discussions and negotiations with the Company, the

Tender Offeror states that it ultimately decided to set the Tender Offer Price at 6,650 yen pursuant to a resolution by the board of directors held on May 11, 2026.

According to the Tender Offeror, the Tender Offer Price of 6,650 yen is the price obtained by adding a premium of 42.73% over 4,659 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on May 8, 2026, the business day immediately preceding the date of announcement regarding implementation of the Tender Offer, 42.12% over 4,679 yen, which was the simple average closing price for the past one month, 38.95% over 4,786 yen, which was the simple average closing price for the past three months, and 38.80% over 4,791 yen, which was the simple average closing price for the past six months, respectively.

(Note) According to the Tender Offeror, in evaluating, Nomura Securities has assumed, without independent verification, the accuracy and completeness of information that was publicly available or supplied to it. The Tender Offeror states that Nomura Securities has not made any independent valuation, appraisal, or assessment of the assets or liabilities (including financial derivatives, off-balance-sheet assets and liabilities, and other contingent liabilities) of the Company and its related companies, including analysis and valuation of individual assets and liabilities, nor has Nomura Securities requested an appraisal or assessment from any third-party organization. With respect to the financial projections (including the profit plan and other information) of the Company, Nomura Securities has assumed that they have been reasonably examined or prepared by the management team of the Tender Offeror based on the best and faithful projections and judgments available at present, according to the Tender Offeror. According to the Tender Offeror, the valuation by Nomura Securities reflects information and economic conditions that it obtained by May 8, 2026. The aim of Nomura Securities' valuation is only to contribute to examination by the board of directors of the Tender Offeror of the Company's share value as a reference.

(b) Acquisition of Stock Valuation Report by the Company from Independent Third-party Valuation Organization

(i) Name of the Valuation Organization and its Relationship with the Company and the Tender Offeror

In expressing its opinion regarding the Tender Offer, the Company requested Daiwa Securities, a financial advisor and third-party valuation organization independent from the Tender Offeror Group and the Company Group, to evaluate the value of the Company's share, and obtained the Stock Valuation Report (Daiwa Securities) dated May 8, 2026. Daiwa Securities is not a related party of the Tender Offeror Group or the Company Group, and has no material interest required to be disclosed in the Transaction, including the Tender Offer. Also, as described in "(3) Measures to Ensure Fairness of the Tender Offer," the Tender Offeror and the Company have implemented measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest; therefore, the Company has not obtained an opinion regarding the fairness of the Tender Offer Price (a fairness opinion) from Daiwa Securities.

The compensation for Daiwa Securities includes a contingency fee that is payable subject to the completion, etc. of the Transaction. However, the Company appointed Daiwa Securities as its financial advisor and third-party valuation organization under the above compensation structure, taking into account general business practices in similar transactions. In addition, the Special Committee approved Daiwa Securities as the Company's financial advisor at its first meeting held on December 22, 2025, after confirming that there were no issues regarding its independence, expertise, and experience.

(ii) Outline of Valuation Regarding the Company Shares

After examining valuation methods to be applied to value the Company Shares among multiple valuation methods,

Daiwa Securities calculated the share value per Company Share based on the idea that it is appropriate to evaluate the value of the Company Shares from multiple perspectives under the premise that the Company is a going concern, using: the market price method to take into account the trends of the Company's market share price; the comparable company method because there are multiple listed companies comparable to the Company, allowing for an estimation of the share value of the Company Shares through comparison with similar companies; and the DCF Method to reflect the content of the Company's performance and forecasts, etc., in the valuation. The Company acquired the Stock Valuation Report (Daiwa Securities) from Daiwa Securities on May 8, 2026.

The ranges of the share value per Company Share calculated using each of the above methods are as follows.

Market price method:	4,659 yen to 4,791 yen
Comparable company method:	4,241 yen to 5,535 yen
DCF Method:	4,950 yen to 6,776 yen

The Business Plan used as a premise by Daiwa Securities to calculate the Company's share value was formulated by a team consisting of the Company's directors and employees who have no conflict of interest with the Tender Offeror for the purpose of considering the Transaction (specifically, the team consists of a total of 10 members: one director of the Company (Mr. Masaharu Shimada), three executive officers, and six other employees), and was subsequently approved after review by the Special Committee. The Company usually formulates a medium-term management plan covering three fiscal years. However, due to the shift to recent inflation, changes in terms and conditions with business partners have occurred, exceeding the assumption that such changes would be temporary, and it was determined that it is difficult to fully incorporate the impact over three years. In addition, in order to reflect the effects of large-scale investments to be implemented from the fiscal year ending March 2027 to the fiscal year ending March 2030, the target period has been extended by one term, and the period up to the fiscal year ending March 2030 is set as the target period for the Business Plan.

Also, the operating profit plan figure (25.3 billion yen) for the fiscal year ending March 2027 in the Business Plan is lower than the operating profit target figure (30.0 billion yen) for the fiscal year ending March 2027 in the Company's Medium-Term Management Plan announced by the Company on May 13, 2024.

This is due to the fact that, taking into account the nature of the planned figures in the Company's Medium-Term Management Plan as quantitative target figures, when formulating the Business Plan that serves as the premise for valuation, the Company incorporated changes in the business environment and business performance trends from the time the Company's Medium-Term Management Plan was formulated up to the most recent period, as described below. The Company determined that it is more appropriate to examine the appropriateness of the Tender Offer Price after calculating the Company's corporate value based on a plan based on the latest and best estimates of the Company's management, and therefore adopted figures different from the quantitative target figures in the Company's Medium-Term Management Plan.

Namely, regarding changes in the business environment, consumer sentiment has declined due to inflation, and the growth in the volume of products handled by the Company has been limited. Additionally, integration among major retailers, which are the Company's sales destinations, has progressed significantly, and transaction conditions have changed to become more severe for the Company. The Company recognizes that due to the progress of integration among these companies, the bargaining power of business partners has relatively strengthened, and pressure to change transaction conditions is further increasing across the industry to which the Company belongs. Furthermore, recent rises in unit labor costs and rises in delivery unit costs associated with revisions to the Labor Standards Act in the logistics industry are both at levels exceeding expectations.

For the fiscal year ended March 2026, operating profit was approximately 2.5 billion yen lower than the operating profit

in the earnings forecast stated in the Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 <under Japanese GAAP> announced on May 12, 2025. This was mainly due to the impact of changes in transaction terms and conditions with sales destinations determined in the latter half of the fiscal year ended March 2026. Other complex factors for the increase in selling, general and administrative expenses included higher-than-expected delivery costs due to the expansion of transactions with sales destinations and rises in delivery unit costs, a decline in shipping productivity at the Company's logistics bases due to an increase in the number of stores of retailers while shipping volumes were sluggish, rising unit costs for in-warehouse labor against the backdrop of serious labor shortages, and expanded use of external warehouses.

For the fiscal year ending March 2027, the Company expects to partially recover from the above factors that pushed down the Company's performance in the fiscal year ended March 2026 through improvement initiatives. However, the rise in unit labor costs and delivery unit costs is strongly driven by changes in the external environment and will not be completely resolved, and the Company determined that its impact will continue to a certain extent. In addition, regarding the change in transaction terms and conditions with sales destinations decided in the latter half of the fiscal year ended March 2026, it is reasonably expected to have an impact throughout the year, so such assumption has been made.

Furthermore, in the fiscal year ending March 2027, a review of transactions is scheduled accompanying a change in the management policy of sales destinations, and the resulting decrease in sales and profit is incorporated into the Business Plan.

On the other hand, the sales revenue in the Business Plan is expected to exceed the level of sales revenue for the fiscal year ending March 2027 in the Company's Medium-Term Management Plan, reflecting the rise in unit prices of handled products, etc. associated with inflation.

And for the fiscal year ending March 2028 and beyond in the Business Plan, as a reasonable assumption, structural trends that push down the Company's performance, such as a review of transaction terms by major business partners, rising personnel expenses against the backdrop of labor shortages given the recent inflationary environment, and rising charter fees, will continue. However, the Business Plan also reflects improvements in profitability through higher value-added commercial products and expected certain productivity improvements.

Because it is difficult at this time to specifically estimate the synergetic effects expected to be realized by the execution of the Transaction, they are not taken into account in the Business Plan.

Under the market price method, using May 8, 2026 as the base date, the range of value per Company Share was calculated to be from 4,659 yen to 4,791 yen based on the closing price of the Company Shares on the Prime Market of the TSE on the base date of 4,659 yen, the simple average closing price for the most recent one month (from April 9, 2026 to May 8, 2026) of 4,679 yen, the simple average closing price for the most recent three months (from February 9, 2026 to May 8, 2026) of 4,786 yen, and the simple average closing price for the most recent six months (from November 10, 2025 to May 8, 2026) of 4,791 yen.

Under the comparable company method, MEDIPAL HOLDINGS CORPORATION, ARATA CORPORATION, Alfresa Holdings Corporation, SUZUKEN CO., LTD., TOHO HOLDINGS CO., LTD., VITAL KSK HOLDINGS, INC., and OHKI HEALTHCARE HOLDINGS CO., LTD., were selected as listed peer companies determined to be similar to the Company. Then, the value was calculated using the multiple of corporate value to EBITDA, and the range of value per Company Share was calculated to be from 4,241 yen to 5,535 yen.

Under the DCF Method, based on the Business Plan, and on the premise of various factors such as earnings and investment plans in the Business Plan, and publicly available information, the Company's corporate value and share value were analyzed by discounting the free cash flow expected to be generated by the Company from the fiscal year ending March 2027 onward to present value at a certain discount rate. The range of value per Company Share was calculated to be from 4,950 yen to 6,776 yen. The weighted average cost of capital was used as the discount rate, adopting 7.4% to 8.4%, calculated considering the Company's scale and including a size risk premium. In calculating the going concern

value, a multiple model and a constant growth model were adopted. Under the multiple model, similar companies were selected in the same way as in the comparable company method, and the Company's going concern value was calculated to be 245.1 billion yen to 324.2 billion yen, assuming the multiple of corporate value to EBITDA to be 6.2 times to 8.2 times. Under the constant growth model, the perpetual growth rate was set at 0.50% to 1.50%, based on domestic and international inflation rates and the growth rate of the industry to which the Company belongs, and the Company's going concern value was calculated to be 280.2 billion yen to 377.4 billion yen. Additionally, as non-business assets, surplus cash and deposits obtained by deducting business cash and deposits estimated by comprehensively considering the Company's past cash flow records, etc., as well as investment securities, etc. were added. Moreover, the going concern value was calculated under the premise of deducting the one-time expenses for the new logistics center scheduled to commence operation in the fiscal year ending March 2030.

The Business Plan used by Daiwa Securities for the DCF analysis does not include fiscal years in which significant increases or decreases in profits are expected, but includes fiscal years in which significant increases or decreases in free cash flow are expected. Specifically, for the fiscal year ending March 2027, a significant decrease in free cash flow is expected due to the commencement of capital expenditures for the establishment of a new logistics center. Furthermore, for the fiscal year ending March 2028, a further significant decrease in free cash flow is anticipated as capital expenditures related to the new logistics center are expected to increase. In contrast, for the fiscal year ending March 2029, a significant increase in free cash flow is projected as capital expenditures are expected to decline compared to the fiscal year ending March 2028.

The figures of the Company's Business Plan used as a premise for the calculation under the DCF Method are as follows.

(Millions of yen)

	Fiscal Year Ending March 2027	Fiscal Year Ending March 2028	Fiscal Year Ending March 2029	Fiscal Year Ending March 2030
Sales revenue	1,281,987	1,327,235	1,374,686	1,423,124
Operating profit	25,303	27,160	29,774	30,698
EBITDA	31,903	33,560	36,174	39,098
Free cash flow	11,053	5,529	17,990	18,394

(c) Establishment of Independent Special Committee by the Company and Acquisition of Report from Special Committee

(i) Background of Establishment, etc.

As stated in “(d) Decision-making Process of the Company's Board of Directors” under “(2) Basis and Reasons for the Opinion” above, the Company established the Special Committee by a resolution at the board of directors' meeting held on December 22, 2025. Prior to the establishment of the Special Committee, in order to construct a framework to consider, negotiate, and make judgments concerning the Transaction from a standpoint independent of the Tender Offeror Group, from the perspective of enhancing the Company's corporate value and securing the interests of the Company's general shareholders, the Company obtained legal advice from Oh-Ebashi. On December 11, 2025, the Company explained to its outside directors and outside audit and supervisory board members who have no conflict of interest with the Tender Offeror Group that the Company had received a Letter of Intent from the Tender Offeror on December 9, 2025, stating its intention to commence consideration and discussions toward implementing the Transaction. The Company also explained that in conducting consideration and negotiations, etc., concerning the Transaction, it was necessary to sufficiently implement measures to ensure the fairness of the terms and conditions relating to the Transaction, including

the establishment of the Special Committee. At the same time, the Company verified the independence and qualifications, etc., of the Company's outside directors and outside audit and supervisory board members who were candidates for the members of the Special Committee, with the advice of Oh-Ebashi. The Company also verified their independence from the Tender Offeror Group and independence with respect to the success or failure of the Transaction. After consultation among the Company's outside directors and outside audit and supervisory board members with the advice of Oh-Ebashi, it was confirmed that there were no objections. The Company selected three candidates to constitute the Special Committee: Mr. Ichiro Yoshitake (Independent Outside Director of the Company, Outside Director of Unicafe Inc.), Ms. Kaori Oishi (Independent Outside Director of the Company, Outside Director and an Audit and Supervisory Committee Member of Towa Pharmaceutical Co., Ltd., Outside Director of ESLEAD CORPORATION, Partner of Kitahama Partners, Attorney), and Ms. Kyoko Hikita (Independent Outside Audit and Supervisory Board Member of the Company, Outside Audit and Supervisory Board Member of AOYAMA TRADING Co., Ltd., Outside Director and an Audit and Supervisory Committee Member of UNISOL Holdings Corporation., President of Hikita CPA Office, Certified Public Accountant), in order to form a Special Committee of an appropriate size while ensuring a balance of knowledge, experience, and ability as a whole. Note that the Company has established a standing special committee as an advisory body to the board of directors, composed of all independent outside directors and independent outside audit & supervisory board members, for the purpose of appropriately monitoring and supervising conflicts of interest with controlling shareholders, etc. and enhancing corporate governance. The aforementioned three candidates were selected from among the members of the committee. The Company has seven independent outside directors and three independent outside audit & supervisory board members. However, if all independent outside directors and independent outside audit & supervisory board members were appointed as members of the Special Committee, the possibility of impairing the agility and efficiency of deliberations and negotiations regarding the Transaction could not be ruled out, and the Company was concerned that this in turn could run counter to the interests of general shareholders. On the other hand, the Company believed that forming the Special Committee with Mr. Ichiro Yoshitake, Ms. Kaori Oishi, and Ms. Kyoko Hikita, in light of their backgrounds and expertise among those of the Company's independent outside officers, would ensure necessary and sufficient experience and knowledge for consideration and negotiations regarding the Transaction from the perspectives of corporate management, legal affairs and risk management, and finance and financial affairs, while enabling agile and efficient consideration and negotiations regarding the Transaction. Accordingly, the Company selected Mr. Ichiro Yoshitake, Ms. Kaori Oishi, and Ms. Kyoko Hikita as members of the Special Committee.

Based on the above, as stated in "(d) Decision-making Process of the Company's Board of Directors" under "(2) Basis and Reasons for the Opinion" above, the Company established the Special Committee composed of the three candidates mentioned above by a resolution at the board of directors' meeting on December 22, 2025 (Mr. Ichiro Yoshitake, an independent outside director of the Company, assumed the position of chairperson, and the members of the Special Committee have not changed since its establishment). The Company submitted the Advisory Matters to the Special Committee. Furthermore, upon the establishment of the Special Committee, the Company's board of directors resolved that it would make a decision regarding the Transaction by respecting the determinations of the Special Committee to the maximum extent, and that if the Special Committee judged that the terms and conditions of the Transaction were not fair, the Company's board of directors would not support the Transaction. In addition, the Company's board of directors resolved to grant the Special Committee the authority to: (i) receive information necessary to consider and make decisions on the Transaction from the Company's officers and employees (including the authority to require attendance at Special Committee meetings); (ii) be substantially involved in the terms and conditions and the negotiation process of the Transaction (including stating opinions, giving instructions or making requests to the Company, and the Special Committee independently negotiating with the prospective purchaser); (iii) approve (including ratifying) the external professional advisors appointed by the Company; (iv) seek advice from the Company's external professional advisors at the Company's expense; (v) appoint its own external professional advisors and seek their advice, if necessary, at the

Company's expense; and (vi) exercise authority regarding matters that the Special Committee deems necessary for considering and making decisions on the Transaction, such as the approval of persons assisting the duties of the Special Committee. In making the resolution, the board of directors, including the relevant outside officers who are members of the Company's permanent Special Committee, agreed to respect the judgment of the Special Committee to the maximum extent regarding the Advisory Matters, and therefore resolved not to consult the permanent Special Committee regarding the Transaction in addition to the Special Committee.

At the Company's board of directors' meeting mentioned above, in light of the facts including that, out of the 13 directors of the Company, Mr. Takuya Yoshida and Mr. Yuji Sakon currently concurrently serve as directors of the Tender Offeror, and Mr. Seiichi Kasutani previously served as a director of the Tender Offeror, in order to eliminate the possibility that the deliberations and resolutions at the Company's board of directors' meeting would be affected by the structural conflict of interest issue and the information asymmetry issue in the Transaction, the 10 directors excluding Mr. Takuya Yoshida, Mr. Yuji Sakon, and Mr. Seiichi Kasutani deliberated and unanimously passed the above resolution.

In addition, among the Company's directors, Mr. Takuya Yoshida, Mr. Yuji Sakon, and Mr. Seiichi Kasutani have not participated in the deliberations and resolutions of the board of directors concerning the Transaction, including the above board of directors' meeting, nor have they participated in discussions and negotiations regarding the Transaction on behalf of the Company. This is to eliminate the possibility of being affected by these issues, given that the Transaction typically involves structural conflicts of interest and information asymmetry.

The members of the Special Committee are to be paid a fixed fee as remuneration for their duties, regardless of the success or failure of the Transaction.

(ii) Background of Review

The Special Committee held a total of 17 meetings between December 22, 2025 and May 8, 2026, and also performed its duties relating to the Advisory Matters by receiving reports, sharing information, deliberating, and making decisions via email, etc. as necessary between meeting dates. Specifically, after considering independence, expertise, and experience, the Special Committee decided on January 20, 2026, to appoint Anderson Mori & Tomotsune as its own legal advisor independent from the Tender Offeror Group and the Company Group, and to appoint Plutus Consulting as its own financial advisor and third-party valuation organization independent from the Tender Offeror Group and the Company Group. The Special Committee has confirmed that Anderson Mori & Tomotsune and Plutus Consulting do not fall under related parties of the Tender Offeror Group and the Company Group, have no material interest regarding the Transaction including the Tender Offer, and have no issues with independence in the Transaction.

Additionally, the Special Committee approved the appointment of Daiwa Securities as the Company's financial advisor and third-party valuation organization, and Oh-Ebashi as the Company's legal advisor, after confirming that there were no issues regarding their independence, expertise, and experience.

Furthermore, the Special Committee confirmed and approved that there were no issues from the perspective of independence and fairness regarding the Company's internal consideration framework for the Transaction (including the scope and duties of the Company's officers and employees involved in considering, negotiating, and making decisions regarding the Transaction).

Based on the legal advice received from Anderson Mori & Tomotsune and the opinions heard from Oh-Ebashi, the Special Committee deliberated on the measures to be taken to ensure the fairness of the procedures in the Transaction.

The Special Committee received explanations from the Tender Offeror regarding the background of proposing the Transaction, the significance and purpose of the Transaction, and the management structure, business policies etc. after the implementation of the Transaction, and conducted question-and-answer sessions.

In addition, the Special Committee heard the Company's views and relevant information from the Company regarding the significance and purpose of the Transaction, the impact of the Transaction on the Company's business, and the management structure, business policies etc. after the implementation of the Transaction, and conducted question-and-answer sessions regarding these matters.

Moreover, taking into account the advice from a financial perspective received from Plutus Consulting, the Special Committee received explanations from the Company regarding the contents, material assumptions, and process of preparation of the Business Plan formulated by the Company. After conducting question-and-answer sessions, the Special Committee confirmed and approved the reasonableness of the Business Plan. Furthermore, as stated in "(b) Acquisition of Stock Valuation Report by the Company from Independent Third-party Valuation Organization" above and "(e) Acquisition of Stock Valuation Report and Fairness Opinion by Special Committee from Independent Third-Party Valuation Organization" below, Plutus Consulting and Daiwa Securities calculated the Company's share value based on the Company's Business Plan. The Special Committee received explanations from Plutus Consulting and Daiwa Securities regarding their respective valuation methods, the reasons for adopting those methods, the details of the calculation by each method, and material assumptions. After conducting question-and-answer sessions, deliberation, and consideration, the Special Committee confirmed the reasonableness of these matters. In addition, as described in "(e) Acquisition of Stock Valuation Report and Fairness Opinion by Special Committee from Independent Third-Party Valuation Organization" below, the Special Committee received the Fairness Opinion (Plutus Consulting) from Plutus Consulting dated May 8, 2026. At that time, the Special Committee received an explanation from Plutus Consulting regarding the content and material assumptions of the Fairness Opinion (Plutus Consulting) and confirmed them.

Also, the Special Committee received reports from the Company and its advisors from time to time regarding the Company's negotiations with the Tender Offeror. The Special Committee deliberated and considered the matter based on the advice from a financial perspective from Plutus Consulting and the advice from a legal perspective from Anderson Mori & Tomotsune, and stated necessary opinions on the Company's negotiation strategies as appropriate. Specifically, each time the Company received a proposal from the Tender Offeror regarding the Tender Offer Price, the Special Committee was timely informed by the Company of the progress, details, and other relevant matters of the discussions and negotiations relating to the Tender Offer Price. On a total of ten occasions, the Special Committee expressed its opinion that the Company should request an increase in the Tender Offer Price from the Tender Offeror. Through the Company's negotiations with the Tender Offeror conducted in accordance with such opinions, and other related actions, the Special Committee was substantively involved in the process of discussions and negotiations between the Company and the Tender Offeror.

As a result, on May 7, 2026, the Company received a proposal from the Tender Offeror that included setting the Tender Offer Price at 6,650 yen per share, and ultimately succeeded in raising the Tender Offer Price from 5,650 yen, the initial amount proposed by the Tender Offeror, to 6,650 yen.

Furthermore, the Special Committee received explanations multiple times from Oh-Ebashi regarding the draft of a press release concerning the Tender Offer to be published by the Company. Receiving advice from Anderson Mori & Tomotsune, the Special Committee confirmed that extensive information disclosure is scheduled to be made.

(iii) Details of Decision

Under the circumstances described above, the Special Committee carefully discussed and considered the Advisory Matters taking into account the legal advice from Anderson Mori & Tomotsune, opinions from Oh-Ebashi, advice from a financial perspective from Plutus Consulting and Daiwa Securities, and the contents of the Stock Valuation Report (Plutus Consulting), Stock Valuation Report (Daiwa Securities), and Fairness Opinion (Plutus Consulting) dated May 8, 2026. As a result, on May 9, 2026, the Special Committee submitted the Report to the Company's board of directors with the unanimous consent of all members. For details of the Report, please refer to Attachment 1.

(d) Advice Obtained by Special Committee from Independent Legal Advisor

As described in “(c) Establishment of Independent Special Committee by the Company and Acquisition of Report from Special Committee” above, the Special Committee appointed Anderson Mori & Tomotsune as a legal advisor independent from the Tender Offeror Group and the Company Group, as well as from the success or failure of the Transaction. The Special Committee has received legal advice on measures to be taken to ensure the fairness of the procedures in the Transaction, and on the consideration and deliberation regarding the Advisory Matters by the Special Committee. Anderson Mori & Tomotsune does not fall under related parties of the Tender Offeror Group or the Company Group, and has no material interest concerning the Transaction, including the Tender Offer. The remuneration for Anderson Mori & Tomotsune is calculated by multiplying hours worked by an hourly rate, regardless of the success or failure of the Transaction, and does not include a contingency fee payable subject to the completion of the Transaction.

(e) Acquisition of Stock Valuation Report and Fairness Opinion by Special Committee from Independent Third-Party Valuation Organization

(i) Name of the Valuation Organization and its Relationship with the Company and the Tender Offeror

In considering the Advisory Matters, in order to ensure the appropriateness of the terms and conditions of the Transaction including the Tender Offer Price, the Special Committee requested Plutus Consulting, a financial advisor and third-party valuation organization independent from the Tender Offeror Group and the Company Group, to value the Company's share value and to express an opinion on the fairness of the terms and conditions in the Transaction including the Tender Offer Price from a financial perspective for the general shareholders of the Company. The Special Committee obtained the Stock Valuation Report (Plutus Consulting) and the Fairness Opinion (Plutus Consulting) dated May 8, 2026.

Plutus Consulting does not fall under related parties of the Tender Offeror Group or the Company Group, and has no material interest required to be disclosed concerning the Transaction, including the Tender Offer. The remuneration for Plutus Consulting regarding the Transaction consists only of a fixed fee payable regardless of the success or failure of the Transaction, and does not include a contingency fee payable subject to the completion, etc. of the Transaction including the Tender Offer.

(ii) Outline of Valuation Regarding the Company Shares

After considering multiple valuation methods and examining which valuation methods should be adopted for the valuation of the Company's share value, Plutus Consulting analyzed the share value per Company Share based on the idea that it is appropriate to evaluate the value of the Company Shares from multiple perspectives under the premise that the Company is a going concern, using: the market price method to take into account the trends of the Company's market share price; the comparable company method because there are multiple listed companies comparable to the Company, allowing for an estimation of the share value of the Company Shares through comparison with similar companies; and the DCF Method to reflect the content of the Company's performance and forecasts, etc., in the valuation. The Special Committee obtained the Stock Valuation Report (Plutus Consulting) from Plutus Consulting dated May 8, 2026.

The ranges of the share value per Company Share calculated using each of the above methods are as follows.

Market price method:	4,659 yen to 4,791 yen
Comparable company method:	4,293 yen to 5,476 yen
DCF Method:	4,962 yen to 6,765 yen

Under the market price method, using May 8, 2026 as the base date, the range of share value per Company Share was calculated to be from 4,659 yen to 4,791 yen based on the closing price of the Company Shares on the Prime Market of the TSE on the base date of 4,659 yen, the simple average closing price for the past one month up to the same day of 4,679 yen, the simple average closing price for the past three months up to the same day of 4,786 yen, and the simple average closing price for the past six months up to the same day of 4,791 yen.

Under the comparable company method, MEDIPAL HOLDINGS CORPORATION, Alfresa Holdings Corporation, SUZUKEN CO., LTD., TOHO HOLDINGS CO., LTD., ARATA CORPORATION, VITAL KSK HOLDINGS, INC., OHKI HEALTHCARE HOLDINGS CO., LTD., and DOSHISHA CO., LTD., were selected as listed peer companies determined to be similar to the Company. Then, the value was calculated using the multiples of corporate value to EBITDA, and the range of share value per Company Share was calculated to be from 4,293 yen to 5,476 yen.

Under the DCF Method, based on the Business Plan formulated by the Company, the Company's corporate value and share value were analyzed by discounting the free cash flow expected to be generated by the Company from the fourth quarter of the fiscal year ended March 2026 onward to present value at a certain discount rate, based on the Business Plan and the premise of various factors such as earning forecasts and investment plans in the Business Plan for the four fiscal years from the fiscal year ending March 2027 to the fiscal year ending March 2030, as well as publicly available information. The range of share value per Company Share was calculated to be from 4,962 yen to 6,765 yen. A discount rate (weighted average cost of capital) of 6.5% to 8.7% was adopted. For the calculation of the going concern value, after deducting one-time expenses for the new logistics center scheduled to commence operation in the fiscal year ending March 2030, the value was calculated to be 249,347 million yen to 356,948 million yen based on the perpetual growth rate method and the multiple method. In the perpetual growth rate method, the perpetual growth rate was set at 0%, taking into account the theoretically expected long-term economic environment, etc. In the multiple method, EBITDA multiple was adopted, and based on the levels of companies in the industry, the EBITDA multiple was set at 5.9 times to 8.0 times.

As non-business assets, surplus cash and deposits obtained by deducting necessary working capital (calculated by comprehensively considering the Company's past cash flow records, etc.), as well as investment securities, etc. were added.

The financial forecasts based on the Business Plan used by Plutus Consulting for the DCF Method do not include fiscal years in which significant increases or decreases in profits are expected, but includes fiscal years in which significant increases or decreases in free cash flow are expected.

Specifically, for the fiscal year ending March 2028, a significant decrease in free cash flow is expected due to substantial capital expenditures associated with the construction of a new logistics center scheduled to commence operations in the fiscal year ending March 2030. For the fiscal year ending March 2029, a significant increase in free cash flow is expected following the completion of the concentrated investment phase in the new logistics center.

Because it is difficult at this time to specifically estimate the synergetic effects expected to be realized by the execution of the Transaction, they are not taken into account in the above valuation.

The figures of the financial forecasts based on the Business Plan used as a premise for the calculation under the DCF Method are as follows.

(Note) In evaluating the value of the Company Shares, in principle, Plutus Consulting used the information provided by the Company and publicly available information as they were, assuming that all such materials and information, etc., were accurate and complete, and has not conducted any independent verification of their accuracy and completeness. Furthermore, Plutus Consulting has not conducted any independent valuation or assessment of the Company's assets and liabilities (including off-balance-sheet assets and liabilities, and other contingent liabilities), nor has it requested an appraisal or assessment from a third-party organization. In addition, it is assumed that information on the Company's financial forecasts was reasonably prepared based on the best estimates and judgments currently available by the Company's officers and employees (limited to those independent of the Tender Offeror). However, Plutus Consulting conducted interviews multiple times regarding the Business Plan used as the basis for the valuation and analyzed and examined its content. Also, as described in "(c) Establishment of Independent Special Committee by the Company and Acquisition of Report from Special Committee" above, the Special Committee confirmed the reasonableness of the contents, material assumptions, and process of preparation of the Business Plan.

	(Millions of yen)			
	Fiscal Year Ending March 2027	Fiscal Year Ending March 2028	Fiscal Year Ending March 2029	Fiscal Year Ending March 2030
Sales revenue	1,281,987	1,327,235	1,374,686	1,423,124
Operating profit	25,303	27,160	29,774	30,698
EBITDA	31,903	33,560	36,174	39,098
Free cash flow	13,773	5,051	17,955	19,170

(iii) Outline of the Fairness Opinion (Plutus Consulting)

The Special Committee obtained the Fairness Opinion (Plutus Consulting) from Plutus Consulting dated May 8, 2026, stating that the Tender Offer Price of 6,650 yen per share is fair from a financial perspective to the general shareholders of the Company (Note). The Fairness Opinion (Plutus Consulting) expresses the opinion that the Tender Offer Price of 6,650 yen per share is fair from a financial perspective to the general shareholders of the Company in light of the valuation results of the Company's share value based on the Business Plan, etc. The Fairness Opinion (Plutus Consulting) was issued after Plutus Consulting conducted a valuation of the Company's share value based on disclosure of the Company's

current business status, future business plan, etc., and explanations thereof received from the Company. It was also issued following question-and-answer sessions with the Company regarding the overview, background, and purpose of the Tender Offer, examination of the business environment, economic, market, and financial conditions, etc. within the scope deemed necessary by Plutus Consulting, and review procedures by a review committee independent from the engagement team at Plutus Consulting.

(Note) Plutus Consulting assumed that the basic materials and publicly available materials provided by the Company, and the information obtained through hearings from the Company used to prepare the Fairness Opinion (Plutus Consulting) are accurate and complete. Plutus Consulting has not conducted any independent investigation or verification of their accuracy and completeness, nor does it bear the obligation to do so. Therefore, Plutus Consulting bears no responsibility arising from defects in these materials or the non-disclosure of material facts.

Plutus Consulting assumes that the Business Plan and other materials used as basic materials for the Fairness Opinion (Plutus Consulting) were reasonably prepared based on the best projections and judgments as of the time such materials were prepared. Plutus Consulting does not guarantee their feasibility and expresses no opinion regarding the analysis or projections upon which they were prepared, or the assumptions underlying them.

Plutus Consulting is not an expert organization in law, accounting, or taxation. Therefore, Plutus Consulting does not express any views, nor does it have any obligation to do so, regarding legal, accounting, or tax issues concerning the Tender Offer.

Plutus Consulting has not made any independent valuation or appraisal of the assets and liabilities (including off-balance-sheet assets and liabilities, and other contingent liabilities) of the Company and its related companies, including the analysis and valuation of individual assets and liabilities, nor has it received the submission of any valuation reports or appraisal reports concerning these. Accordingly, Plutus Consulting has also not evaluated the solvency of the Company and its related companies.

The Fairness Opinion (Plutus Consulting) expresses an opinion on the fairness of the Tender Offer Price from a financial perspective for the purpose of submitting it to the Company for its consideration in expressing its opinion regarding the Tender Offer. Therefore, the Fairness Opinion (Plutus Consulting) does not express any opinion on the superiority or inferiority of the Tender Offer to any alternative transaction, the benefits brought about by the implementation of the Tender Offer, or the pros and cons of executing the Tender Offer.

The Fairness Opinion (Plutus Consulting) does not express any opinion to the holders of securities issued by the Company, creditors, or other related parties. Therefore, Plutus Consulting bears no responsibility to shareholders or third parties who rely on the Fairness Opinion (Plutus Consulting).

Plutus Consulting does not solicit investments, etc. in the Company, nor does it have the authority to do so. Accordingly, the Fairness Opinion (Plutus Consulting) does not recommend any action to shareholders, such as tendering shares in the Tender Offer.

The Fairness Opinion (Plutus Consulting) states an opinion as of the submission date of the Fairness Opinion (Plutus Consulting) on whether the Tender Offer Price is fair from a financial perspective to the general shareholders of the Company, based on the financial and capital markets, economic conditions, and other circumstances as of the date of submission, and based on the information provided to or obtained by Plutus Consulting up to that date. Even if these assumptions change due to future changes in circumstances, Plutus Consulting bears no obligation to correct, change, or supplement its opinion.

The Fairness Opinion (Plutus Consulting) does not allow any inferences or suggestions to be drawn regarding any opinion other than the matters expressly stated in the Fairness Opinion (Plutus Consulting)

or regarding any matters on or after the submission date of the Fairness Opinion (Plutus Consulting).

(f) Advice Obtained by the Company from Independent Legal Advisor

As stated in “(d) Decision-making Process of the Company’s Board of Directors” under “(2) Basis and Reasons for the Opinion” above, the Company appointed Oh-Ebashi as a legal advisor independent from the Tender Offeror Group and the Company Group, as well as from the success or failure of the Transaction, and received legal advice regarding measures to be taken to ensure the fairness of the procedures in the Transaction, various procedures for the Transaction, methods and processes of the Company’s decision-making relating to the Transaction, and other points to be noted in making decisions.

Furthermore, as described in “(c) Establishment of Independent Special Committee by the Company and Acquisition of Report from Special Committee” above, the Special Committee approved the appointment of Oh-Ebashi after confirming that there were no issues regarding its independence, expertise, experience, etc.

Oh-Ebashi does not fall under related parties of the Tender Offeror Group or the Company Group, and has no material interest required to be disclosed concerning the Transaction, including the Tender Offer. The remuneration for Oh-Ebashi is calculated by multiplying hours worked by an hourly rate, regardless of the success or failure of the Transaction, and does not include a contingency fee payable subject to the completion of the Transaction.

(g) Establishment of Independent Internal Framework by the Company

As stated in “(d) Decision-making Process of the Company’s Board of Directors” under “(2) Basis and Reasons for the Opinion” above, the Company has established an internal framework to consider, negotiate, and make judgments regarding the Transaction from a standpoint independent of the Tender Offeror Group.

Specifically, after receiving notice from the Tender Offeror on October 21, 2025, that it had commenced consideration of implementing the Transaction, the Company, with legal advice from Oh-Ebashi, considered and established a project team to conduct consideration regarding the Transaction (including the preparation of the business plan, which is the basis for valuating the Company’s share value) and discussions and negotiations with the Tender Offeror. The project team was composed only of officers and employees of the Company who do not concurrently serve as officers or employees of the Tender Offeror Group (excluding the Company Group), and this practice has been maintained. In addition, regarding the Company’s consideration framework (including the scope and duties of the Company’s officers and employees involved in considering, negotiating, and making decisions regarding the Transaction), including this practice, the Company obtained approval from the Special Committee that there are no issues from the perspective of independence and fairness.

(h) Approval of All Disinterested Directors of the Company and No Objection Opinion of All Disinterested Audit and Supervisory Board Members

The Company carefully discussed and considered whether the Transaction including the Tender Offer by the Tender Offeror contributes to enhancing the Company’s corporate value and whether the terms and conditions of the Transaction including the Tender Offer Price are fair and appropriate, based on the legal advice received from Oh-Ebashi, advice from a financial perspective received from Daiwa Securities, the contents of the Stock Valuation Report (Daiwa Securities), the Stock Valuation Report (Plutus Consulting) and Fairness Opinion (Plutus Consulting) received through the Special

Committee, the Report obtained from the Special Committee, details of the ongoing discussions held multiple times with the Tender Offeror, and other relevant materials. As a result, as described in “(d) Decision-making Process of the Company’s Board of Directors” under “(2) Basis and Reasons for the Opinion” above, the Company resolved at its board of directors’ meeting held today to express an opinion in support of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer.

At the Company’s board of directors’ meeting mentioned above, in light of the facts including that, out of the 13 directors of the Company, Mr. Takuya Yoshida and Mr. Yuji Sakon currently concurrently serve as directors of the Tender Offeror, and Mr. Seiichi Kasutani previously served as a director of the Tender Offeror, in order to eliminate the possibility that the deliberations and resolutions at the Company’s board of directors’ meeting would be affected by the structural conflict of interest issue and the information asymmetry issue in the Transaction, the 10 directors excluding Mr. Takuya Yoshida, Mr. Yuji Sakon, and Mr. Seiichi Kasutani deliberated and unanimously passed the above resolution.

Also, at the above board of directors’ meeting of the Company, all 5 audit and supervisory board members of the Company (including 3 outside audit and supervisory board members) attended, and all of them stated their opinion that they had no objection to the above resolution.

Among the Company’s directors, Mr. Takuya Yoshida, Mr. Yuji Sakon, and Mr. Seiichi Kasutani have not participated in the deliberations and resolutions of the board of directors concerning the Transaction, including the above board of directors’ meeting, nor have they participated in discussions and negotiations regarding the Transaction on behalf of the Company. This is to eliminate the possibility of being affected by these issues, given that the Transaction typically involves structural conflicts of interest and information asymmetry.

(i) Non-existence of Deal Protection Provisions

The Company and the Tender Offeror have not entered into any agreement containing deal protection provisions that would prohibit the Company from contacting any competing acquisition offeror, nor have they entered into any agreement that would restrict competing acquisition offerors from contacting the Company. By not impeding opportunities for competing purchases, etc., the Company and the Tender Offeror have given due consideration to ensuring the fairness of the Tender Offer.

(j) Measures for Securing Opportunities for the Company’s Shareholders to Appropriately Decide Whether to Tender Shares in the Tender Offer

As stated in “(4) Policy on Organizational Restructuring, etc. After the Tender Offer” below, in the Squeeze-out Procedures, the Tender Offeror plans to adopt a method whereby money will ultimately be delivered to the Company’s shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Company). In such case, the amount of money to be delivered to such shareholders will be calculated so as to be equal to a price obtained by multiplying the Tender Offer Price by the number of Company Shares held by such shareholders. Accordingly, the Tender Offeror states that it has secured opportunities for the Company’s shareholders to appropriately decide whether to tender their shares in the Tender Offer, and has given due consideration so as to avoid any coercive effect. In addition, while the minimum purchase period for a tender offer prescribed by laws and regulations is 20 business days, the Tender Offeror states that it has set the tender offer period at 41 business days (the “Tender Offer Period”). By setting the Tender Offer Period longer than the statutory minimum period, the Tender Offeror states that it has secured opportunities for the

Company's shareholders to carefully consider the merits and demerits of the Transaction and the appropriateness of the Tender Offer Price, and to appropriately decide whether to tender their shares in the Tender Offer. According to the Tender Offeror, the Tender Offer Period has also been set taking into consideration that the Company intends to file an annual securities report and attached documents with the Director-General of the Kanto Local Finance Bureau on June 19, 2026, and that the Tender Offeror intends to file an annual securities report and attached documents with the Director-General of the Kanto Local Finance Bureau on June 23, 2026.

(4) Policy on Organizational Restructuring, etc. After the Tender Offer

As stated in “(a) Outline of the Tender Offer” under “(2) Basis and Reasons for the Opinion” above, if the Tender Offeror fails to acquire the Shares Subject to the Tender Offer through the Tender Offer, the Tender Offeror plans to implement the Squeeze-out Procedures described below after completion of the Tender Offer.

(a) Demand for Share Cash-out

According to the Tender Offeror, if after completion of the Tender Offer, the Tender Offeror comes to hold a total of 90% or more of the voting rights of all shareholders of the Company and becomes a special controlling shareholder as defined in Article 179, paragraph (1) of the Companies Act, the Tender Offeror plans to demand, promptly after completion of settlement for the Tender Offer, that all of the Company's shareholders (excluding the Tender Offeror and the Company) (the “Selling Shareholders”) sell all of the Company Shares held by them to the Tender Offeror pursuant to the provisions of Section 4-2 of Chapter 2 of Part II of the Companies Act (the “Demand for Share Cash-out”). In the Demand for Share Cash-out, it is planned to provide that the same amount of money as the Tender Offer Price will be delivered to the Selling Shareholders in exchange for one Company Share. In this case, the Tender Offeror will give the Company a notice to that effect, and will seek approval for the Demand for Share Cash-out from the Company. If the Company approves the Demand for Share Cash-out through a resolution by its board of directors, the Tender Offeror will acquire all of the Company Shares held by the Selling Shareholders on the acquisition date specified in the Demand for Share Cash-out, without obtaining individual approval from each Selling Shareholder, in accordance with the procedures provided by the relevant laws and regulations. The Tender Offeror will deliver the same amount of money as the Tender Offer Price to the Selling Shareholders in exchange for one Company Share held by the Selling Shareholders.

If the Company receives a notice from the Tender Offeror on its intention to make the Demand for Share Cash-out and the matters set forth in the items of paragraph (1) of Article 179-2 of the Companies Act, the Company will approve the Demand for Share Cash-out at a board of directors' meeting.

As a procedure under the Companies Act aiming to protect minority shareholders' rights related to the aforementioned procedures, it is provided that if the Demand for Share Cash-out is made, the Selling Shareholders may file a petition with a court to determine the purchase price of the Company Shares held by them pursuant to the provisions of Article 179-8 of the Companies Act and other relevant laws and regulations. If the petition is filed, the purchase price of the Company Shares will ultimately be determined by the court.

(b) Share Consolidation

According to the Tender Offeror, if after completion of the Tender Offer, the Tender Offeror fails to hold a total of 90% or more of the voting rights of all shareholders of the Company, the Tender Offeror plans to request, promptly after

completion of settlement for the Tender Offer, that the Company hold an extraordinary shareholders' meeting around September 2026, whose agenda items will include implementation of a share consolidation of the Company Shares pursuant to Article 180 of the Companies Act (the "Share Consolidation") and a partial amendment of the articles of incorporation to abolish the provisions on the number of shares constituting one unit subject to the Share Consolidation taking effect (the "Extraordinary Shareholders' Meeting"). If the Tender Offeror makes this request, the Company will accept it. Furthermore, the Tender Offeror plans to support each of the agenda items described above at the Extraordinary Shareholders' Meeting.

If the Share Consolidation agenda is approved at the Extraordinary Shareholders' Meeting, the Company's shareholders will each, as of the date on which the Share Consolidation is to take effect, hold the Company Shares in a number equivalent to the Share Consolidation ratio approved at the Extraordinary Shareholders' Meeting. If the Share Consolidation results in fractional shares less than one share, the money to be obtained by selling the Company Shares equivalent to the total number of such fractional shares (if the total number contains fractions less than one share, the fractions will be rounded down; hereinafter the same applies) to the Company or the Tender Offeror will be delivered to the Company's shareholders to whom fractional shares resulted, in accordance with the provisions of Article 235 of the Companies Act and other relevant laws and regulations. With respect to the sale price of the Company Shares equivalent to the total number of the fractional shares, the Tender Offeror plans to request that the Company file a petition for voluntary sale permission with a court, after calculating the amount of money to be delivered, as a result of the sale, to the Company's shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Company) so that such amount will be equal to a price obtained by multiplying the Tender Offer Price by the number of the Company Shares held by each shareholder. Although the Share Consolidation ratio is undetermined as of today, the Tender Offeror plans to request that the Company determine the ratio so that the number of the Company Shares held by the Company's shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Company) will be fractional shares less than one share, intending to make the Tender Offeror hold all of the Company Shares (excluding treasury shares held by the Company). If the Tender Offeror makes this request, the Company will accept it.

Furthermore, as regards provisions aiming to protect minority shareholders' rights related to the Share Consolidation, the Companies Act provides that if the Share Consolidation is implemented and the Share Consolidation results in fractional shares less than one share, the Company's shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Company) may demand that the Company purchase all of the fractional shares less than one share held by them at a fair price and may file a petition with a court to determine the price of the Company Shares, in accordance with the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations. If such a petition is filed, the purchase price will ultimately be determined by the court.

According to the Tender Offeror, the procedures described in (a) and (b) above may require a certain amount of time to be implemented or may be subject to change in the implementation methods, depending on amendments to the relevant laws and regulations, their implementation, and their interpretation by the relevant authorities. However, even in such cases, if the Tender Offer is completed, a method whereby money will ultimately be delivered to the Company's shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Company) will be adopted, and the amount of money to be delivered to those shareholders in such case will be calculated so that it will be equal to a price obtained by multiplying the Tender Offer Price by the number of the Company Shares held by those shareholders. The specific procedures and timeline of implementation in the aforementioned cases will be announced by the Company promptly after they are determined after discussions with the Tender Offeror.

The Tender Offer is not intended to solicit the support of the Company's shareholders at the Extraordinary Shareholders' Meeting. The Company's shareholders are requested to consult with experts such as tax accountants at their own responsibility concerning the handling of tax affairs in tendering their shares in the Tender Offer or the aforementioned procedures.

(5) Possibility of Delisting, etc. and Reasons Therefor

As of today, the Company Shares are listed on the Prime Market of the TSE. Since the Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer, depending on the results of the Tender Offer, the Company Shares may be delisted following the designated procedures pursuant to the delisting standards established by the TSE. Even if the delisting standards do not apply to the Company Shares at the time of completion of the Tender Offer, the Tender Offeror plans to implement the Squeeze-out Procedures as described in "(4) Policy on Organizational Restructuring, etc. After the Tender Offer" above after completion of the Tender Offer. Therefore, if the procedures are implemented, the Company Shares will be delisted following the designated procedures pursuant to the delisting standards established by the TSE. The Company Shares cannot be traded on the Prime Market of the TSE after they are delisted. For the reasons for delisting, the impact on general shareholders, and the Company's view on this matter, please refer to "(d) Decision-making Process of the Company's Board of Directors" under "(2) Basis and Reasons for the Opinion" above.

(6) Material Agreements Related to the Tender Offer

Not applicable

(7) Other Material Matters Related to the Tender Offer

Not applicable

4. Details of the Provision of Benefits by the Tender Offeror or its Specially Related Parties

Not applicable

5. Basic Policy Regarding the Control of the Company

Not applicable.

6. Questions to the Tender Offeror

Not applicable.

7. Request for Extension of the Tender Offer Period

Not applicable.

8. Future Outlook

Please see “(b) Background, Purpose, and Decision-making Process Leading to the Tender Offeror’s Decision to Implement the Tender Offer,” “(c) Management Policy After the Tender Offer,” and “(d) Decision-making Process of the Company’s Board of Directors” under “(2) Basis and Reasons for the Opinion” of “3. Details of, Basis, and Reasons for the Opinion Regarding the Tender Offer,” as well as “(4) Policy on Organizational Restructuring, etc. After the Tender Offer” and “(5) Possibility of Delisting, etc. and Reasons Therefor.”

9. Matters Concerning MBO, etc.

(1) Applicability as a Transaction, etc. with a Controlling Shareholder and Conformity with the Guidelines on Policies for Protection of Minority Shareholders

The Tender Offeror is the controlling shareholder (parent company) of the Company, and the expression of opinion regarding the Tender Offer constitutes a transaction, etc. with a controlling shareholder. Also, the “Matters to be Observed concerning MBOs, etc.” stipulated in Article 441 of the Securities Listing Regulations announced by the TSE will apply. In the Corporate Governance Report disclosed on June 20, 2025, as a “Policy for Protection of Minority Shareholders when Conducting Transactions, etc. with Controlling Shareholders,” the Company stated that “Regarding the terms and conditions of transactions with controlling shareholders, the Company reasonably determines them based on objective information and sufficiently confirms that they are not significantly different from general transaction conditions. To ensure the fairness, transparency, and objectivity of transactions and actions with controlling shareholders, the Company has established a special committee composed of independent outside directors and independent outside audit and supervisory board members who possess independence. For material transactions and actions where the interests of controlling shareholders and minority shareholders conflict, the special committee deliberates and considers them, and submits a report to the board of directors.” (The above special committee is a standing committee and a different meeting body from the Special Committee.) Regarding the Transaction including the Tender Offer, as described in “(3) Measures to Ensure Fairness of the Tender Offer” of “3. Details of, Basis, and Reasons for the Opinion Regarding the Tender Offer,” the Company has addressed the issue of structural conflicts of interest, implemented measures to ensure the fairness of the terms and conditions concerning the Transaction including the Tender Offer Price, and received a report from the Special Committee stating that the Transaction is fair to general shareholders. Therefore, the Company believes that such responses conform to the above guidelines.

(2) Matters Concerning Measures to Ensure Fairness and Measures to Avoid Conflicts of Interest

As stated in “(1) Applicability as a Transaction, etc. with a Controlling Shareholder and Conformity with the Guidelines on Policies for Protection of Minority Shareholders” above, since the Transaction including the Tender Offer constitutes a transaction, etc., with a controlling shareholder for the Company, the Company judged that measures to ensure fairness and avoid conflicts of interest were necessary. The Company made its judgment after ensuring fairness and avoiding

conflicts of interest by implementing the measures described in “(3) Measures to Ensure Fairness of the Tender Offer” under “3. Details of, Basis, and Reasons for the Opinion Regarding the Tender Offer” above.

(3) Opinion of the Special Committee that the Transaction is Fair to General Shareholders

The Company received the Report from the Special Committee on May 9, 2026, to the effect that the Transaction is considered fair to the general shareholders of the Company. For details, please refer to “(iii) Details of Decision” in “(c) Establishment of Independent Special Committee by the Company and Acquisition of Report from Special Committee” under “(3) Measures to Ensure Fairness of the Tender Offer” of “3. Details of, Basis, and Reasons for the Opinion Regarding the Tender Offer” above. The Report also serves as an opinion that the going private of the Company Shares by the Tender Offeror described in “(4) Policy on Organizational Restructuring, etc. After the Tender Offer” under “3. Details of, Basis, and Reasons for the Opinion Regarding the Tender Offer” above, which will take place after the completion of the Tender Offer, is fair to the general shareholders of the Company.

10. Other Information Deemed Necessary for Investors to Appropriately Understand and Judge Company Information

(1) Announcement of “Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026 <under Japanese GAAP>”

The Company announced the Company’s Financial Results as of today. For details, please see the content of the announcement.

(2) Announcement of “Notice Concerning Dividends of Surplus (No Dividend)”

According to the “Notice Concerning Dividends of Surplus (No Dividend)” announced by the Company today, the Company resolved at the board of directors’ meeting held today that it would not pay dividends of surplus for the terms ending September 30, 2026 (second quarter end) and March 31, 2027 (fiscal year end) as record dates. For details, please see the “Notice Concerning Dividends of Surplus (No Dividend)” announced by the Company today.

(3) Announcement of “Notice Concerning Discontinuation of Acquisition of Treasury Shares and Status of Acquisition of Treasury Shares”

According to the “Notice Concerning Discontinuation of Acquisition of Treasury Shares and Status of Acquisition of Treasury Shares” announced by the Company today, the Company resolved at the board of directors’ meeting held today to discontinue the acquisition of treasury shares that had been resolved at the meeting of the board of directors held on August 4, 2025. For details, please see the “Notice Concerning Discontinuation of Acquisition of Treasury Shares and Status of Acquisition of Treasury Shares” announced by the Company today.

(Reference)

The Report (Attachment 1)

“Notice Regarding Commencement of Tender Offer for Shares of PALTAC CORPORATION (Securities Code: 8283)” dated May 11, 2026 (Attachment 2)

[Soliciting Regulations]

This press release is intended to announce the Tender Offer to the general public and is not intended to solicit an offer to sell any shares. If a shareholder wishes to tender his or her shares, each shareholder is requested to exercise his/her own judgment after carefully reading the tender offer explanatory statement concerning the Tender Offer. This press release is not, and does not constitute any part of, an offer or solicitation of sales, or a solicitation of purchase offer, of securities. This press release (or any part of it) or the fact of its distribution does not provide a basis for any agreement pertaining to the Tender Offer, and it may not be relied upon when executing any such agreement.

[Regulations of the United States]

The Tender Offer is to be conducted in accordance with the procedures and information disclosure standards prescribed in the Financial Instruments and Exchange Act of Japan. However, such procedures and information disclosure standards are not necessarily the same as the procedures and information disclosure standards in the U.S. In particular, Section 13(e) and Section 14(d) of the U.S. Securities Exchange Act of 1934, as amended (hereinafter the same), and the rules prescribed thereunder do not apply to the Tender Offer, and the Tender Offer does not conform to those procedures and standards.

Unless otherwise provided, all procedures for the Tender Offer shall be conducted entirely in the Japanese language. Some or all portion of the documents relating to the Tender Offer are or will be prepared in the English language. However, should there be any inconsistency between the document in English and that in Japanese, the Japanese document shall prevail.

This press release and its reference materials contain “forward-looking statements” as defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934. Due to any known or unknown risks, uncertainties, or any other factors, it is possible that actual results may substantially differ from the projections, etc. as expressly or implicitly indicated in any “forward-looking statements.” Neither the Tender Offeror, the Company, nor their affiliates gives any assurance that such projections, etc. expressly or implicitly indicated in any “forward-looking statements” will result in being correct. The “forward-looking statements” in this press release and its reference materials have been prepared based on information held by the Tender Offeror and the Company as of the date of this press release and its reference materials, and unless otherwise required by applicable laws and regulations or financial instruments exchange rules, neither the Tender Offeror, the Company, nor their affiliates is obligated to update or modify such statements in order to reflect any events or circumstances in the future. The financial information included in this press release and its reference materials does not conform to the U.S. accounting standards and may not be equivalent to the financial information of a company in the United States. Also, since the Tender Offeror and the Company are corporations incorporated outside the United States and some or all of their officers are non-U.S. residents, it may be difficult to exercise rights or demands against them under the U.S. securities laws. In addition, it may not be possible to commence any legal procedures in courts outside the United States against a non-U.S. corporation or its officers based on a breach of U.S. securities laws. Furthermore, U.S. courts are not necessarily granted jurisdiction over a non-U.S. corporation or its officers.

Before the commencement of the Tender Offer or during the Tender Offer Period, the Tender Offeror and its affiliates, the financial advisors to the Tender Offeror or the Company, and the tender offer agent (including their affiliates) may, in the ordinary course of their business and to the extent permitted by Japanese laws and regulations related to financial instruments transactions and other applicable laws and regulations and in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934, purchase the Company Shares other than as part of the Tender Offer, or take actions aimed at such a purchase, on their own account or the account of their clients. If information regarding such a purchase is disclosed in Japan, that information will also be disclosed in the English language on the website of the person that conducted that purchase. In accordance with the Companies Act, if a shareholder exercises the right to request the purchase of shares constituting less than one unit, the Company may, in accordance with the procedures prescribed by laws and regulations, purchase its own shares either before the commencement of the Tender Offer or during the Tender Offer Period.

[Other Countries]

In certain countries or regions, the announcement, issue, or distribution of this press release may be restricted by laws or regulations. In such cases, please note and comply with such restrictions. The announcement, issuance, or distribution of this press release does not constitute any solicitation of an offer to sell or offer to purchase shares concerning the Tender Offer, and is being distributed merely as informational material.

May 9, 2026

To the board of directors of PALTAC CORPORATION

Special Committee of PALTAC CORPORATION

Ichiro Yoshitake, chairman

Kaori Oishi, committee member

Kyoko Hikita, committee member

Report

This Report was prepared by the Special Committee established by resolution of the board of directors of PALTAC CORPORATION, after thorough and careful deliberation on the matters referred to it by the board of directors of PALTAC CORPORATION with respect to the Transactions, with the unanimous consent of all members.

Please refer to the Exhibit at the end of this Report for the meanings of the terms defined in this Report.

Consultation Matters at the Special Committee (the Consultation Matters)

- (i) The rationality of the purpose of the Transactions (including whether the Transactions contribute to enhancing the Company's corporate value);
- (ii) The fairness and reasonableness of the terms and conditions of the Transactions (including the level of consideration, the method of implementation of the Transactions, and the type of consideration);
- (iii) The fairness of the procedures regarding the Transactions;
- (iv) Whether, based on (i) through (iii) above, the Transactions are fair to general shareholders; and
- (v) Whether it is appropriate for the Company's board of directors to resolve to implement the Transactions (to express an opinion in favor of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer, and, if the Squeeze-Out Procedures are implemented after completion of the Tender Offer, carry out the necessary procedures).

Opinions of the Special Committee on the Consultation Matters

- 1. The Transactions contribute to the enhancement of the Company's corporate value, and the purpose of the Transactions is considered to be rational;
- 2. The fairness and reasonableness of the terms and conditions of the Transactions (including the level of consideration, the method of implementation of the Transactions, and the type of consideration) are considered to be ensured;
- 3. The fairness of the procedures regarding the Transactions is considered to be ensured;
- 4. Based on (i) through (iii) above, the Transactions are considered fair to the Company's general shareholders; and
- 5. It is considered appropriate for the Company's board of directors to make a decision to conduct the Transactions (to express its opinion in favor of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer, and to carry out the necessary procedures if the Squeeze-Out Procedures are implemented after completion of the Tender Offer).

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Part 1 Process for Preparing the Report

This Report was prepared through the following process:

(1) Meetings of the Special Committee and intersession discussions

Following its mandate from the Company's board of directors, the Special Committee held 17 meetings in total from December 22, 2025 to May 8, 2026, with all members attending each meeting, and conducted deliberations on the Consultation Matters for a total of approximately 28 hours. In addition, the Special Committee discussed various matters relating to the Consultation Matters by email and other means during the intervals between meetings.

(2) Obtaining professional analysis and advice

In considering the Consultation Matters, the Special Committee received professional analysis and advice from (a) Daiwa Securities, the Company's financial advisor, and Oh-Ebashi, the Company's legal advisor, each of which was appointed in early November 2025, and (b) Plutus Consulting, the Special Committee's own financial advisor and third-party valuation organization, and Anderson Mori & Tomotsune, the Special Committee's own legal advisor, each of which was appointed by the Special Committee at the third meeting of the Special Committee held on January 20, 2026.

(3) Gathering information through sending questionnaires and conducting interviews

In considering the Consultation Matters, the Special Committee gathered the information it deemed necessary through sending questionnaires to the Company and the Tender Offeror, conducting interviews with the Company and the Tender Offeror, and the like (collectively, the "Interviews, etc.").

(4) Consideration of various documents

In connection with the Interviews, etc., the Special Committee reviewed the letter of intent submitted by the Tender Offeror to the Company on December 9, 2025, the written responses submitted by the Company and the Tender Offeror, respectively, to the Special Committee, the Business Plan, the Share Valuation Report (Daiwa Securities), the Share Valuation Report (Plutus Consulting), the Fairness Opinion (Plutus Consulting), and the draft of the Opinion Press Release and Tender Offer Registration Statement, as well as each proposal letters relating to the Tender Offer Price and the response letters thereto, the materials received by the Company from the Tender Offeror in connection with the negotiations relating to the Transactions, the materials sent by the Company to the Tender Offeror, and other materials reasonably necessary for the Special Committee's review (collectively, the "Review Materials").

(5) Resolution approving the Report

Following the processes described above, the Special Committee has approved this Report on the date of this Report, with the unanimous consent of all members.

Part 2 Background of the Establishment of the Special Committee and the Guidelines Referred to in Considering the Consultation Matters

(1) Background of the establishment of the Special Committee

The Transactions are transactions in which MEDIPAL HOLDINGS CORPORATION (the parent company of the Company and its controlling shareholder) acts as the Tender Offeror and which are implemented for the purpose of making the Company its wholly-owned subsidiary, and accordingly fall under the so-called “acquisition of a controlled company by the controlling shareholder.”¹

Generally, because it is considered that “issues with respect to structural conflicts of interest and information asymmetries typically exist” in the “acquisition of a controlled company by the controlling shareholder” (M&A Guidelines 1.4), in order to ensure the fairness of the Tender Offer and avoid conflicts of interest, the Company's board of directors, at its meeting held on December 22, 2025, resolved to establish the Special Committee composed of two independent outside directors of the Company (Mr. Ichiro Yoshitake (Chairman) (Outside Director of Unicafe Inc.) and Ms. Kaori Oishi (Attorney at Kitahama Partners; Outside Director and Audit and Supervisory Committee Member of Towa Pharmaceutical Co., Ltd.; Outside Director of ESLEAD CORPORATION)) and one independent outside corporate auditor of the Company (Ms. Kyoko Hikita (Director of Hikita Certified Public Accountant Office; Outside Corporate Auditor of AOYAMA TRADING Co., Ltd.; Outside Director and Audit and Supervisory Committee Member of UNISOL Holdings Corporation)), all of whom are independent from the Tender Offeror Group, the Company Group, and the success or failure of the Transactions.

(2) Guidelines referred to in considering the Consultation Matters

The Special Committee has received advice from legal advisors to the Company and the Special Committee that the M&A Guidelines “provide guidance on fair M&A practices in Japanese corporate society, mainly from a procedural perspective, with a focus on MBOs and acquisitions of a controlled company by the controlling shareholder” (M&A Guidelines 1.2), and that it is generally accepted in practice for a special committee established in connection with “an acquisition of a controlled company by the controlling shareholder” to refer to such guidelines when considering the Consultation Matters.

¹ It means "an acquisition by the controlling shareholder of a controlled company of all shares of the controlled company from general shareholders" (see M&A Guidelines 1.5 (b)).

Accordingly, the Special Committee determined that it is appropriate to take into account the M&A Guidelines in considering the Consultation Matters.

Part 3 Reasons for the Special Committee's Opinion

1. Consultation Matter (i)

(1) The Special Committee's understanding of, and approach to, its examination of Consultation Matter (i)

Consultation Matter (i) asks whether the Transactions, including the Tender Offer, contribute to the enhancement of the Company's corporate value and whether the purpose of the Transactions is rational.

The Special Committee, through the Interviews, etc., specifically reviewed the Company's business environment and management issues, the significance of the Transactions, the expected synergies, and the post-Transaction management policy of the Company, including its autonomy, self-governance and capital management, and, based on such review as well as its study of the Review Materials, carefully examined whether the Transactions would contribute to the enhancement of the Company's corporate value and whether their purpose is rational.

(2) Recognition of the current status of the Company

A History of the Company and business description

According to the Company, the outline of the Company's history and business is as follows.

- The Company was founded as a haberdashery wholesale business in Osaka in December 1898, and since then has developed business activities rooted in local communities. In October 1976, it changed its trade name to Paltac Co., Ltd. Thereafter, in October 2005, the Company implemented a business integration through a share exchange with MEDICEO Holdings Co., Ltd., which is engaged in the prescription pharmaceutical wholesale business, etc., and became its wholly owned subsidiary. MEDICEO Holdings was the predecessor of the Tender Offeror. Subsequently, in July 2015, the Company changed its trade name to PALTAC CORPORATION.
- As of March 31, 2026, the Company Group consists of the Company and three non-consolidated subsidiaries, and its principal business is to purchase cosmetics, daily necessities, and OTC pharmaceuticals from manufacturers and sell them to retailers nationwide. The Company stands between manufacturers and retailers and provides functions indispensable at the distribution stage as a wholesaler, such as logistics, inventory management, information transmission, and financing.

B Recognition of the Company's business environment and management issues by the Company

According to the Company, the Company recognizes its business environment and management issues as follows.

- In operating its business for sustainable growth, the Company recognizes the decline in the working population, the progression of the declining birthrate and aging population, the diversification of values, and climate change and shortages of resources and energy as structural and medium- to long-term environmental changes. While these changes may pose risks such as a decline in revenue due to the contraction of the domestic economy and a decrease in profitability due to rising business operation costs, the Company believes that they may also create new revenue opportunities, as wholesalers with more efficient logistics functions are likely to be preferred in an environment where it is becoming increasingly difficult for retailers as well to secure personnel against the backdrop of a shrinking labor force, and as the growing complexity of consumption structures associated with the declining birthrate, aging population, and diversification of values is expected to increase demand for solutions utilizing the Company's real distribution data, including purchasing and sales data.
- Under such an environment, the Company has set forth its long-term vision, "Create the future of people and society through the power to connect," and seeks to further strengthen the competitive advantage of its existing businesses based on the nationwide logistics network, the continuous business relationships with retailers and manufacturers, and the information assets relating to procurement, sales, logistics and other matters that it has cultivated as an enterprise responsible for the intermediate distribution of daily necessities. In addition, the Company aims to apply these foundations to peripheral areas and new areas that can be developed from its existing businesses through initiatives such as providing solutions to business partners, including demand analysis and sales promotion proposals utilizing the Company's real distribution data relating to procurement and sales, expanding logistics functions into other fields, and enhancing procurement networks both domestically and internationally, and thereby to provide value over a broader range through optimization of the supply chain. To achieve this, the Company has positioned the three-year period through the fiscal year ending March 2027 as a period for "building a foundation for transformation through structural reforms," and is working on its medium-term management plan, "PALTAC VISION 2027" (the "Medium-Term Management Plan").

C Recognition of the Company's business environment and management issues by the

Tender Offeror

According to the draft of the Tender Offer Registration Statement and the Interviews, etc., the Tender Offeror recognizes the Company's business environment and management issues as follows.

- The Tender Offeror believes that, as each of the Company and the Tender Offeror is seeking to create new values and expand their business fields by leveraging their respective strengths, the following structural changes in the external business environment surrounding the Company and the Tender Offeror Group are accelerating.
 - a. First, the Tender Offeror believes that, amid the tightening of healthcare finances driven by population aging and decline, the center of medical and nursing care has been shifting from hospitals to communities and home-based settings, and that, as the “integration of healthcare and daily life,” whereby society as a whole supports matters ranging from prevention and pre-symptomatic care to the maintenance of daily living functions, advances, the boundaries among product categories such as pharmaceuticals, daily necessities and food products are gradually disappearing.
 - b. Second, the Tender Offeror believes that, under constraints such as labor shortages across society and rising logistics costs, there is a strong demand for a shift from traditional distribution models to new, more sustainable and optimized supply systems functioning as social infrastructure.
 - c. Third, the Tender Offeror believes that, as consolidation and reorganization continue to advance in the retail industry, particularly among drugstores and food supermarkets, in addition to reductions in purchase prices, centralized procurement and inventory management associated with the operation of extensive store networks have progressed, the need for reduced stockouts, agile responses to demand fluctuations and efficient supply of a wide variety of products has become even greater.
- The Tender Offeror believes that, in order to respond to such changes in the business environment, create new values, and support people’s physically and mentally healthy lives, it is essential for the Tender Offeror Group as a whole to address the following strategic challenges, rather than pursuing optimization on a company-by-company basis or adopting a product-centric approach: (a) comprehensively providing products and services from a consumer-centric perspective that stays closely attuned to consumers’ needs; (b) building a mechanism to deliver products in optimal ways tailored to the characteristics of products and regions; and (c) establishing a common data platform that enables efficient and effective utilization of management resources across the Tender Offeror Group and supports swift and

accurate decision-making.

D Evaluation of the recognition of the Company's business environment and management issues

The foregoing recognition by the Company and the Tender Offeror of the Company's business environment and management issues is agreeable by the Special Committee, as no inconsistencies or points contrary to objective facts were identified in terms of their specific contents, the underlying circumstances, or the issues to be addressed in realizing them.

(3) The significance of the Transactions

A The significance of the Transactions as viewed by the Tender Offeror

According to the draft of the Tender Offer Registration Statement and the Interviews, etc., the Tender Offeror believes that, because the Tender Offeror and the Company currently operate independently as listed companies, there are certain restrictions on the sharing of know-how and other resources possessed by each, and that, by making the Company a wholly owned subsidiary of the Tender Offeror through the Transactions, such restrictions will be eliminated. The Tender Offeror further believes that, by integrating the "capacity to respond to stringent healthcare-related supply requirements" possessed by the Tender Offeror Group's prescription pharmaceutical wholesale business with the "intermediary distribution capacity to efficiently supply a wide variety of products in the daily necessities market" possessed by the Company, it will be possible to establish a competitive advantage that enables flexible and continuous responses to social issues and the needs of business partners. The Tender Offeror also believes that the Transactions will contribute to bringing together the evolving future visions of both companies into one and, through this, transforming the Tender Offeror Group not merely into a "collection of individual companies," but into a strong corporate group that supports "every aspect of daily life" in an integrated manner. More specifically, according to the Tender Offeror, the Transactions, if completed, are expected to give rise to the following initiatives and synergies.

a. Strengthening of Capacity to Provide Solutions to Business Partners and Consumers

The Tender Offeror believes that, by linking (a) the healthcare collaboration networks, testing services, digital services in the Tender Offeror Group's prescription pharmaceutical wholesale business and functional raw materials, such as naturally derived polysaccharides, that can be provided through its food processing raw materials wholesale and related business with (b) the Company's know-how in product assortment and sales floor design for daily necessities,

the Tender Offeror Group will be able to deliver new solutions for its business partners and consumers. More specifically, the Tender Offeror believes that, by closely connecting signs of issues and demand stemming from consumers' latent concerns, such as changes in physical condition, that the Tender Offeror Group identifies through its prescription pharmaceutical wholesale business with the Company's intermediary distribution function for daily necessities, the Tender Offeror Group will establish a framework that enables proactive responses to the needs of business partners and consumers leading to pre-symptomatic care and prevention, such as disease awareness, recommendations to seek medical consultation and early detection, through, for example, the provision of risk information on lifestyle-related diseases and other conditions using digital tools, and the provision of testing services. As a result, the Tender Offeror believes that it will become possible to swiftly provide retailers, as business partners, with proposals for store operations, including sales floor design and inventory placement, that are aligned with consumers' health-related needs. Furthermore, the Tender Offeror believes that, by organically linking those store operation proposals with resources such as testing services and digital services, the Tender Offeror Group aims to provide value to consumers in the form of total healthcare, connecting processes ranging from the early stages at which consumers begin to perceive health-related issues through prevention, hygiene management and daily self-care.

The Tender Offeror also believes that the knowledge accumulated in the process of connecting healthcare and daily life is expected to be shared with and utilized by manufacturers, as suppliers, as information that can be used to improve the accuracy of product planning, product development and production planning by identifying signs of changes in demand and the background to such changes, and that such knowledge will contribute to new product development and related initiatives. In product development, the Tender Offeror believes that, through joint development that captures signs of demand and collaboration with the Tender Offeror Group's food processing raw materials wholesale and related businesses, it will become possible to support the supply of raw materials that reflect consumers' health awareness and usage scenarios, which, in turn, will lead to the provision of high value-added solutions to manufacturers. The Tender Offeror believes that these initiatives will further strengthen relationships with business partners and consumers across the Tender Offeror Group, including the Company, while also contributing to the creation of new revenue opportunities and the enhancement of profitability.

- b. Building of Next-Generation Logistics Models and Expansion of Product

Provision Fields

The Tender Offeror believes that, by integrally leveraging (a) the Tender Offeror Group's capacity to respond to stringent supply requirements that it has fostered over many years through the distribution of pharmaceuticals and related products, (b) the Company's operational capacity to handle a wide variety of products in a stable and efficient manner, and (c) the know-how related to automation, such as robotics, that both companies have accumulated through their respective businesses, the Tender Offeror Group will be able to build next-generation logistics infrastructure capable of providing optimal supply tailored to product characteristics and demand conditions.

The Tender Offeror believes that the core of these initiatives lies not only in integrating logistics infrastructure, such as existing logistics bases and transportation and delivery networks, but also in building common infrastructure that enables flexible design, management and operation of service levels themselves in accordance with demand characteristics, taking into account the conditions required for each product, including supply requirements, delivery frequency and inventory placement. The Tender Offeror further believes that, by utilizing such infrastructure, the Tender Offeror Group will be able to ensure its capacity to respond to supply requirements tailored to demand characteristics, while also enabling optimal allocation of personnel and efficient utilization of facilities, IT systems and other resources by restraining excessive individual investments and duplicative investments, which is expected to contribute to sustainable growth and improved capital efficiency across the Tender Offeror Group, including the Company. Furthermore, the Tender Offeror believes that these initiatives will go beyond logistics as a function of wholesale businesses for pharmaceuticals, daily necessities and similar products, and will lead to the creation of new revenue opportunities through the use of such infrastructure as logistics infrastructure for business partners that are required to respond to environmental changes surrounding logistics, as well as through expansion into new fields, including food. Accordingly, the Tender Offeror believes that logistics infrastructure that enables the optimization of both responses to supply requirements and operational efficiency in accordance with demand characteristics will, over the long term, serve as a source of competitive advantage that is not easily replicable by other companies, and will contribute to enhancement of the value provided by the Tender Offeror Group as a whole, as well as expansion of its business foundation.

c. Advancement of Data-Driven Business Operations

The Tender Offeror believes that, by utilizing the data and operational

knowledge relating to sales, supply and demand, logistics, quality and other matters that the Tender Offeror Group and the Company have accumulated over many years through their respective businesses, it will be possible to develop a common decision-making platform that supports business operations across the Tender Offeror Group as a whole. Through this initiative, the Tender Offeror believes that it will become possible to further enhance the precision of management resource allocation and business operations, while mutually complementing the respective strengths and knowledge cultivated by both companies.

The Tender Offeror believes that this initiative is not intended to construct new large-scale systems, but rather to enable cross-business and cross-functional comparison and analysis by organizing and standardizing data definitions, evaluation metrics and the underlying assumptions for decision-making that have been separately operated by the two companies. As an initial step, the Tender Offeror believes that it will be possible to take stock of the information and know-how held by both companies and to organize, on a cross-sectional basis, data relating to demand identification and supply design, thereby establishing an information infrastructure that serves as a basis for decision-making in business operations.

As a result, the Tender Offeror believes that decisions that have previously relied on optimization within each individual company can be reorganized from the perspective of optimization across the Tender Offeror Group as a whole, thereby enabling more objective and timely decision-making with respect to demand domains, the optimal configuration of supply structures and the appropriate level of management resources to be deployed. The Tender Offeror further believes that this will lead to the maximization of the synergies described in a. and b. above. Furthermore, the Tender Offeror believes that the advancement of data-driven business operations will contribute not only to operational improvements and greater precision in resource allocation within the Tender Offeror Group, but also to digital transformation (DX) through the future linkage and utilization of data relating to the supply chain. For example, the Tender Offeror believes that this may evolve into the provision of data-driven solutions that contribute to improving the precision of production planning and product development at business partner manufacturers. Through this initiative, the Tender Offeror believes that a foundation will be established for building a sustainable growth mechanism that enables the Tender Offeror Group as a whole to continue generating profits at a consistently high level while responding flexibly to changes in the business environment.

d. Strengthening of Personnel Base Through Personnel Exchanges

The Tender Offeror believes that the Tender Offeror Group and the Company have each steadily accumulated expertise and knowledge in their respective business domains through day-to-day business operations and on-site initiatives. The Tender Offeror further believes that, as a result of the Transactions, integrated business operations as a group will become possible, and cross-business and cross-functional personnel exchanges and collaboration will be promoted, thereby expanding the opportunities available to individual employees while also strengthening the human resource base of the Tender Offeror Group as a whole.

The Tender Offeror believes that the diverse perspectives and experiences accumulated through such personnel exchanges will not only support the growth and career development of individual employees, but will also serve as an important foundation for concretely and continuously executing, at the operational level, the strategies of the Tender Offeror Group and the Company, including the process of giving concrete form to the initiatives described in a. through c. above. Amid accelerating changes in the business environment, the Tender Offeror believes that maintaining a deep pool of human resources equipped with both the ability to formulate strategies and the ability to translate those strategies into implementation and operations will enhance the competitiveness of the Tender Offeror Group, including the Company, and improve the reproducibility of growth across the group.

B The significance of the Transactions as viewed by the Company

According to the draft of the Opinion Press Release and the Interviews, etc., the Company expects that, after the completion of the Transactions, the following initiatives and synergies can be expected.

(a) Strengthening Solution Provision Capabilities through Advanced Understanding of Demand Originating from Consumers

The Company recognizes that, in order to contribute more broadly to the optimization of the entire supply chain, including retailers and manufacturers that are its business partners, through the provision of functions based on distribution data, it is important not only to grasp demand that has already materialized as an accumulation of sales results, but also to enhance its ability to understand changes in consumer behavior and demand, including the underlying lifestyle issues, regional characteristics, and the manner in which demand spreads.

In particular, with respect to health-related demand, the Company recognizes

that, against the backdrop of the progression of an aging population and other factors, the center of medical and nursing care is shifting from hospitals to communities and home-based settings, and that, as the need for society as a whole to support the full spectrum from prevention and pre-symptomatic conditions to the maintenance of daily functioning increases, the tendency for demand to manifest across multiple categories, such as OTC pharmaceuticals, health- and hygiene-related products, and food products, is becoming even stronger.

Based on this recognition, through the Transactions, by combining the contact points with medical institutions and dispensing pharmacies, etc. possessed by the Tender Offeror Group, and the information and expertise obtained through prevention- and testing-related services and the use of digital technologies, with the Company's distribution data, the Company believes that it will become possible to structurally grasp changes in health-related demand, including not only the signs thereof but also the underlying lifestyle issues, regional differences, and the state of demand manifestation across multiple categories, from the stage before such demand materializes as sales results.

As a result, the Company believes that it will become possible to make proposals to retailers, which are its sales destinations, more promptly and accurately than ever before, regarding sales floor design, inventory placement and other matters centered on demand themes rather than on a product-by-product basis. In addition, the Company believes that it will become possible to provide manufacturers, which are its suppliers, with information on signs of changes in demand and the background thereto that can be utilized to improve the accuracy of product planning, product development and production planning. Consequently, the Company believes that the likelihood will increase that products tailored to regional characteristics and lifestyle issues will be appropriately provided to consumers at the necessary timing, and that the quality of value that consumers can actually select and use in their daily lives can be improved.

Based on such advanced understanding of demand, the Company believes that it can create new revenue opportunities and improve profitability by providing solutions that support decision-making from earlier stages in the supply chain, from production to consumers.

(b) Expansion of Value Provision Areas through Advanced Logistics Models

As constraints surrounding logistics intensify, the Company regards it as an important issue for the future to design, based on products with differing handling conditions and supply requirements, the appropriate methods of

processing, storage and sorting at logistics centers, as well as the appropriate methods of transportation, delivery and supply before and after such logistics center operations, in accordance with the required standards, and to provide such supply in a sustainable manner.

Under this recognition of issues, the Company is currently proceeding, based on its long-term vision and the Medium-Term Management Plan, with the design and verification of logistics centers with productivity clearly distinct from conventional logistics centers, while also promoting the development of logistics networks through collaboration beyond industry boundaries and customary practices, including joint delivery.

Through implementing the Transactions, by combining and further developing the Company's expertise in highly efficient logistics operations premised on a wide variety of products, the Tender Offeror Group's expertise in highly efficient logistics operations premised on strict supply requirements, and the expertise in facility design and operation premised on automation that both companies have accumulated in their respective fields, the Company believes that it will become possible to build a structure capable of flexibly designing and operating logistics models according to the standards required for different products and supply conditions, rather than merely combining daily necessities logistics and pharmaceutical logistics.

As a result, the Company expects that it will become possible to design base locations, delivery frequencies and automation levels more precisely than before according to the characteristics of the products handled, and to promote the effective utilization of management resources, including the joint use of bases, facilities and IT, as well as the optimal allocation of human resources, thereby improving capital efficiency in terms of logistics functions.

Furthermore, based on such results, the Company believes that this will lead not only to the provision of functions in intermediate distribution, but also to the provision of the Company's logistics functions to logistics areas that have been individually developed and operated by each business operator, such as manufacturers' logistics and retailers' logistics, as well as to expansion into different product areas such as food products, thereby creating new revenue opportunities.

(c) Practice of Data Collaboration Across Different Areas and Acquisition of Expertise

In advancing the provision of distribution solutions utilizing data and expansion into new business areas, the Company believes that data collaboration with a variety of companies across the supply chain is necessary.

In doing so, the Company recognizes that, in addition to utilizing the data it has accumulated in its own business areas, it is important to establish a state in which data from different areas, where definitions, evaluation indicators and prerequisites for judgment differ, can be connected, analyzed and utilized on a cross-functional basis.

Through the Transactions, the Company expects to acquire, together with the Tender Offeror Group, expertise in connecting and utilizing different data systems through practical implementation, both in business practice aspects, such as organizing and standardizing definitions and evaluation indicators for data relating to demand identification and logistics operations, and in technical aspects, such as converting data formats and designing inter-system connections.

This will enable the Company to develop an information infrastructure supporting the advanced understanding of demand described in I. above and the advanced logistics models described in II. above, while minimizing the burden of system investment and the construction of operational structures that would be required if the Company were to build an equivalent infrastructure independently. Furthermore, the Company believes that it will acquire expertise that can also be applied in collaboration with companies other than the Tender Offeror Group.

(d) Strengthening the Human Resource Foundation to Support Execution of Transformation

Based on the recognition that human resources are the source of value creation and the most important asset, the Company positions the independent and spontaneous active participation of diverse human resources as a prerequisite for realizing its long-term vision. The Company believes that, in order to implement the expansion of the value provision areas it is seeking to achieve, it is necessary to develop a talent pool possessing experience and expertise beyond the existing business domains and capable of consistently undertaking everything from business planning to operations.

Triggered by the Transactions, the Company and the Tender Offeror Group expect to promote joint operations beyond functional and corporate boundaries, focusing on priority areas such as demand identification and the advancement of logistics models, and the Company believes that this will expand opportunities for the Company's personnel to participate in setting issues, making decisions and implementing measures across multiple areas.

As a result, in addition to broadening the experience and career paths of individual personnel, the Company expects that, as an organization, it will develop a robust talent pool capable of adapting external information and

functions to its own business operations while taking into account differing constraints and business requirements. The Company believes that such depth in human resources will enhance the continuity of transformation and the reproducibility of results, thereby contributing to the enhancement of corporate value over the medium to long term.

The Company has steadily advanced the development of a foundation for deepening its existing businesses and expanding the areas where it provides value under its long-term vision and the Medium-Term Management Plan, which anticipate future environmental changes. However, the Company believes that it is necessary to further accelerate these initiatives in order to expand into broader business fields in the future. In particular, the Company recognizes that supplementing and strengthening operational expertise in areas different from those addressed in the past, as well as data infrastructure and functions that contribute to the optimization of the entire supply chain from production to sales, are important issues in the execution of its strategies. In addressing these issues, the Company believes that, in its future business development, it will be effective, in enhancing the feasibility of the Company's strategies and expanding their effects, to utilize the resources possessed by the Tender Offeror Group integrally and dynamically together with the Company's own foundation. On the other hand, under the current structure premised on a parent-subsidary double listing, it is necessary to give consideration to the interests of minority shareholders. As a result, the Company recognizes that there are certain constraints on the cross-functional utilization of data, human resources and know-how, as well as on the integrated promotion of medium- to long-term measures, and that there are structural limits to executing the above initiatives at sufficient speed and scope. Accordingly, the Company believes that taking the Company private through the Transactions, including the Tender Offer by the Tender Offeror, contributes to the enhancement of the Company's corporate value.

C Evaluation of the significance of the Transactions as viewed by the Tender Offeror and the Company

The significance of the Transactions as viewed by the Tender Offeror set forth in A above can be evaluated as being based on the Company's management issues described in (2) above, from the perspective of utilizing the Tender Offeror Group's medical-related networks, logistics functions, data and human resource base, and other management resources in order to expand the scope of the Company's value provision and strengthen its business foundation. Likewise, the significance of the Transactions as viewed by the Company set forth in B above can also be evaluated as being based on the Company's management issues described in (2) above, from the perspective of further accelerating

the deepening of its existing businesses and the expansion of the scope of its value provision in order to realize the Company's long-term vision and medium-term management plan, by strengthening demand identification, logistics, data collaboration, and its human resource base through integrated and agile collaboration with the Tender Offeror Group. In addition, the initiatives and synergies set forth in A and B above can be regarded as consistent with each other.

Accordingly, the Special Committee considers that the views of the Tender Offeror and the Company—that, by taking the Company private, the implementation of the various initiatives described in A and B above and synergies generated therefrom can be expected—are reasonable.

D The Company's management policy, etc. after the Transactions

From the Company's perspective, in order to maximize the Company's medium- to long-term corporate value after the Transactions, it is important that the Company's current management policies, as well as its autonomy and self-governance, be respected to the fullest extent possible. From this perspective, the Tender Offeror and the Company have agreed that, with respect to the operation of the Company after the Transactions, the following shall serve as the basic principles, and that they will engage in good-faith discussions regarding the specific details thereof after the Tender Offer has been successfully completed.

- (a) In order to share the management resources of the Tender Offeror and the Company and maximize the corporate value of both parties, promptly after the completion of the Squeeze-Out Procedures, the Tender Offeror and the Company will establish and operate a forum for considering measures to enhance corporate value with respect to issues to be examined, including the wholesale business for cosmetics, daily necessities and OTC pharmaceuticals, and the wholesale business for prescription pharmaceuticals and related products, for the purpose of specifically determining measures and allocation of roles concerning business alliances through the exchange of information and opinions regarding such business alliances. This forum shall have an equal number of personnel from the Tender Offeror and the Company, including members of senior management, and subcommittees shall be established according to the individual issues to be examined. The details of such forum shall be separately discussed in good faith with the Company so that they can be determined by the completion of the Squeeze-Out Procedures.
- (b) In light of the importance of maintaining the Company's prompt decision-making and agile business operations even after the Transactions, the various regulations and rules concerning the Tender Offeror's group companies shall be reviewed as

necessary promptly after the completion of the Transactions, following discussions with the Company. In conducting such review, maximum consideration shall be given, taking into account the Company's business content, scale of sales, and other relevant factors, so as not to interfere with the Company's business operations.

- (c) With respect to the structure of the Company's management team after the Transactions, the current structure shall be respected to the fullest extent possible, and consideration shall be given from the perspectives of enhancing the Company's medium- to long-term corporate value and ensuring continuity of its growth strategy, while fully taking into account the Company's intentions and the needs of its business operations.
- (d) Even after the Transactions, the basic policy shall be not to make any disadvantageous changes to the employment conditions of the Company's employees.
- (e) Even after the Transactions, the basic policy shall be to maintain the Company's trade name, and if any change is to be made thereto, the Tender Offeror and the Company shall engage in prior good-faith discussions.
- (f) The Tender Offeror shall engage in prior good-faith discussions with the Company if, after the Transactions, any transfer or other disposition of the Company Shares is to be made, or if any merger or other organizational restructuring involving the Company as a party, or any other act that would materially affect the structure of the Company's management team, is to be carried out.
- (g) With respect to the Company's financial plans and use of funds, even after the Transactions, the Tender Offeror shall pay due respect to the necessity of securing the Company's cash and deposits and making necessary investments such as growth investments and capital expenditures for equipment renewal, and shall engage in continuous and good-faith discussions with the Company so as to maximize the promotion of the Company's growth strategy.

The Special Committee considers that the fact that, even after the Transactions, the Company's management policies, as well as its autonomy and self-governance, are to be fully respected, and that the Tender Offeror and the Company are to engage in continuous and good-faith discussions regarding, among other things, the Company's financial plans so as to maximize the promotion of the Company's growth strategy, together with the other agreed matters described above, will serve as a foundation enabling the Company to maintain its prompt decision-making and agile business operations, as well as leading ongoing discussions and consideration to materializing the expected synergies. In addition, the Special Committee has repeatedly confirmed with the Tender Offeror that the Tender

Offeror clearly recognizes the need to review its internal rules in light of the Company's business scale and its existing operating practices, and that the Tender Offeror does not intend to utilize the Company's cash in a way that would hinder the Company's growth investments. In light of these circumstances, the Special Committee concludes that such agreed matters will contribute to the enhancement of the Company's medium- to long-term corporate value.

E Comparison with other possible approaches

From another perspective, if the above synergies can be realized without delisting the Company, and if there is any feasible transaction that could serve as an alternative to the Transactions, the rationality of the Transactions involving delisting would be reduced.

However, according to the Tender Offeror and the Company, under the current circumstances in which both the Tender Offeror and the Company conduct their businesses independently as listed companies, because it is necessary to give consideration to the interests of general shareholders, there are certain constraints on the group-wide utilization of data, personnel, know-how and on the integrated promotion of medium- to long-term measures, they recognize that there are structural limits to executing the above initiatives with sufficient speed and scope. Accordingly, they believe that it would be difficult to achieve the above synergies while maintaining the Company's listing. The Special Committee considers that there is nothing particularly unreasonable in this explanation.

In addition, through the Interviews, etc., the Special Committee confirmed with the Tender Offeror and the Company whether there existed any transaction that could serve as an alternative to the Transactions, and received a response that, as of now, they were not aware of any specific and highly feasible alternative transaction that would enable the realization of the above synergies while at the same time providing general shareholders with a reasonable opportunity to recover their investment on terms equal to or more favorable than those of the Transactions. The Special Committee considers, in light of the Review Materials and the results of the Interviews, etc., that such explanation is reasonable.

F Other impacts of implementing the Transactions

If the Company is delisted as a result of the Transactions, general disadvantages associated with delisting may come to realization, which include the inability to procure funds from capital markets, and possible effects on the name recognition, creditworthiness, and securing of human resources that the Company has enjoyed as a listed company. However, the Company believes that, considering its current financial condition and other relevant factors, the need to procure funds through equity financing is not expected for

the time being. The Company also believes that it has built relationships of trust with many stakeholders, including employees and business partners, through its long-standing business and social activities. In addition, the Company recognizes that, taking into account the social credibility and recognition possessed by the Tender Offeror, even if the Company becomes a wholly owned subsidiary of the Tender Offeror, it is unlikely that there would be any adverse impact on the Company's social credibility or recruitment activities compared to its current status as a listed company, and, for this reason as well, the disadvantages of taking the Company private through the Transactions are limited.

In addition to these points, the Company believes that, although the implementation of the Transactions would result in the dissolution of the capital relationship with existing shareholders other than the Tender Offeror, concerns about a decrease in transactions with such existing shareholders are limited, given that even at present, where transactions exist with such existing shareholders, they are conducted on an arm's-length basis.

The Special Committee considers that there is nothing unreasonable in the Company's recognition described above, and determines that there are no particular circumstances that would constitute a material obstacle to the enhancement of the Company's corporate value through the implementation of the Transactions.

(4) Review and determination by the Special Committee

Based on the above facts, the various measures which the Tender Offeror and the Company intend to implement are considered rational in light of the Company's management issues. Further, the Tender Offeror and the Company share the understanding that, the Company's post-Transactions management policies, as well as its autonomy and self-governance, should be fully respected in order to implement such measures promptly and in an agile manner. Considering the above, the Special Committee finds substantial positive significance in implementing the Transactions. In particular, the Special Committee finds it important that the Transactions are expected to give rise to the following synergies and benefits, through taking-private of the Company which would enable the Tender Offeror Group and the Company to achieve more integrated and agile collaborations:

- (a) by combining the medical-related networks, expertise and information regarding related services possessed by the Tender Offeror Group with the distribution- and sales-related data and other management resources possessed by the Company, it may become possible to enhance consumer-oriented demand identification and, based thereon, the ability to make proposals to business partners;
- (b) by combining the Tender Offeror Group's expertise in pharmaceutical distribution with the Company's expertise in the intermediate distribution of daily necessities, OTC pharmaceuticals and other products, it may be possible to enhance logistics models capable of accommodating product categories with

- differing supply requirements, to utilize logistics bases, systems and personnel more efficiently, and to expand the scope of services provided;
- (c) through the development of a common platform for connecting and utilizing the different data and expertise held by both parties, the possibility may be broadened for providing solutions that contribute to the advancement of demand forecasting, product planning, production planning and logistics operations; and
 - (d) through the meetings concerning the enhancement of corporate value and personnel exchanges that are scheduled to be established after the Transactions, a framework would be put in place under which both parties can continuously consider and promote measures, thereby increasing the effectiveness of initiatives aimed at enhancing corporate value over the medium to long term.

On the other hand, given that no particular circumstances that would constitute a material obstacle to the enhancement of the Company's corporate value through the implementation of the Transactions are found, the Special Committee believes that the implementation of the Transactions will contribute to resolving the management issues recognized by the Company and, furthermore, to enhancing the Company's corporate value.

(5) Summary

Accordingly, the Special Committee considers that the Transactions will contribute to the enhancement of the Company's corporate value and that the purpose of the Transactions is rational.

2. Consultation Matter (ii)

(1) The Special Committee's understanding of, and approach to, its examination of Consultation Matter (ii)

Consultation Matter (ii) asks whether the fairness and reasonableness of the terms and conditions of the Transactions (including the level of consideration, the method of implementation of the Transactions, and the type of consideration) are ensured.

In this regard, the M&A Guidelines contain the following description (M&A Guidelines 3.2.2) regarding the reasonableness of the terms and conditions of the Transaction, which serves as a useful reference when considering the fairness and reasonableness of the terms and conditions of the Transactions.

“it is important for the Special Committee to consider the reasonableness of transaction terms by (a) ensuring that in discussions and negotiations of transaction terms with an acquiring party, reasonable efforts are made to conduct the M&A transaction on the best possible transaction terms for general shareholders, while also increasing corporate value,

and (b) confirming the contents of the stock price valuation, which is an important basis for judging the reasonableness of transaction terms, and the rationality of financial forecasts, assumptions and other factors which are the premises for such valuation. In addition, it is important to examine not only the level of the acquisition consideration but also the reasonableness of both the acquisition method and types of acquisition consideration.”

Given the above, the Special Committee will consider the fairness and reasonableness of the terms and conditions of the Transactions based on the above points raised in the M&A Guidelines.

Furthermore, according to the M&A Guidelines 3.3.2.1B, as specific details regarding (b) above, it is advisable that the Special Committee consider, in addition to valuation results delivered by an independent third party valuation organization with expertise, the positioning and feasibility of the business plan on which the valuation was based, the characteristics of the valuation methodologies used, the level of premiums generally paid in similar M&A transactions, the value that can be realized without such M&A transaction, and the expected increase in corporate value created by such M&A transaction, the Special Committee also incorporated these factors in conducting the consideration.

(2) Negotiation status regarding the terms and conditions of the Transactions

As described below, the Company has engaged in many rounds of negotiations with the Tender Offeror to increase the Tender Offer Price, respecting the Special Committee's opinion. These negotiations can be evaluated as having been conducted based on objective and consistent discussions, substantially equivalent to negotiations at arm's-length.

Furthermore, in view of the fact that the Company has implemented the various measures described in “Consultation Matter (iii)” under 3. below in order to “ensure a situation in which reasonable efforts are made to conduct the M&A transaction on the best possible transaction terms for general shareholders,” it can be determined that the Company made reasonable efforts to ensure that the M&A transaction was conducted on the best possible transaction terms for general shareholders.

The specific details of the negotiations regarding the terms and conditions of the Transactions that the Company conducted with the Tender Offeror since March 11, 2026, are as follows.

Specifically, on March 11, 2026, after comprehensively taking into account the information obtained through the due diligence, analysis of the Company's financial condition, business performance and future outlook, etc., based on the Business Plan disclosed by the Company, and the preliminary valuation analysis of the Company Shares conducted by Nomura Securities Co., Ltd., the Tender Offeror's third-party valuation organization, the Tender Offeror proposed that, on the premise that the Company would not

pay an interim dividend in respect of the end of September 2026, the Tender Offer Price be set at 5,650 yen (representing a premium of 19.70% over 4,720 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of March 10, 2026, the business day preceding March 11, 2026; a premium of 15.19% over 4,905 yen, the simple average closing price for the past one month up to the same day (rounded to the nearest whole yen; the same applies hereinafter in calculating simple average closing prices); a premium of 15.38% over 4,897 yen, the simple average closing price for the past three months up to the same day; and a premium of 18.97% over 4,749 yen, the simple average closing price for the past six months up to the same day).

In response, on March 16, 2026, the Company sent, in the name of both the Company and the Special Committee, a response letter requesting that the Tender Offeror make a revised proposal for the Tender Offer Price, stating that the Tender Offer Price proposed in such proposal (5,650 yen), in light of the preliminary analyses conducted by the third-party valuation organizations of the Company and the Special Committee regarding the value of the Company Shares, could hardly be regarded as giving due consideration to the interests of the Company's minority shareholders.

Following this, on March 26, 2026, the Tender Offeror proposed that the Tender Offer Price be set at 5,900 yen (representing a premium of 26.34% over 4,670 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of March 25, 2026, the business day preceding March 26, 2026; a premium of 24.08% over 4,755 yen, the simple average closing price for the past one month up to the same day; a premium of 21.20% over 4,868 yen, the simple average closing price for the past three months up to the same day; and a premium of 24.32% over 4,746 yen, the simple average closing price for the past six months up to the same day).

In response, on March 30, 2026, the Company sent, in the name of both the Company and the Special Committee, a response letter requesting that the Tender Offeror make a revised proposal for the Tender Offer Price, stating that the Tender Offer Price proposed in such proposal (5,900 yen), in light of the preliminary analyses conducted by the third-party valuation organizations of the Company and the Special Committee regarding the value of the Company Shares, could hardly be regarded as giving due consideration to the interests of the Company's minority shareholders.

Following this, on April 6, 2026, the Tender Offeror proposed that the Tender Offer Price be set at 6,100 yen (representing a premium of 23.56% over 4,937 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of April 3, 2026, the business day preceding April 6, 2026; a premium of 28.50% over 4,747 yen, the simple average closing price for the past one month up to the same day; a premium of 25.28% over 4,869 yen, the simple average closing price for the past three months up to the same day; and a premium of 28.21% over 4,758 yen, the simple average closing price for the past six

months up to the same day).

In response, on April 8, 2026, the Company sent, in the name of both the Company and the Special Committee, a response letter requesting that the Tender Offeror make a revised proposal for the Tender Offer Price, stating that the Tender Offer Price proposed in such proposal (6,100 yen), in light of the preliminary analyses conducted by the third-party valuation organizations of the Company and the Special Committee regarding the value of the Company Shares, could hardly be regarded as giving due consideration to the interests of the Company's minority shareholders.

Following this, on April 10, 2026, the Tender Offeror proposed that the Tender Offer Price be set at 6,300 yen (representing a premium of 29.71% over 4,857 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of April 9, 2026, the business day preceding April 10, 2026; a premium of 32.21% over 4,765 yen, the simple average closing price for the past one month up to the same day; a premium of 29.44% over 4,867 yen, the simple average closing price for the past three months up to the same day; and a premium of 32.13% over 4,768 yen, the simple average closing price for the past six months up to the same day).

In response, on the same day, the Company sent, in the name of both the Company and the Special Committee, a response letter requesting that the Tender Offeror make a revised proposal for the Tender Offer Price, stating that the Tender Offer Price proposed in such proposal (6,300 yen), in light of the preliminary analyses conducted by the third-party valuation organizations of the Company and the Special Committee regarding the value of the Company Shares, could hardly be regarded as giving due consideration to the interests of the Company's minority shareholders.

Following this, on April 15, 2026, the Tender Offeror proposed that the Tender Offer Price be set at 6,400 yen (representing a premium of 35.77% over 4,714 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of April 14, 2026, the business day preceding April 15, 2026; a premium of 33.92% over 4,779 yen, the simple average closing price for the past one month up to the same day; a premium of 31.80% over 4,856 yen, the simple average closing price for the past three months up to the same day; and a premium of 34.12% over 4,772 yen, the simple average closing price for the past six months up to the same day).

In response, on April 16, 2026, the Company sent, in the name of both the Company and the Special Committee, a response letter requesting that the Tender Offeror make a revised proposal for the Tender Offer Price, stating that the Tender Offer Price proposed in such proposal (6,400 yen), in light of the preliminary analyses conducted by the third-party valuation organizations of the Company and the Special Committee regarding the value of the Company Shares, could not at all be said to give sufficient consideration to the interests of the Company's minority shareholders.

Following this, on April 20, 2026, the Tender Offeror proposed that the Tender Offer Price be set at 6,480 yen (representing a premium of 38.85% over 4,667 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of April 17, 2026, the business day preceding April 20, 2026; a premium of 35.65% over 4,777 yen, the simple average closing price for the past one month up to the same day; a premium of 33.77% over 4,844 yen, the simple average closing price for the past three months up to the same day; and a premium of 35.68% over 4,776 yen, the simple average closing price for the past six months up to the same day).

In response, on April 21, 2026, the Company sent, in the name of both the Company and the Special Committee, a response letter requesting that the Tender Offeror make a revised proposal for the Tender Offer Price, stating that the Tender Offer Price proposed in such proposal (6,480 yen), in light of the preliminary analyses conducted by the third-party valuation organizations of the Company and the Special Committee regarding the value of the Company Shares, the market price trends of the Company Shares, the perspective of the fair distribution to minority shareholders of the synergies expected to materialize after the Transactions, and other factors, still could not at all be said to give sufficient consideration to the interests of the Company's minority shareholders.

Following this, on April 22, 2026, the Tender Offeror proposed that the Tender Offer Price be set at 6,500 yen (representing a premium of 38.98% over 4,677 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of April 21, 2026, the business day preceding April 22, 2026; a premium of 36.15% over 4,774 yen, the simple average closing price for the past one month up to the same day; a premium of 34.52% over 4,832 yen, the simple average closing price for the past three months up to the same day; and a premium of 36.07% over 4,777 yen, the simple average closing price for the past six months up to the same day).

In response, on April 23, 2026, the Company sent, in the name of both the Company and the Special Committee, a response letter requesting that the Tender Offeror make a revised proposal for the Tender Offer Price, stating that the Tender Offer Price proposed in such proposal (6,500 yen) could hardly be regarded as giving sufficient consideration to the interests of the Company's minority shareholders, from the perspective of serving the interests of the Company's minority shareholders and taking into account the historical market price trends of the Company Shares, the perspective of the fair distribution to minority shareholders of the synergies expected to materialize after the Transactions and other factors.

Following this, on April 24, 2026, the Tender Offeror proposed that the Tender Offer Price be set at 6,550 yen (representing a premium of 41.84% over 4,618 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of April 23, 2026, the business day preceding April 24, 2026; a premium of 37.37% over 4,768 yen, the simple

average closing price for the past one month up to the same day; a premium of 35.92% over 4,819 yen, the simple average closing price for the past three months up to the same day; and a premium of 37.12% over 4,777 yen, the simple average closing price for the past six months up to the same day).

In response, on the same day, the Company sent, in the name of both the Company and the Special Committee, a response letter requesting that the Tender Offeror make a revised proposal for the Tender Offer Price, stating that the Tender Offer Price proposed in such proposal (6,550 yen) could hardly be regarded as giving sufficient consideration to the interests of the Company's minority shareholders, from the perspective of serving the interests of the Company's minority shareholders and taking into account the historical market price trends of the Company Shares, the perspective of the fair distribution to minority shareholders of the synergies expected to materialize after the Transactions and other factors,.

Following this, on April 27, 2026, the Tender Offeror proposed that the Tender Offer Price be set at 6,600 yen (representing a premium of 43.10% over 4,612 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of April 24, 2026, the business day preceding April 27, 2026; a premium of 38.45% over 4,767 yen, the simple average closing price for the past one month up to the same day; a premium of 37.04% over 4,816 yen, the simple average closing price for the past three months up to the same day; and a premium of 38.19% over 4,776 yen, the simple average closing price for the past six months up to the same day).

In response, on April 28, 2026, the Company sent, in the name of both the Company and the Special Committee, a response letter requesting that the Tender Offeror make a revised proposal for the Tender Offer Price, stating that, in light of historical market price trends of the Company Shares and from the perspective of fair distribution to minority shareholders of the synergies expected to be realized after the Transactions, further consideration should be given to the interests of the Company's minority shareholders.

Following this, on April 30, 2026, the Tender Offeror proposed that, on the premise that the Company would not pay an interim dividend in respect of the end of September 2026 or a year-end dividend for the end of March 2027, the Tender Offer Price be set at 6,630 yen (representing a premium of 42.06% over 4,667 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of April 28, 2026, the business day preceding April 30, 2026; a premium of 39.23% over 4,762 yen, the simple average closing price for the past one month up to the same day; a premium of 37.92% over 4,807 yen, the simple average closing price for the past three months up to the same day; and a premium of 38.82% over 4,776 yen, the simple average closing price for the past six months up to the same day).

In response, on May 1, 2026, the Company sent, in the name of both the Company and

the Special Committee, a response letter requesting that the Tender Offeror make a revised proposal for the Tender Offer Price, stating that although the Tender Offer Price proposed in such proposal, 6,630 yen, had been increased from the previous proposal, further consideration should be given to the interests of the Company's minority shareholders.

In response, on May 7, 2026, the Tender Offeror made a revised proposal to set the Tender Offer Price at 6,650 yen (representing a premium of 43.16% over 4,645 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange as of May 1, 2026, the business day preceding May 7, 2026; a premium of 40.38% over 4,737 yen, the simple average closing price for the past one month up to the same day; a premium of 38.51% over 4,801 yen, the simple average closing price for the past three months up to the same day; and a premium of 39.09% over 4,781 yen, the simple average closing price for the past six months up to the same day).

Then, on May 8, 2026, the Company and the Special Committee sent a response to the Tender Offeror stating that they accepted the Tender Offeror's proposal and hence reached agreement to set the Tender Offer Price at 6,650 yen.

In this manner, starting from the Tender Offeror's initial proposal of 5,650 yen per share, the Company and the Special Committee requested increases in the Tender Offer Price based on the preliminary share valuation results obtained from Daiwa Securities and Plutus Consulting, as well as the deliberations and examinations conducted by the Special Committee. As a result, the Company and the Special Committee succeeded in eliciting from the Tender Offeror proposals to increase the Tender Offer Price 10 times, ultimately reaching agreement at the Tender Offer Price of 6,650 yen per share. Throughout this series of negotiations, Daiwa Securities and Plutus Consulting timely shared and explained developments to the Special Committee, either at Special Committee meetings, by email or other means. The negotiations were conducted under the substantive involvement of the Special Committee, with the negotiation policy being confirmed by the Special Committee and the Special Committee's views being heard as appropriate from time to time. As a result, the Tender Offer Price reflects a meaningful increase from the price initially proposed by the Tender Offeror, and it is recognized that the Company conducted the negotiations with the aim of having the Transactions conducted on the terms and conditions that were as favorable as possible to minority shareholders.

In light of the foregoing, it is recognized that the agreement on the Tender Offer Price in the Transactions was reached as a result of negotiations between the Company and the Tender Offeror that were based on objective and consistent discussions substantially equivalent to those conducted in arm's length transactions. At the same time, no circumstances have been identified that would cast doubt on the transparency or fairness of the agreement process.

(3) Relationship between share valuation and the Tender Offer Price

A Rationality of the business plan

In considering the fairness and reasonableness of the Tender Offer Price, the results of share valuation conducted by Daiwa Securities and Plutus Consulting serve as the primary reference materials.

In light of the fact that both Daiwa Securities and Plutus Consulting adopted the DCF method in conducting the share valuations and used the Business Plan as the basis therefor, it is necessary to verify the credibility and reasonableness of the Business Plan. Since the Business Plan was prepared after the possibility of the Transactions being implemented was concretely recognized by the Company, there is a theoretical possibility that arbitrary elements are involved to influence the success or failure of the Transactions, if compared with a case where such plan were to be prepared prior to the Company concretely recognizing the possibility of the Transactions. While the Company had prepared an internal management business plan for the fiscal year ending March 2027 (hereinafter referred to as the “Management-Use-Only Business Plan.” Note that such management business plan of the Company is generally not publicly disclosed.), no business plans had been formulated for the fiscal years ending March 2028 and thereafter. Accordingly, after the Company commenced its consideration of the Transactions, it newly prepared business plans for the fiscal year ending March 2028 and beyond for the purpose of the share valuations to be conducted by Daiwa Securities and Plutus Consulting. However, in transaction types such as the Transactions, it is common for the target company to newly prepare a business plan, for business years which the existing business plans have not covered, and to use such business plans as underlying materials for share valuations conducted by third-party valuation organizations to conduct their share valuation.

Therefore, the mere fact that the Business Plan was prepared after the consideration on the Transactions commenced does not constitute grounds for doubting its rationality.

According to the Review Materials and the Interviews, etc., the Business Plan was, as described above, prepared using the Management-Use-Only Business Plan on a stand-alone basis without assuming that the Transactions would be implemented.

Then, based on the following circumstances, the Special Committee determined that there are no grounds to deny the rationality of the preparation process or details of the Business Plan.

(I) Preparation process of the Business Plan

According to the Interviews, etc., the Management-Use-Only Business Plan was prepared in the ordinary course of business, independently of the Transactions and before the possibility of implementing the Transactions was specifically

recognized by the Company. Furthermore, based on the responses provided in the Interviews, etc., there is no indication that any of the Tender Offeror or its related parties was involved in the preparation of the Business Plan or exerted any influence over it.

(II) Details of the Business Plan

The Business Plan is an updated version of the Management Use-Only Business Plan reflecting the current business environment and other relevant factors. The Business Plan was formulated for the purpose of considering the Transactions by a team composed of the Company's directors and employees who have no conflict of interest with the Tender Offeror (specifically, the team consists of a total of 10 members: one director of the Company (Mr. Masaharu Shimada), three executive officers, and six other employees).

In this regard, the operating profit plan figure for the fiscal year ending March 2027 in the Business Plan (25.3 billion yen) is lower than the operating profit target figure for the fiscal year ending March 2027 (30.0 billion yen) in the Medium-Term Management Plan announced by the Company on May 13, 2024. According to the Company, this is because, taking into account the nature of the figures in the Medium-Term Management Plan as quantitative target figures, when formulating the Business Plan that serves as the premise for valuation, the Company determined that it would be more appropriate to examine the appropriateness of the Tender Offer Price after calculating the Company's corporate value based on a plan reflecting changes in the business environment and business performance trends from the time of formulation of the Medium-Term Management Plan to the most recent period, as described below, and based on the latest and best estimates of the Company's management. Accordingly, the Company adopted figures different from the quantitative target figures in the Medium-Term Management Plan.

Specifically, according to the Company's explanation, with respect to changes in the business environment, consumer sentiment has declined due to inflation, and the growth in the volume of products handled by the Company has been limited. In addition, integration among major retailers, which are the Company's sales destinations, has progressed significantly, and transaction conditions have changed to become more severe for the Company. The Company also recognizes that, due to the progress of these corporate integrations, the bargaining power of business partners has relatively strengthened, and pressure to change transaction conditions has further intensified across the industry to which the Company belongs. Furthermore, recent rises in unit labor costs and rises in delivery unit costs associated with revisions to the Labor Standards Act in the logistics industry

have both exceeded expectations. In the fiscal year ended March 2026, operating profit was approximately 2.5 billion yen lower than the operating profit in the earnings forecast stated in the financial results summary announced on May 12, 2025, due to the combined effect of the impact of changes in transaction terms with sales destinations, which were mainly determined in the latter half of the fiscal year ended March 2026, higher-than-expected delivery costs associated with the expansion of transactions and rising delivery unit costs, a decline in shipping productivity at the Company's logistics bases resulting from an increase in the number of retail stores while shipment volumes remained sluggish, rises in unit labor costs for in-warehouse operations against the backdrop of worsening labor shortages, expanded use of external warehouses, and other factors contributing to an increase in selling, general and administrative expenses. For the fiscal year ending March 2027, although the Company expects partial recovery through improvement measures with respect to the above factors that depressed its performance in the fiscal year ended March 2026, it has determined that rises in unit labor costs and delivery unit costs are strongly driven by changes in the external environment and will not be completely eliminated, and that their impact will continue to a certain extent. In addition, with respect to the changes in transaction terms with sales destinations decided in the latter half of the fiscal year ended March 2026, the Company has adopted the assumption that such changes will reasonably be expected to affect the entire year. Furthermore, since a review of transactions is scheduled for the fiscal year ending March 2027 due to a change in the management policy of sales destinations, the resulting decrease in sales and profit has been incorporated into the Business Plan.

Based on the above explanation, the Special Committee confirmed that there are no unreasonable aspects in the assumptions and details of the Business Plan, and that the Business Plan was not prepared suppressively to intentionally depress the valuation of the Company Shares.

B Rationality of the method and basis of valuation (Daiwa Securities)

The Special Committee received a detailed explanation from Daiwa Securities regarding, among others, the range of the per-share valuation results of the Company Shares, the valuation methods, and the reasoning process behind the valuation results.

First, the valuation methods adopted by Daiwa Securities are going concern-based valuation methods; specifically, the market price method, the comparable company method, and the DCF method were adopted.

Among the valuation methods adopted by Daiwa Securities, the market price method sets the business day prior to the announcement date of the Transactions as the record

date and calculates the share price based on the closing price on the record date as well as the simple average of the closing prices for the one-month period, the three-months period, and the six-months period immediately preceding the record date, respectively. Regarding the price trends of the Company Shares, there have been no significant fluctuations attributable to suspected special factors, and given the absence of any particularly abnormal movements, the Special Committee believes that the share valuation period set by Daiwa Securities for its valuation is appropriate and that the price range derived from the market price method is sufficiently rational.

Next, in the comparable company method, MEDIPAL HOLDINGS CORPORATION, ARATA CORPORATION, Alfresa Holdings Corporation, SUZUKEN CO., LTD., TOHO HOLDINGS CO., LTD., VITAL KSK HOLDINGS, INC., and OHKI HEALTHCARE HOLDINGS CO., LTD. were selected as comparable listed companies deemed to have similarities with the Company, and the valuation was conducted using the enterprise value to EBITDA multiple. The price range derived from the comparable company method is therefore considered to be not unreasonable.

In addition, regarding the DCF method, if figures are arbitrary manipulated or irrational assumptions are set in any of the valuation elements, the final valuation result may fluctuate significantly. From this perspective, the Special Committee confirmed its valuation process with Daiwa Securities through the Interviews, etc. However, the Special Committee did not observe any arbitrary manipulation of figures or the setting of irrational assumptions in the various valuation basis adopted in the DCF method.

As described above, the Special Committee found no unreasonable aspects in the Daiwa Securities' selection of the market price method, the comparable company method, and the DCF method, as well as the respective valuation methodologies and bases therefor.

C Rationality of the method and basis of valuation (Plutus Consulting)

Similarly with Daiwa Securities, the Special Committee also received a detailed explanation from Plutus Consulting regarding, among others, the range of the per-share valuation results of the Company Shares, the valuation methods, and the reasoning process behind the valuation results.

First, the valuation methods adopted by Plutus Consulting are going concern-based valuation methods; specifically, the market price method, the comparable company method, and the DCF method were adopted.

Among the valuation methods adopted by Plutus Consulting, the market price method is a similar method to the market price method adopted by Daiwa Securities, and the Special Committee believes that the price range derived from the market price method is not unreasonable.

Next, the comparable company method is likewise the same type of methodology as

the comparable company method adopted by Daiwa Securities. In this regard, Plutus Consulting selected MEDIPAL HOLDINGS CORPORATION, Alfresa Holdings Corporation, SUZUKEN CO., LTD., TOHO HOLDINGS CO., LTD., ARATA CORPORATION, VITAL KSK HOLDINGS, INC., OHKI HEALTHCARE HOLDINGS CO., LTD., and DOSHISHA CO., LTD. as listed companies considered to be comparable to the Company, and conducted its valuation using, among other things, the multiple of enterprise value to EBITDA. The Special Committee considers the valuation range derived from the comparable company method to be not unreasonable.

In addition, with respect to the DCF method, as mentioned under B above, if figures are arbitrary manipulated or irrational assumptions are set in any of the valuation elements, the final valuation result may fluctuate significantly. From this perspective, the Special Committee conducted interviews with Plutus Consulting and confirmed its valuation process. As a result, with respect to the various calculation bases adopted in the DCF method, no arbitrary manipulation of numerical inputs or use of unreasonable assumptions that should be pointed out was observed.

In light of the foregoing, the Special Committee evaluated that Plutus Consulting's selection of the market price reference method, the comparable company method, and the DCF method, as well as each of the valuation methodologies and the bases therefor, was not unreasonable.

D Results of share valuations

According to the Share Valuation Report (Daiwa Securities), the range of per-share value of the Company Shares based on each valuation method is as shown in Table 1 below.

<Table 1: The range of per-share value of the Company Shares as determined by Daiwa Securities>

Valuation method	Range of per-share value
Market price method	4,659 yen to 4,791 yen
Comparable company method	4,241 yen to 5,535 yen
DCF method	4,950 yen to 6,776 yen

The Tender Offer Price of 6,650 yen per share is recognized as exceeding the upper limit of the valuation range based on the market price method and comparable company method and exceeding the median of the valuation result based on the DCF method.

Next, according to the Share Valuation Report (Plutus Consulting), the range of per-share value of the Company Shares based on each valuation method is as shown in Table 2 below.

<Table 2: The range of per-share value of the Company Shares as determined by Plutus Consulting>

Valuation method	Range of per-share value
Market price method	4,659 yen to 4,791 yen
Comparable company method	4,293 yen to 5,476 yen
DCF method	4,962 yen to 6,765 yen

The Tender Offer Price of 6,650 yen per share is recognized as exceeding the upper limit of the valuation range based on the market price method and comparable company method, and exceeding the median of the valuation result based on the DCF method.

Further, the fact that the Company has obtained, on May 8, 2026, the Fairness Opinion (Plutus Consulting) from Plutus Consulting stating that the Tender Offer Price of 6,650 yen per share is fair from a financial perspective for the Company's shareholders, excluding the Tender Offeror and its affiliated companies, can also be evaluated as supporting the fairness of the Tender Offer Price (M&A Guidelines 3.3.2.2).

Based on the foregoing, the Special Committee considers that the Tender Offer Price of 6,650 yen per share is at a level that ensures fairness and reasonableness for the Company's general shareholders, when viewed from the perspective of a comparison between the range of per-share value of the Company Shares calculated by Daiwa Securities and Plutus Consulting.

E Consideration of premiums

(a) Premium under the Transactions

According to the Share Valuation Report (Daiwa Securities), the Tender Offer Price of 6,650 yen per share has been obtained by adding the premium shown in Table 3 below to the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market as of May 8, 2026 (the “Immediately Preceding Business Day”).

<Table 3: Premium of the Tender Offer Price>

Reference value	Share	Premium
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	price	
Closing price on the Immediately Preceding Business Day	4,659 yen	42.73%
Simple average of the closing prices over the past one-month period as of the Immediately Preceding Business Day	4,679 yen	42.12%
Simple average of the closing prices over the past three-months period as of the Immediately Preceding Business Day	4,786 yen	38.95%
Simple average of the closing prices over the past six-months period as of the Immediately Preceding Business Day	4,791 yen	38.80%

* “Simple average of the closing prices” is rounded to the nearest whole number; the same shall apply hereinafter to the calculations of the simple average of the closing prices.

(b) Comparison with other cases

As noted in the M&A Guidelines, it is difficult to establish any singular or objective criteria such as, “the premium is fair if it is x% over” the market price of the shares (M&A Guidelines 2.2.2). The Special Committee recognizes that the mere fact that a premium attached as described above does not immediately mean that the Tender Offer Price is fair, reasonable or unreasonable.

However, according to Daiwa Securities, the Tender Offer Price represents an amount obtained by adding a premium of 42.73% to the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market of 4,659 yen on May 8, 2026, the business day prior to the announcement date of the Tender Offer; a premium of 42.12% to the simple average of the closing prices over the one-month period up to and including that date (from April 9, 2026 to May 8, 2026), of 4,679 yen; a premium of 38.95% to the simple average of the closing prices over the three-month period up to and including that date (from February 9, 2026 to May 8, 2026), of 4,786 yen; and a premium of 38.80% to the simple average of the closing prices over the six-month period up to and including that date (from November 10, 2025 to May 8, 2026), of 4,791 yen. Daiwa Securities further analyzed that, among 18 tender offer cases completed during the period from June 28, 2019, when the M&A Guidelines were published, through March 11, 2026, in which a parent company conducted a tender offer for the purpose of making a listed domestic subsidiary its wholly owned subsidiary with the subsidiary’s market capitalization of at least 100 billion yen and its price-to-book ratio (PBR) of at least 1.0 (such cases hereinafter being referred to as the

“Reference Cases”; excluding, however, cases in which the market price surged or fluctuated sharply due to speculative media reports or the like, and two-step tender offer cases), the average premium rates were 33.45% over the closing price on the business day immediately preceding the announcement date, 35.60% over the simple average of closing prices during the one-month period prior to the announcement date, 37.19% over the simple average of closing prices during the three-month period prior to the announcement date, and 38.24% over the simple average of closing prices during the six-month period prior to the announcement date; and the median premium rates were 25.97% over the closing price on the business day immediately preceding the announcement date, 31.58% over the simple average of closing prices during the one-month period prior to the announcement date, 34.09% over the simple average of closing prices during the three-month period prior to the announcement date, and 36.59% over the simple average of closing prices during the six-month period prior to the announcement date. Based on this, Daiwa Securities concluded that the Tender Offer Price includes a premium comparable to those seen in the Reference Cases.

Further to this, the Special Committee did not recognize any unreasonable points in Daiwa Securities’ above analysis.

Therefore, the premium associated with the Tender Offer Price can be evaluated as being at a rational level.

F Summary

In both the Share Valuation Report (Daiwa Securities) and the Share Valuation Report (Plutus Consulting) described above, the Tender Offer Price exceeds the upper limit of the per-share value ranges of the Company Shares calculated using the market price method and the comparable company method, and falls within the per-share value range of the Company Shares calculated using the DCF method, and exceeds the median of the valuation result based on the DCF method calculated by Daiwa Securities (5,863 yen) and the median of the valuation result based on the DCF method calculated by Plutus Consulting (5,864 yen). Further, the Special Committee has obtained the Fairness Opinion (Plutus Consulting). Additionally, the Tender Offer Price is equal to the highest-ever closing price since the Company’s listing, namely 6,650 yen (June 6, 2018). Accordingly, the level of the Tender Offer Price can be evaluated as appropriate.

Furthermore, the premium attached to the Tender Offer Price is recognized as being comparable to those seen in the Reference Cases.

In addition, since the Tender Offer Price of 6,650 yen per share can be recognized as an amount that represents a reasonable increase, when compared to the range of per-share value of the Company Shares calculated on a stand-alone basis, the Transactions are deemed to have also taken into account the point raised by the M&A Guidelines (M&A

Guidelines 2.2.1) that general shareholders should enjoy (a) all of the “value that can be realized without executing the M&A transaction” and (b) an appropriate portion of the “value that cannot be realized without executing the M&A transaction.”

In light of the foregoing factors, the Tender Offer Price can be considered to appropriately reflect the range of per-share value of the Company Shares.

(4) Fairness and reasonableness of the scheme, etc.

In the Transactions, the plan is to first conduct the Tender Offer and, following its completion, either consolidate the Company Shares or demand for share cash-out for the Company Shares as part of the Squeeze-Out Procedures. Here, according to the draft Tender Offer Registration Statement, it is disclosed that the Tender Offeror intends to set the amount of cash to be paid to general shareholders who did not tender their shares in the Tender Offer equal to that of the Tender Offer Price.

The Structure of the Transactions is generally adopted in take-private transactions of this kind, and, in the second-step procedures, each Company’s shareholder will be able to file a petition asking the court to determine a fair price pursuant to the provisions of the Companies Act.

The fact that the consideration to be received by shareholders in the Transactions is cash makes the method of the Transactions superior in terms of the ease of understanding the consideration as well as the high stability and objectivity of its value. It is also considered desirable from the perspective of satisfying both the need to promptly delist the Company Shares and the need to ensure that general shareholders have the opportunity and time to make appropriate judgments based on sufficient information.

Based on the foregoing, adopting the method of a two-step acquisition involving a tender offer as the method of acquisition, with the consideration for the acquisition to be paid in cash, is deemed fair and reasonable.

(5) Review and determination by the Special Committee

As described in (1) through (4) above, the Tender Offer Price can be evaluated as having a reasonable basis in light of the respective Share Valuation Reports and as providing general shareholders with an opportunity to sell their shares at an appropriate price. In addition, taking into account the fact that, in the process of determining the price, the Special Committee has been substantively involved in the negotiation strategy and the substance of negotiations and repeatedly sought price increases from the Tender Offeror, as well as the fact that, in the Transactions, general shareholders are ensured to receive consideration in the same amount as the Tender Offer Price either in the Tender Offer or the Squeeze-Out Procedures, the Tender Offer Price is considered as fair and reasonable.

(6) Summary

Therefore, the Special Committee considers that the fairness and reasonableness of the terms and conditions of the Transactions (including the level of consideration, the method of implementation of the Transactions, and the type of consideration) are ensured.

3. Consultation Matter (iii)

(1) The Special Committee's understanding of, and approach to, its examination of Consultation Matter (iii)

Consultation Matter (iii) asks whether the procedures, including the measures to ensure fairness adopted in connection with the negotiation process leading to the Transactions, are considered to be fair, and whether sufficient consideration is considered to have been given to the interests of the Company's shareholders through such procedures.

The Special Committee considered the Consultation Matter (iii) by analyzing the status of the implementation of measures to ensure fairness described in the M&A Guidelines, as well as the status of the implementation of measures to ensure fairness in cases similar with the Transactions. The Special Committee believes that, as noted in the M&A Guidelines (M&A Guidelines 3.1.2), it is not necessary to implement all measures listed in the M&A Guidelines; rather, it is important to analyze whether appropriate measures to ensure fairness in accordance with the actual circumstances surrounding the Transactions have been adopted and have been properly implemented.

Further, the Special Committee believes that when determining the fairness of the procedures related to the Transactions, it is appropriate to do so based on the fundamental perspectives outlined in the M&A Guidelines: (i) ensuring a situation substantially equivalent to an arm's length transaction in the process of formulating the transaction terms, and (ii) ensuring that general shareholders have an opportunity to make an appropriate decision based on sufficient information (M&A Guidelines 2.4).

(2) Establishment of the Special Committee and the procurement of the report from the Special Committee

The Special Committee was established by resolution at the Company's board of directors meeting, and has been consulted by it with the Consultation Matters.

In examining the Consultation Matters, the Special Committee has fulfilled the role expected of a special committee under the M&A Guidelines (specifically, to (1) evaluate and decide on an M&A transaction from the perspective of whether or not it increases corporate value of the target company, and (2) from the perspective of benefiting general shareholders, evaluate and decide (i) the reasonableness of transaction terms and (ii) the fairness of procedures) (M&A Guidelines 3.2.2).

In addition, the Special Committee is considered to be functioning effectively as a measure to ensure fairness, given the following considerations.

(i) Prompt establishment of a special committee (M&A Guidelines 3.2.4.1)

After receiving a letter of intent for the Transactions from the Tender Offeror on December 9, 2025, the Special Committee was established by resolution at the Company's board of directors meeting on December 22, 2025. The first meeting of the Special Committee was held on the same day. Accordingly, the Special Committee was established and convened as promptly as possible after the acquisition offer was received from the acquiring party.

(ii) Committee composition of a special committee (M&A Guidelines 3.2.4.2)

The members of the Special Committee consist of two independent outside directors and one independent outside corporate auditor of the Company, and each member has been confirmed to be independent from the Tender Offeror, the Company, and the success or failure of the Transactions, and to be eligible to serve as a member. Furthermore, although the Company has seven independent outside directors and three independent outside corporate auditors, the Company selected Mr. Ichiro Yoshitake, Ms. Kaori Oishi, and Ms. Kyoko Hikita as members of the Special Committee, rather than having all independent outside directors and independent outside corporate auditors serve as members, because, if all independent outside directors and independent outside corporate auditors were to serve as members, the flexibility and efficiency of the consideration of, negotiations regarding and other matters relating to the Transactions could be impaired, and there was a concern that this could, rather, be contrary to the interests of general shareholders. On the other hand, in light of the backgrounds and expertise of these three individuals among the independent outside officers, the Company believed that, by establishing a body consisting of these three individuals, the Company could secure the necessary and sufficient experience and knowledge with respect to the consideration of, negotiations regarding and other matters relating to the Transactions from the perspectives of corporate management, legal affairs and risk management and finance, etc., and could also realize flexible and efficient consideration of, negotiations regarding and other matters relating to the Transactions.

(iii) A special committee's involvement in negotiations of transaction terms with an acquiring party (M&A Guidelines 3.2.4.4)

As described above, in the course of the series of negotiations between the Tender Offeror and the Company with respect to the Transactions, Daiwa Securities and Plutus Consulting provided the Special Committee, in a timely manner, with relevant information and explanations either at meetings of the Special Committee, via email or other means. In addition, the Special Committee's views were sought as appropriate

from time to time, and its confirmation of the negotiation policy was obtained throughout the process. In addition, The Special Committee has been involved in the negotiation process between the Company and the Tender Offeror by, preparing and delivering a joint response letter in the names of both the Company and the Special Committee, each time the Company responded to the Tender Offeror's proposals regarding the transaction terms for the Transactions.

(iv) Procurement of advice from advisors (M&A Guidelines 3.2.4.5)

The Special Committee is authorized, to approve the Company's financial advisor or legal advisor (including ex-post facto approval), and to seek professional advice or explanations from such advisors, as necessary, in providing its report on the Consultation Matters or to appoint its own financial advisor or legal advisor, and to seek professional advice from such advisor (the Company shall bear the costs associated therewith)

At the first meeting of the Special Committee, the Special Committee confirmed that there is no issue regarding the independence of Daiwa Securities, the Company's financial advisor, and Oh-Ebashi, the Company's legal advisor, and further confirmed that it would seek professional advice or explanations from such advisor.

Also, at the third meeting of the Special Committee, after confirming that there is no issue regarding the independence, the Special Committee appointed Plutus Consulting as its financial advisor and third-party valuation organization, and Anderson Mori & Tomotsune as its legal advisor, and decided to seek professional advice or explanations from such advisors. In addition, the Special Committee received from Anderson Mori & Tomotsune legal advice necessary for evaluating the fairness assurance measures implemented in connection with the Transactions.

(v) Procurement of information (M&A Guidelines 3.2.4.6)

As described above, the Special Committee collected the information it considered necessary for its review and determination by sending questions to the Tender Offeror and the Company, conducting interviews, and requesting from time to time that the Tender Offeror and the Company provide additional information.

(vi) Member's remuneration (M&A Guidelines 3.2.4.7)

The remuneration of each member of the Special Committee does not include any contingency fee paid subject to the successful completion of the Transactions.

(vii) Methods used by the Company's board of directors to handle special committee decisions (M&A Guidelines 3.2.5)

The Company's board of directors has resolved that it will make its decisions regarding the Transactions by giving the utmost respect to the determinations of the Special Committee (i.e., the contents of its report in response to the Consultation Matters), and that, if the Special Committee determines that the terms and conditions

of the Transactions are not fair, the Company will not support the Transactions.

(3) The decision-making process and review system of the Company (M&A Guidelines 3.2.6)

The unanimous consent of all directors, and an opinion of all corporate auditors that there are no objections to an M&A transaction, excluding those who have significant interests in the transaction, in the board resolution with respect to the approval of an M&A transaction are considered to be an indication that the measures to ensure fairness have functioned effectively (M&A Guidelines 3.2.5, Note 46).

Under the M&A Guidelines, a system in the target company that enables, to the extent possible, an evaluation and negotiation of the proposed transaction independent from the acquiring party, such as by excluding directors with certain interests, including “directors with a special interest,” from evaluating and negotiating the transaction on behalf of the target company, depending on the specific circumstances of such M&A transaction, from the stages of evaluation and negotiation preceding the resolution of the board of directors of the target company to approve or reject the M&A transaction should be established (M&A Guidelines 3.2.6)

In this regard, after receiving notice from the Tender Offeror on October 21, 2025 that it had commenced consideration toward implementation of the Transactions, the Company, after obtaining legal advice from Oh-Ebashi, considered and established a project team to conduct the review of the Transactions (including preparation of the business plan that would form the basis for the valuation of the Company Shares), as well as consultations and negotiations with the Tender Offeror. The members of this project team consist solely of the Company’s officers and employees who do not concurrently serve as officers or employees of the Tender Offeror Group other than the Company Group, and the Company has continued to maintain this arrangement.

In addition, in light of the facts that Mr. Takuya Yoshida and Mr. Yuji Sakon, both directors of the Company, concurrently serve as directors of the Tender Offeror, and that Mr. Seiichi Kasutani formerly served as a director of the Tender Offeror, among other things, these three directors have not participated in the deliberations or resolutions of the Company’s board of directors relating to the Transactions, including the board meeting held on December 22, 2025 regarding the establishment of the Special Committee, from the perspective of eliminating any risk that the deliberations and resolutions of the Company’s board of directors may be affected by the structural conflict of interest issues and information asymmetry issues inherent in the Transactions.

Likewise, the three directors above will not participate in the deliberations regarding the Transactions of the Company's board of directors meeting scheduled to be held on the announcement date of the Transactions.

In addition, as stated in (2) above, while the Company has established the Special Committee and decided to receive its opinion, the Company's board of directors resolved that, upon establishing the Special Committee, it would make decisions regarding the Transactions by fully respecting the determinations of the Special Committee, and that, if the Special Committee determined that the terms and conditions of the Transactions were not fair, the Company's board of directors would not support the Transactions. Therefore, the arbitrariness in the Company's decision-making process for the Transactions is deemed to have been eliminated and the fairness, transparency and objectivity of the decision-making process have been ensured (M&A Guidelines 3.2.4.4 and 3.2.5).

Accordingly, it does not appear that there are any issues casting doubt on the fairness of the decision-making process within the Company.

(4) Procuring share valuation reports from independent third-party valuation organizations (M&A Guidelines 3.3.2)

A Procurement of the Share Valuation Report (Daiwa Securities)

In expressing its opinion regarding the Tender Offer, the Company, in order to ensure the fairness of the decision-making process concerning the Tender Offer Price proposed by the Tender Offeror, appointed Daiwa Securities in early November 2025 as a financial advisor and third-party valuation organization independent of both the Tender Offeror and the Company Group, requested Daiwa Securities to value the range of per-share value, and procured the Share Valuation Report (Daiwa Securities) dated May 8, 2026.

At the first meeting of the Special Committee, after confirming that there is no issue regarding the independence and expertise of Daiwa Securities, the Special Committee approved Daiwa Securities as the Company's financial advisor and third-party valuation organization.

Furthermore, Daiwa Securities does not fall within the category of affiliated parties of either the Tender Offeror Group or the Company Group, and has no material interest in connection with the Transactions, including the Tender Offer.

Although Daiwa Securities' remuneration includes a contingency fee paid subject to the successful completion of the Transactions, since such fee arrangement is in line with general practices in transactions of the same kind, the Special Committee has not identified any particular issues with the Company's decision to appoint Daiwa Securities as its financial advisor and third-party valuation organization under the structure of remuneration above.

In the Share Valuation Report (Daiwa Securities), as detailed in (3) under 2 above, multiple valuation methods were adopted, with due care taken to avoid any arbitrary

determination of value. In addition, in preparing the Business Plan underlying the valuation, no facts were found indicating any arbitrary conduct by the officers or employees of the Tender Offeror or the Company, and no circumstances were identified that would cast doubt on the fairness of the valuation.

Accordingly, the Share Valuation Report (Daiwa Securities) is found to be a share valuation report prepared by an independent third-party valuation organization.

B Procurement of Share Valuation Report (Plutus Consulting)

In expressing its opinion regarding the Tender Offer, the Company, in order to ensure the fairness of the decision-making process concerning the Tender Offer Price proposed by the Tender Offeror, appointed Plutus Consulting at the third meeting of the Special Committee as its financial advisor and third-party valuation organization independent of the Tender Offeror Group and the Company Group, and the success or failure of the Transactions, requested Plutus Consulting to value the range of per-share value, and procured the Share Valuation Report (Plutus Consulting) dated May 8, 2026.

At the third meeting of the Special Committee, after confirming that there is no issue regarding the independence and expertise of Plutus Consulting, the Special Committee approved Plutus Consulting as the Special Committee's financial advisor and third-party valuation organization.

Furthermore, Plutus Consulting does not fall within the category of affiliated parties of either the Tender Offeror Group or the Company Group, and has no material interest in connection with the Transactions, including the Tender Offer. In addition, Plutus Consulting's remuneration consists solely of a fixed fee paid regardless of the success or failure of the Transactions, and does not include a contingency fee paid subject to the successful completion of the Transactions, including the Tender Offer.

In the Share Valuation Report (Plutus Consulting), as detailed in 2 (3) above, multiple valuation methods were adopted, with due care taken to avoid any arbitrary determination of value. In addition, likewise, as in A, in preparing the Business Plan underlying the valuation, no facts were found indicating any arbitrary conduct by the officers or employees of the Tender Offeror or the Company, and no circumstances were identified that would cast doubt on the fairness of the valuation.

Accordingly, the Share Valuation Report (Plutus Consulting) is found to be a share valuation report prepared by an independent third-party valuation organization.

(5) Procurement of the Fairness Opinion (Plutus Consulting)

The Special Committee has obtained the Fairness Opinion (Plutus Consulting) from Plutus Consulting, stating that the Tender Offer Price of 6,650 yen per share is fair to the Company's general shareholders from a financial perspective.

Fairness opinions differ from share valuation reports in that in fairness opinions, the third-party valuation organization forms and expresses an opinion, and in that the subject of the opinion is the fairness, for the general shareholders of the target company, of the specific transaction terms agreed upon between the parties. Accordingly, compared with share valuation reports, fairness opinions are more direct information with greater relevance, to the value of the target company's shares, and therefore can be more useful to address issues with respect to structural conflicts of interest and information asymmetries in the process of formulating transaction terms (M&A Guidelines 3.3.2.2 A).

In addition, the M&A Guidelines state that if a fairness opinion is obtained from a third-party valuation organization with elements that include: (i) independence and neutrality, (ii) a rigorous issuance process, (iii) advanced expertise and performance, and (iv) reputation, such fairness opinion should be positively evaluated as a measure to ensure fairness (M&A Guidelines 3.3.2.2 B).

Regarding the independence of Plutus Consulting, as stated in (4) above, the Special Committee, after conducting a hearing with Plutus Consulting, determined that Plutus Consulting had (i) independence and neutrality.

In addition, through the hearing from Plutus Consulting, the Special Committee confirmed that each of the items (ii) to (iv) above was satisfied.

Accordingly, the Special Committee considers that the obtaining of the Fairness Opinion (Plutus Consulting) can be positively evaluated as a measure to ensure fairness.

(6) Procurement of advice from an independent law firm (M&A Guidelines 3.3.1)

A Procurement of advice from an independent law firm (legal advisor of the Company)

In order to ensure the fairness and reasonableness of the decision-making process of the Company's board of directors concerning the Tender Offer, the Company appointed Oh-Ebashi in early November 2025 as its legal advisor, independent of the Tender Offeror Group and the Company Group, and the success or failure of the Transactions, and has received necessary legal advice from Oh-Ebashi regarding the methods and process of the Company's board of directors' decision-making, including the various procedures concerning the Transactions, as well as other relevant points to be noted. Furthermore, Oh-Ebashi does not fall within the category of affiliated parties of either the Tender Offeror Group or the Company Group, and has no material interest in connection with the Transactions, including the Tender Offer.

Oh-Ebashi' remuneration is to be calculated by multiplying the hours worked by the hourly rate of each involved attorney, regardless of the success or failure of the Transactions, and does not include a contingency fee paid subject to the successful completion of the Transactions. At the first meeting of the Special Committee, after confirming that there is no issue regarding the independence and expertise of Oh-

Ebashi, the Special Committee approved Oh-Ebashi as the Company's legal advisor.

B Procurement of advice from an independent law firm (legal advisor of the Special Committee)

In order to ensure the fairness and propriety of the decision-making process of the Company's board of directors concerning the Tender Offer, the Special Committee appointed Anderson Mori & Tomotsune at the third meeting of the Special Committee as its legal advisor, independent of the Tender Offeror Group and the Company Group, and the success or failure of the Transactions. The Special Committee has received necessary legal advice from Anderson Mori & Tomotsune concerning various matters to be noted upon the deliberations of the Consultation Matters. Anderson Mori & Tomotsune does not fall within the category of affiliated parties of either the Tender Offeror Group or the Company Group, and has no material interest in connection with the Transactions, including the Tender Offer.

Anderson Mori & Tomotsune's remuneration is to be calculated by multiplying the hours worked by the hourly rate of each involved attorney, regardless of the success or failure of the Transactions, and does not include a contingency fee paid subject to the successful completion of the Transactions.

Accordingly, the Company and the Special Committee are found to be procuring professional advice from their legal advisors from the initial stage of the consideration of the Transactions.

(7) Market check (M&A Guidelines 3.4.2)

According to the draft of the Tender Offer Registration Statement, although the minimum tender offer period prescribed by laws and regulations is 20 business days, the Tender Offeror has set the tender offer period at 41 business days. By setting the tender offer period longer than the statutory minimum period, the Tender Offeror intends to ensure that the Company's shareholders have an appropriate opportunity to make a decision as to whether to tender their shares in the Tender Offer, while also securing an opportunity for persons other than the Tender Offeror who may make a competing offer for the Company Shares (hereinafter, "Competing Acquisition Offerors") to conduct competing purchases or similar transactions, thereby seeking to ensure the fairness of the Tender Offer.

In addition, the Tender Offeror and the Company have not entered into any agreement containing a deal protection clause that would prohibit the Company from contacting a Competing Acquisition Offeror, or any other agreement that would restrict the Competing Acquisition Offeror from making contact with the Company (M&A Guidelines 3.4.2, Note 63). As such, consideration has been given to conducting so-called indirect market checks

and ensuring the fairness of the Tender Offer by securing opportunities for competing tender offers, together with setting the tender offer period.

Although no so-called active market checks to investigate and examine whether there are any potential acquiring parties in the market have been conducted in the Transactions (including an auction process prior to the public announcement of the Transactions), in light of the various measures taken to ensure the fairness of the Transactions, including the Tender Offer, as well as the other specific circumstances of the Transactions, it is considered that the absence of active market checks in the Transactions would not, per se, impair the fairness of the Transactions.

(8) Majority of Minority (M&A Guidelines 3.5)

According to the draft of the Tender Offer Registration Statement, the Tender Offeror owns 31,853,485 Company Shares (Ownership Ratio: 52.40%). The Tender Offeror therefore believes that, if it were to set a minimum number of shares to be purchased in the Tender Offer based on the so-called “majority of the minority” requirement, this could make the completion of the Tender Offer unstable and, conversely, might not serve the interests of the Company’s minority shareholders who wish to tender their shares in the Tender Offer. For this reason, the Tender Offeror has not set a minimum number of shares to be purchased based on the so-called “majority of the minority” requirement in the Tender Offer.

The M&A Guidelines point out concerns about the possible deterrence of value-creating M&A transactions in cases where an acquiring party holds a high percentage of the shares of the target company, such as an acquisition of a controlled company by the controlling shareholder, and that it is difficult to go so far as to say that it is advisable to impose the “majority of minority” requirement at all times, and that it is advisable that the board of directors of a target company and the special committee comprehensively evaluate the effectiveness and possible adverse effects of the “majority of minority” requirement based on the specific circumstances of the relevant M&A transaction, and then decide whether the “majority of minority” requirement should be imposed (M&A Guidelines 3.5.2).

Taking the foregoing into account, the Special Committee considers that the “majority of minority” requirement is not indispensable in the Tender Offer, and that the mere fact that the “majority of minority” requirement has not been adopted does not immediately lead to the conclusion that the fairness of the procedures for the Transactions is insufficient.

(9) Enhancement of the provision of information to general shareholders and improvement of process transparency (M&A Guidelines 3.6)

The M&A Guidelines recommend providing material information for general shareholders to decide the reasonableness of transaction terms and conditions (M&A Guidelines 3.6.1). In particular, enhanced disclosure of information with respect to the special committee and

information with respect to the share valuation reports is expected (M&A Guidelines 3.6.2).

In the Transactions, the draft of the Opinion Press Release provides for enhanced disclosure of information regarding the scope of the authority granted to the Special Committee, information regarding the chronology of Special Committee deliberations and the status of its involvement in the negotiating process, the content of this Report and the structure of remuneration for members of the Special Committee (M&A Guidelines 3.6.2.1), the summary of the Share Valuation Report (Daiwa Securities) and the Share Valuation Report (Plutus Consulting) (M&A Guidelines 3.6.2.2), and the process leading up to the execution of the Transactions and the chronology of negotiations, etc. (M&A Guidelines 3.6.2.3). Accordingly, it is deemed that material information that would assist the general shareholders of the Company in deciding the reasonableness of terms and conditions of the Transaction is to be provided.

(10) Elimination of Coercive Effect (M&A Guidelines 3.7)

According to the draft of the Tender Offer Registration Statement, after the Tender Offer is successfully completed, the Tender Offeror is to conduct the Squeeze-Out Procedures through a scheme using either a share consolidation or a share cash-out demand. In either case, shareholders will be entitled to file a petition asking the court to determine the fair price, and this fact is expressly disclosed in the draft of the Tender Offer Registration Statement. The draft of the Tender Offer Registration Statement also discloses that the Squeeze-Out Procedures are expected to be carried out promptly after the completion of the Tender Offer, and that the cash consideration to be received by general shareholders in the Squeeze-Out Procedures is designed to be at the same price as the Tender Offer Price.

Furthermore, in light of the fact that the Company's shareholders are each ensured share purchase demand rights and the corresponding right to file a petition asking the court to determine the fair price, it is deemed that due consideration has been given to avoid coercive effect in connection with the Tender Offer.

(11) Review and Determination by the Special Committee

As stated in (2) to (10) above, in the Transactions, (i) a situation substantially equivalent to an arm's length transaction in the process of formulating the transaction terms and conditions is ensured, and (ii) an opportunity for general shareholders to make an appropriate decision based on sufficient information is also ensured (M&A Guidelines 2.4). Moreover, the Special Committee, rather than merely listing the individual measures to ensure fairness as a matter of formality, comprehensively examined the Transactions from the perspective of whether those measures mutually complement one another and thereby substantively ensure the fairness of the process for forming the transaction terms and secure an opportunity for general shareholders to make an informed decision. As a result, the

Special Committee determined that such requirements have been satisfied in the Transactions.

Therefore, it is considered that the fairness of the procedures, including the fairness ensuring measures adopted in the negotiation process leading to the Transactions, has been secured, and that sufficient consideration has been given to the interests of the Company's shareholders through a fair process.

(12) Summary

Accordingly, the Special Committee considers that the fairness of the procedures regarding the Transactions is ensured.

4. Consultation Matter (iv)

(1) The Special Committee's understanding of, and approach to, its examination of Consultation Matter (iv)

Consultation Matter (iv) asks whether the Transactions can be considered fair to the general shareholders, and the Special Committee shall provide its opinion based on the analysis of Consultation Matters (i) to (iii).

(2) The Special Committee's opinion on Consultation Matter (iv)

The Special Committee considers that the factors to be taken into account in examining Consultation Matter (iv) have been fully covered by the matters required to be examined under Consultation Matters (i) to (iii). As a result of its examination, and as stated above, the Special Committee has found no issues with respect to Consultation Matters (i) to (iii) from the perspective of the interests of general shareholders, including minority shareholders.

Accordingly, the Special Committee submits the opinion that, based on (i) through (iii) above, the Transactions are fair to the Company's general shareholders.

5. Consultation Matter (v)

Consultation Matter (v) asks, in light of Consultation Matters (i) to (iv), whether it is appropriate for the Company's board of directors to decide to implement the Transactions (i.e., to express an opinion in favor of the Tender Offer, to recommend that the Company's shareholders tender their shares in the Tender Offer, and, if the Squeeze-Out Procedures are implemented after the Tender Offer is successfully completed, to carry out the necessary procedures).

The Special Committee considers that, as stated in its opinion on Consultation Matters (i) to (iv), the Transactions will contribute to enhancing the Company's corporate value, and that the fairness and reasonableness of the terms and conditions of the Transaction as well

as the fairness of the procedures have been ensured, such that the Transactions are fair to the general shareholders. Accordingly, the Special Committee submits the opinion that it is appropriate for the Company's board of directors to make a decision to conduct the Transactions (to express its opinion in favor of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer, and to carry out the necessary procedures if the Squeeze-Out Procedures are implemented after the completion of the Tender Offer).

Part 4 Matters to be Noted

This Report is subject to the matters to be noted set forth below.

1. The opinion set forth in this Report reflects the Special Committee's determination as of the date of this Report, based on the information and materials obtained by or known to the Special Committee up to that date.
2. This Report has been prepared on the basis of the facts and materials recognized by the Special Committee through (3) and (4) under Part 1 of this Report, and does not guarantee that there are no facts, information, or materials that could affect the Special Committee's determination and of which the Special Committee was not aware as of the date of this Report. In addition, the Special Committee does not provide any guarantee relating to the accuracy or truthfulness of the various matters recognized by the Special Committee through (3) and (4) under Part 1 of this Report.
3. This Report expresses no opinion whatsoever on any accounting or tax matters directly or indirectly related to the Transactions.
4. In this Report, the term “draft” refers to the latest draft that had been shared with the Special Committee as of the date of this Report.

Exhibit: Defined Terms

In this Report, the terms listed in the following Items shall have the meanings set forth in each respective Item.

- (1) Anderson Mori & Tomotsune
Anderson Mori & Tomotsune
- (2) Opinion Press Release
“Notice Concerning Opinion in Favor of Tender Offer for the Company Shares by MEDICEO Holdings Co., Ltd., the Parent Company of PALTAC CORPORATION, and Recommendation to Tender” scheduled to be published by the Company on May 11, 2026
- (3) Oh-Ebashi
Oh-Ebashi LPC & Partners
- (4) tender offer period
The tender offer period for the Tender Offer
- (5) Tender Offeror
MEDIPAL HOLDINGS CORPORATION
- (6) Tender Offeror Group
Collectively, the Tender Offeror and the consolidated subsidiaries and affiliates of the Tender Offeror
- (7) Tender Offer Registration Statement
The Tender Offer Registration Statement scheduled to be filed with the Director of the Kanto Local Finance Bureau by the Tender Offeror on May 12, 2026.
- (8) Reference Cases
As defined in E under (3) under 2 under Part 3
- (9) Ownership Ratio
The percentage (rounded to the third decimal place) of the number of shares obtained by deducting the number of treasury shares held by the Company as of March 31, 2026 (1,205,776 shares) from the total number of issued shares of the Company as of March 31, 2026 (62,000,000 shares) (60,794,224 shares)
- (10) Competing Acquisition Offeror
As defined in (7) under 3 under Part 3
- (11) Daiwa Securities
Daiwa Securities Co. Ltd.
- (12) immediately preceding business day
As defined in E under (3) under 2 under Part 3
- (13) Tokyo Stock Exchange
Tokyo Stock Exchange, Inc.
- (14) Company

PALTAC CORPORATION

- (15) Company Shares
 - Ordinary shares of the Company
- (16) Management-Use-Only Business Plan
 - As defined in A under (3) under 2 under Part 3
- (17) Company Group
 - The Company and its non-consolidated subsidiaries, collectively
- (18) Medium-Term Management Plan
 - As defined in B under (2) under 1 under Part 3
- (19) Plutus Consulting
 - PLUTUS CONSULTING Co., Ltd
- (20) Interviews, etc.
 - As defined in (3) under Part 1
- (21) Share Valuation Report (Daiwa Securities)
 - Share Valuation Report dated May 8, 2026 prepared by Daiwa Securities
- (22) Share Valuation Report (Plutus Consulting)
 - Share Valuation Report dated May 8, 2026 prepared by Plutus Consulting
- (23) Review Materials
 - As defined in (4) under Part 1
- (24) Tender Offer
 - A tender offer for the Company Shares scheduled to be implemented by the Tender Offeror
- (25) Tender Offer Price
 - The purchase price for the Company Shares in the Tender Offer
- (26) Business Plan
 - Business plan prepared by the Company for considering the Transactions (from the fiscal year ended March 2027 to the fiscal year ended March 2030)
- (27) Consultation Matters
 - Consultation matters (i) to (v) referred to the Special Committee by the Company's board of directors, pursuant to the resolution adopted at the meeting of the Company's board of directors held on December 22, 2025. Each of these matters shall be referred to as Consultation Matter (i), Consultation Matter (ii), Consultation Matter (iii), Consultation Matter (iv), and Consultation Matter (v), respectively
- (28) Squeeze-Out Procedures
 - A series of procedures to make the Tender Offeror the sole shareholder of the Company
- (29) Special Committee
 - The Special Committee established pursuant to the resolution adopted at the meeting of the Company's board of directors held on December 22, 2025
- (30) Transactions

A series of transactions aimed at making the Company a wholly owned subsidiary of the Tender Offeror by acquiring all of the Company Shares (excluding the Company Shares already held by the Tender Offeror and the Company's treasury shares), thereby making the Tender Offeror the sole shareholder of the Company

(31) Fairness Opinion (Plutus Consulting)

Written opinion dated May 8, 2026 prepared by Plutus Consulting

(32) DCF method

Discounted cash flow method

(33) M&A Guidelines

“Fair M&A Guidelines” dated June 28, 2019 formulated by the Ministry of Economy, Trade and Industry

End of Document



May 11, 2026

MEDIPAL HOLDINGS CORPORATION

Representative: Shuichi Watanabe, Representative Director,
President and CEO

Code number: 7459 (Prime Market, Tokyo Stock Exchange)

Contact: Toshiyuki Ikeuchi, Executive Officer, Head of
Corporate Communications Department, Corporate
Planning Division

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**Notice Regarding Commencement of Tender Offer for Shares of PALTAC CORPORATION
(Securities Code: 8283)**

MEDIPAL HOLDINGS CORPORATION (the “Tender Offeror”) hereby announces that, at the board of directors’ meeting held today, it resolved to acquire, through a tender offer (the “Tender Offer”) under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “Act”), the common shares of PALTAC CORPORATION (Prime Market of Tokyo Stock Exchange, Inc. (the “TSE”), Securities Code: 8283; the “Target Company”) (such common shares are hereinafter referred to as the “Target Company Shares”).

1. Outline of Purchase

Purpose of the Tender Offer	Making the Target Company a wholly owned subsidiary
Period of Purchase	From May 12, 2026 (Tuesday) to July 7, 2026 (Tuesday) (41 business days)
Price of Purchase	6,650 yen per share of common stock (Note 1)
Minimum Number of Shares to Be Purchased	8,676,100 (shares) (Note 2)
Maximum Number of Shares to Be Purchased	— (shares)
Opinion of the Target Company	The Target Company supports the Tender Offer and recommends that its shareholders tender their shares in the Tender Offer.

(Note 1) On September 29, 2025, The Bank of New York Mellon (the “Depository Bank”) filed the Registration Statement (Form F-6EF) for American Depositary Receipts (the “ADRs”) representing the Target Company Shares with the U.S. Securities and Exchange Commission. However, with respect to the ADRs, approval has been obtained from the

Director-General of the Kanto Local Finance Bureau pursuant to Article 5, paragraph (3), item (iii) of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers (Ministry of Finance Order No. 38 of 1990, as amended; the “Cabinet Office Order”), to the effect that no solicitation of offers for purchase or offers for sales will be made.

(Note 2) With respect to the minimum number of shares to be purchased, the Ownership Ratio of Shares (meaning the Ownership Ratio of Shares as defined in Article 27-2, paragraph (8) of the Act, and if the person has any specially related parties as prescribed in Article 27-2, paragraph (1), item (i) of the Act, meaning the Ownership Ratio of Shares after adding the Ownership Ratio of Shares of those specially related parties) after the purchase, in the case where the purchase is made, will be 66.67% (rounded to two decimal places). This ratio is calculated using as the denominator the number of voting rights (607,942 voting rights) corresponding to 60,794,224 shares, which is obtained by deducting the number of treasury shares owned by the Target Company as of March 31, 2026 as stated in “Non-consolidated Financial Statements for the Fiscal Year Ended March 31, 2026 [Japanese GAAP]” announced by the Target Company today (the “Target Company’s Financial Results”)(1,205,776 shares), from the total number of issued shares of the Target Company as of the same date as stated in the Target Company’s Financial Results (62,000,000 shares).

2. Purpose of Purchase

(1) Outline of Purpose of the Tender Offer

As of today, the Tender Offeror is a stock company listed on the Prime Market of the TSE and forms a corporate group consisting of the Tender Offeror, 32 subsidiaries (including the Target Company), and 19 affiliates (such corporate group is hereinafter referred to as the “Tender Offeror Group”), and it conducts a prescription pharmaceutical wholesale business, a cosmetics, daily necessities, and OTC pharmaceutical wholesale business, and an animal health products and food processing raw materials wholesale and related business, through one of the largest distribution networks in Japan.

As of today, the Tender Offeror owns 31,853,485 Target Company Shares listed on the Prime Market of the TSE (ownership ratio (Note): 52.40%), and has made the Target Company its consolidated subsidiary.

(Note) The “ownership ratio” means the percentage calculated based on the number of shares (60,794,224 shares) obtained by deducting the number of treasury shares owned by the Target Company as of March 31, 2026 as stated in the Target Company’s Financial Results (1,205,776 shares), from the total number of issued shares of the Target Company as of the same date as stated in the Target Company’s Financial Results (62,000,000 shares) (rounded to two decimal places; hereinafter the same applies to the calculation of ownership ratio).

By a resolution adopted at the board of directors’ meeting held today, the Tender Offeror decided to conduct the Tender Offer in order to acquire all of the Target Company Shares (excluding the Target Company Shares owned by the Tender Offeror and the treasury shares owned by the Target Company) (the “Shares Subject to the Tender Offer”), at 6,650 yen as a price of purchase per Target Company

Share in the Tender Offer (the “Tender Offer Price”), as part of a series of transactions with the aim of making the Tender Offeror the sole shareholder of the Target Company to make the Target Company its wholly owned subsidiary (the “Transaction”).

The Tender Offeror has set the minimum number of shares to be purchased at 8,676,100 shares (ownership ratio: 14.27%). If the total number of shares that are tendered in the Tender Offer (the “Tendered Shares”) falls short of the minimum number of shares to be purchased (8,676,100 shares), the Tender Offeror will purchase none of the Tendered Shares. On the other hand, since the Tender Offeror intends to acquire the Shares Subject to the Tender Offer through the Tender Offer, the Tender Offeror has not set a maximum number of shares to be purchased. If the total number of the Tendered Shares is equal to or more than the minimum number of shares to be purchased (8,676,100 shares), the Tender Offeror will purchase all of the Tendered Shares.

In order for the Tender Offeror to own two-thirds or more of the total number of voting rights in the Target Company upon completion of the Tender Offer, the minimum number of shares to be purchased (8,676,100 shares) has been set at the number of shares obtained by: (a) deducting the number of treasury shares owned by the Target Company as of March 31, 2026 as stated in the Target Company’s Financial Results (1,205,776 shares), from the total number of issued shares of the Target Company as of the same date as stated in the Target Company’s Financial Results (62,000,000 shares), resulting in 60,794,224 shares which correspond to 607,942 voting rights; (b) multiplying that number of voting rights by two-thirds, resulting in 405,295 voting rights (rounded up to the nearest whole number); (c) deducting from that number of voting rights the number of voting rights (318,534 voting rights) for the Target Company Shares owned by the Tender Offeror as of today (31,853,485 shares), resulting in 86,761 voting rights; and (d) multiplying that number of voting rights by the number of shares constituting one unit of the Target Company (100 shares). The minimum number of shares to be purchased has been set as above for the following reason: while the Tender Offeror intends to make the Target Company its wholly owned subsidiary through the Transaction, if the Tender Offer is completed but the Tender Offeror fails to acquire the Shares Subject to the Tender Offer through the Tender Offer, and the procedures for a share consolidation stated in “(4) Policy for Reorganization After the Tender Offer” below are conducted, then these procedures require a special resolution of a shareholders’ meeting as set forth in Article 309, paragraph (2) of the Companies Act (Act No. 86 of 2005, as amended; the “Companies Act”); therefore, the minimum number of shares to be purchased has been set as above so that the Tender Offeror will be able to meet this requirement alone.

If the Tender Offer is completed but the Tender Offeror fails to acquire the Shares Subject to the Tender Offer through the Tender Offer, the Tender Offeror plans to implement a series of procedures after completion of the Tender Offer, to make the Tender Offeror the sole shareholder of the Target Company (the “Squeeze-out Procedures”). For an outline of the Squeeze-out Procedures, please see “(4) Policy for Reorganization After the Tender Offer” below.

The Tender Offeror plans to fund the purchase price required for the Transaction, including the Tender Offer, by means of loans from Mizuho Bank, Ltd. (“Mizuho Bank”) (the “Bank Financing”), and plans to obtain the Bank Financing no later than the business day immediately preceding the commencement date of settlement for the Tender Offer, subject to, among other things, completion of the Tender Offer. The detailed terms and conditions of the Bank Financing will be specified in the loan agreement related to the Bank Financing, upon separate consultation with Mizuho Bank.

According to “Notice Concerning Expression of Opinion in Support of, and Recommendation of Tendering in, the Tender Offer for the Company Shares by MEDIPAL HOLDINGS CORPORATION, the Company’s Parent Company” published by the Target Company today (the “Target Company Press Release”), at the board of directors’ meeting of the Target Company (the “Target Company’s Board of Directors”) held today, the Target Company resolved to express its opinion in support of the Tender Offer, and to recommend that the Target Company’s shareholders tender their shares in the Tender Offer.

For details of the decision-making process of the Target Company, please see the Target Company Press Release and “(c) Details of, Basis, and Reasons for the Target Company’s Opinion Regarding the Tender Offer” in “(2) Background, Purpose, and Decision-making Process Leading to Implementation of the Tender Offer, and Management Policy After Purchase” below.

- (2) Background, Purpose, and Decision-making Process Leading to Implementation of the Tender Offer, and Management Policy After Purchase
 - (a) Background, Purpose, and Decision-making Process Leading to the Tender Offeror’s Decision to Implement the Tender Offer

The Tender Offeror traces its origins back to October 1898, when it was founded in Kobe City, and was incorporated as Sanseido Co., Ltd. in May 1923. Thereafter, in September 1995, the Tender Offeror was listed on the Second Section of both the TSE and Osaka Securities Exchange Co., Ltd. (the “OSE”), and in September 1997, it was designated to the First Section of each exchange (with the shares listed on the First Section of the OSE being delisted in December 2003). In April 2022, following reorganization of the market segments of the TSE, the Tender Offeror transitioned to the Prime Market of the TSE. The Tender Offeror has been engaged primarily in the pharmaceutical wholesaling business since its founding. Following a merger of three pharmaceutical wholesalers, i.e., Sanseido Co., Ltd., KURAYA CORPORATION, and TOKYO PHARMACEUTICAL Co., Ltd., in April 2000, the Tender Offeror built a distribution platform covering all regions of Japan and changed its trade name to KURAYA SANSEIDO Inc., and in October 2004, after spinning off its prescription pharmaceutical wholesale business, it became a holding company and changed its trade name to MEDICEO Holdings Co., Ltd. In October 2005, the Tender Offeror implemented a business integration to make the Target Company its wholly owned subsidiary by way of share exchange, thereby expanding its business fields to “Pharmaceuticals, Health, and Beauty,” and in connection with this, it changed its trade name to Mediceo Paltac Holdings Co., Ltd. In October 2009, the Tender Offeror changed its trade name to its current trade name, MEDIPAL HOLDINGS CORPORATION. Under its management philosophy of “contributing to people’s health and the advancement of society through creation of value in distribution,” the Tender Offeror possesses comprehensive capabilities, as a group, to support people’s “lives” and “livelihoods” from multiple perspectives. In particular, in the prescription pharmaceutical wholesale business, the Tender Offeror has established strict quality control centered on ALCs (Note 1), which are highly functional logistics centers that handle a wide variety of products while maintaining a high level of delivery accuracy, and a highly specialized information provision system through ARs (Note 2), and has thereby fulfilled its role as social infrastructure and has grown into a leading company in the prescription pharmaceutical wholesale industry.

- (Note 1) “ALC” is an abbreviation for Area Logistics Center and refers to a highly functional logistics center that mainly supplies prescription pharmaceuticals, medical supplies, and other products to dispensing pharmacies, hospitals, and clinics.
- (Note 2) “AR” is an abbreviation for Assist Representative and refers to the designation used within the Tender Offeror Group for MSs (Note 3) who have passed the MR (Medical Representative) certification examination, pharmacists, and other similar personnel.
- (Note 3) “MS” is an abbreviation for Marketing Specialist and refers to a sales representative engaged in the pharmaceutical wholesale business.

On the other hand, according to the Target Company Press Release, the Target Company was founded as a sundries merchant in Osaka in December 1898, and since then has developed business activities rooted in the local community. In October 1976, the trade name was changed to Paltac Corporation and in May 1988, it was approved as an OTC-registered stock by the Japan Securities Dealers Association (the “JSDA”) and commenced trading its shares in both the Tokyo and Osaka regions. Subsequently, in December 2004, the OTC registration with the JSDA was canceled, and the shares were listed on the JASDAQ Securities Exchange, Inc.

Furthermore, in October 2005, a business integration was implemented through a share exchange with MEDICEO Holdings Co., Ltd. (the predecessor of the Tender Offeror), which is engaged in the prescription pharmaceutical wholesale business, and the Target Company became its wholly owned subsidiary.

The Target Company was relisted on the First Section of the TSE and the First Section of the OSE in March 2010, and changed its trade name to PALTAC CORPORATION in July 2015. Currently, due to the reorganization of the market segments of the TSE implemented on April 4, 2022, the Target Company is listed on the Prime Market of the TSE.

As of today, the Target Company Group (Note 4) belongs to the Tender Offeror Group, whose parent company is the Tender Offeror, and its principal business is to purchase cosmetics, daily necessities, and OTC pharmaceuticals from manufacturers and sell them to retailers nationwide. The Target Company Group stands between manufacturers and retailers and provides wholesale functions as a wholesaler in the distribution stage, such as logistics, inventory management (Note 5), information communication, and financial function (Note 6).

- (Note 4) The “Target Company Group” means the Target Company and its non-consolidated subsidiaries. As of March 31, 2026, the Target Company Group comprises the Target Company and three non-consolidated subsidiaries.
- (Note 5) The “inventory management” function refers to holding inventory between manufacturers and retailers and absorbing fluctuations in demand as well as differences in order lots, thereby enabling supply-demand adjustment and shorter lead times.
- (Note 6) The “financial function” refers to providing credit, such as sales on credit incidental to commercial transactions, and adjusting cash flows between manufacturers and retailers.

In operating its business for sustainable growth, the Target Company recognizes the decline in the working population, the progression of the declining birthrate and aging population, the diversification

of values, and climate change and resource/energy shortages as structural and medium- to long-term environmental changes. While these changes may pose risks such as a decrease in revenue due to the contraction of the domestic economy and a decline in profitability due to rising business operation costs, against the backdrop of a declining working population, retailers are also facing increasing difficulties in securing personnel, which is expected to lead to a growing preference for wholesalers with highly efficient logistics functions, and as consumption patterns become more complex due to a declining birthrate, aging population, and diversification of values, demand is expected to rise for solutions that leverage the actual distribution data related to procurement, sales, and other transactions held by the Target Company; therefore, the Target Company believes they can generate new revenue opportunities. Under such an environment, the Target Company has set “Creating the future of people and society through the power of connections” as its long-term vision and aims to further enhance the competitive advantage of its existing businesses based on the nationwide logistics network, continuous business relationships with retailers and manufacturers, and information assets relating to purchasing, sales, and logistics, etc., which the Target Company has cultivated as an entity responsible for the intermediate distribution of daily necessities. In addition, the Target Company aims to apply these foundations to peripheral areas and new areas that can be developed originating from the Target Company’s existing businesses, through initiatives such as the provision of solutions such as demand analysis and sales promotion proposals to business partners by leveraging the actual distribution data related to procurement, sales, and other transactions held by the Target Company, the expansion of logistics functions into other fields, and the enhancement of procurement networks domestically and internationally, and aims to provide value over a wider range through the optimization of the supply chain.

To achieve this, the Target Company has positioned the three years up to the fiscal year ending March 2027 as the phase of “Constructing the foundation for transformation through structural reform,” and is working on the medium-term management plan “PALTAC VISION 2027” (the “Target Company’s Medium-Term Management Plan”). Specifically, the Target Company is securing financial resources for growth investments by improving the profitability of existing businesses, while promoting initiatives to provide new value, such as strengthening logistics functions including the development of next-generation logistics models and the promotion of joint logistics, strengthening sales functions such as enhancing product procurement capabilities, and developing a foundation for utilizing distribution data to support these.

The capital relationship between the Tender Offeror and the Target Company began in October 2005, when the Tender Offeror (former trade name: MEDICEO Holdings Co., Ltd.; its current trade name has been used since October 2009), which became a holding company by way of company split in October 2004, made the Target Company its wholly owned subsidiary by way of share exchange with the Target Company. Thereafter, in March 2010, in order to ensure the independence of the Target Company from the Tender Offeror Group, establish a framework for independent financing, and actively expand its business to enhance its corporate value, the Tender Offeror sold 9,000,000 Target Company Shares, which were a portion of the Target Company Shares owned by the Tender Offeror, at the time of relisting on the First Section of the TSE and the First Section of the OSE. As a result, as of the end of March 2010, the Tender Offeror came to own 21,235,657 Target Company Shares (ownership ratio at that time (Note 7): 57.03%). Subsequently, as a result of a share split conducted by the Target Company in January 2012, the Tender Offeror came to own 31,853,485 Target Company Shares (ownership ratio at that time: 57.03%). In addition, as a result of the capital increase through public offering of new shares and the third-party allocation conducted by the Target Company in December 2012 and acquisition of the Target

Company Shares conducted on a continuous basis by the Target Company by way of share repurchase, the Tender Offeror owns 31,853,485 Target Company Shares (ownership ratio: 52.40%) as of today.

(Note 7) The “ownership ratio at that time” means the percentage calculated based on the number of shares obtained by deducting the number of treasury shares owned by the Target Company as of the end of the relevant fiscal year, from the total number of issued shares of the Target Company as of the same date as stated in the Target Company’s annual securities report for each fiscal year including the date of the relevant ownership (rounded to two decimal places).

The Tender Offeror Group considers “Pharmaceuticals, Health, and Beauty” as one business field and has set “Expand, Support, and Connect ‘Pharmaceuticals, Health, and Beauty’ – an Orchestra in Support of People’s Health” as its “Ideal Situation.” As the strategy for achieving this, the Tender Offeror Group has advanced “2027 MEDIPAL Medium-Term Vision” formulated in October 2022. The Tender Offeror Group aims not only to expand its business scale but also to shift its management resources to priority businesses for growth, by steadily growing and deepening its “core businesses,” including its prescription pharmaceutical wholesale business, as well as the cosmetics, daily necessities, and OTC pharmaceutical wholesale business undertaken by the Target Company, while positioning new businesses, the medical equipment and reagents business, and the AGRO & FOOD business (Note 8) as its priority businesses, and strategically advancing a shift in its business portfolio. For the Tender Offeror, the Target Company is a core company undertaking one of the core businesses of the Tender Offeror Group and has established a solid position as a leading company in the cosmetics, daily necessities, and OTC pharmaceutical wholesale industry that is separate and independent from prescription pharmaceuticals, supported by a strong customer base and superior customer proposal capabilities. Accordingly, the Tender Offeror positions the Target Company as an important subsidiary within the Tender Offeror Group.

(Note 8) The “AGRO & FOOD business” refers to the wholesale of animal health products and food processing raw materials and related business.

The Tender Offeror understands that the Target Company has set “creating the future of people and society through the power of connections” as its long-term vision. The Tender Offeror recognizes that the Target Company has developed, through people, digital technologies, and partnerships, the “power of connections” that it has built through distribution as a “wholesaler” since its founding, and has continued to grow based on a dual growth strategy of growth of existing businesses and creating new businesses, under the belief of “bringing innovation to distribution networks.” In May 2024, the Target Company formulated the Target Company’s Medium-Term Management Plan under which, in addition to further deepening its existing domestic businesses, the Tender Offeror recognizes that the Target Company is taking on the challenge of “innovation in distribution” by applying the distribution and information networks that it has fostered thus far to global expansion and new fields, thereby expanding the business fields themselves.

The Target Company is currently a central presence supporting the Tender Offeror Group in the “Health and Beauty” segment within the Tender Offeror Group’s business field of “Pharmaceuticals, Health, and Beauty.” In the future, the Target Company intends to further evolve the “industry-leading distribution productivity” and the “distribution network for daily necessities” that it possesses, thereby providing

new value not only in its traditional business fields but also in areas adjacent to its existing businesses, and improving profitability through strengthened global expansion. Through these initiatives, the Target Company seeks to provide value to new fields. The Tender Offeror believes that the Target Company's importance within the Tender Offeror Group will continue to increase further.

As both companies are seeking to create new value and expand their business fields by leveraging their respective strengths, as compared with March 2010, when the Tender Offeror sold a portion of the Target Company Shares it held, the external business environment surrounding the Tender Offeror Group and the Target Company has been undergoing accelerated structural changes. Specifically, first, amid the tightening of healthcare finances driven by population aging and decline, the center of medical and nursing care has been shifting from hospitals to communities and home-based settings, and the "integration of healthcare and daily life," in which the whole of society supports all aspects from prevention and pre-disease conditions to maintenance of daily living functions, has progressed, leading to the gradual disappearance of boundaries among product categories, such as pharmaceuticals, daily necessities, and food products. Second, under constraints, such as labor shortages across society and rising logistics costs, there is a strong demand for evolution from traditional distribution models toward new, more sustainable and optimized supply systems that function as social infrastructure. Third, as consolidation and reorganization continue to advance in the retail industry, particularly among drugstores and food supermarkets, procurement price reductions, along with centralized procurement and inventory management associated with the operation of extensive store networks, have progressed, thereby further heightening the need for reduced stockouts, agile responses to demand fluctuations, and efficient supply of a wide variety of products.

In order to respond to those changes in the business environment, create new value, and support people's physically and mentally healthy lives, the Tender Offeror believes that it is essential for the Tender Offeror Group as a whole to address the following strategic challenges, rather than pursuing optimization on a company-by-company basis or adopting a product-centric approach: (a) providing products and services comprehensively from a consumer-centric perspective that stays closely attuned to the needs of consumers; (b) building a mechanism to deliver products in optimal ways tailored to the characteristics of products and regions; and (c) establishing a common data platform that enables efficient and effective utilization of management resources across the Tender Offeror Group and supports swift and accurate decision-making.

Currently, both companies operate independently as listed companies, and as a result, there are certain restrictions on sharing of know-how, etc. possessed by each. By making the Target Company a wholly owned subsidiary through the Transaction, these restrictions will be eliminated, and the Tender Offeror believes that by integrating the "capacity to respond to stringent healthcare-related supply requirements" that the Tender Offeror Group's prescription pharmaceutical wholesale business possesses with the "intermediary distribution capacity to efficiently supply a wide variety of products in the daily necessities market" that the Target Company possesses, it will be possible to establish a competitive advantage that enables flexible and continuous responses to social issues and business partners' needs.

The Tender Offeror believes that the Transaction will contribute to bringing together the evolving future visions of both companies into one. Through this, the Tender Offeror aims to transform the Tender Offeror Group not merely into a "collection of individual companies," but into a strong corporate group that supports "every aspect of daily life" in an integrated manner.

More specifically, the Tender Offeror expects that the following initiatives and synergetic effects will arise by making the Target Company its wholly owned subsidiary through the Transaction:

(i) Strengthening of Capacity to Provide Solutions to Business Partners and Consumers

By linking (a) the healthcare collaboration networks, testing services, digital services in the Tender Offeror Group's prescription pharmaceutical wholesale business and functional raw materials, such as naturally derived polysaccharides, that can be provided through its food processing raw materials wholesale and related business with (b) the Target Company's know-how in product assortment and sales floor design for daily necessities, the Tender Offeror Group will discover new solutions for its business partners and consumers.

More specifically, by closely connecting signs of issues and demand stemming from consumers' latent concerns, such as changes in physical condition, that the Tender Offeror Group identifies through its prescription pharmaceutical wholesale business with the Target Company's intermediary distribution function for daily necessities, the Tender Offeror Group will establish, to meet the demands of business partners and consumers, for example, providing digitally enabled information on risks associated with lifestyle-related diseases and other conditions, as well as testing services, a framework that enables proactive measures contributing to pre-disease prevention and preventive care, such as disease awareness activities, encouragement of medical consultations, and early detection. As a result, the Tender Offeror believes that it will be possible to swiftly provide retailers, as customers, with proposals for store operations, including sales floor design and inventory placement, that are aligned with consumers' health-related needs. Furthermore, by organically linking those store operation proposals with resources, such as testing services and digital services, the Tender Offeror Group aims to provide value to consumers in the form of total healthcare, connecting processes ranging from the early stages at which consumers begin to perceive health-related issues through prevention, hygiene management, and daily self-care.

In addition, the knowledge accumulated through the process of connecting healthcare and daily life is expected to be shared with and utilized by manufacturers, as suppliers, as information that can be leveraged to enhance the precision of product planning, product development, and production planning, including indications of emerging changes in demand and underlying factors behind such changes, and the Tender Offeror believes that this will contribute to new product development, etc. In product development, through joint development that captures signs of demand and collaboration with the Tender Offeror Group's food processing raw materials wholesale and related business, the Tender Offeror believes that it will become possible to support the supply of raw materials that reflect consumers' health awareness and usage scenarios, which, in turn, will lead to the provision of high value-added solutions to manufacturers.

The Tender Offeror believes that these initiatives will further strengthen relationships with business partners and consumers across the Tender Offeror Group, including the Target Company, while also contributing to creation of new revenue opportunities and enhancement of profitability.

(ii) Building of Next-Generation Logistics Models and Expansion of Product Provision Fields

By integrally leveraging (a) the Tender Offeror Group's capacity to respond to stringent supply requirements that it has fostered over many years through distribution of pharmaceuticals, etc., (b) the Target Company's operational capacity to handle a wide variety of products in a stable and efficient manner that it has built, and (c) the know-how related to automation, such as robotics, that both companies have accumulated through their respective businesses, the Tender Offeror Group aims to build next-generation logistics infrastructure capable of providing optimal supply tailored to product characteristics and demand conditions.

The core of these initiatives lies not only in integrating logistics infrastructure, such as existing logistics bases and transportation and delivery networks, but also in building common infrastructure that enables flexible design, management, and operation of service levels themselves in accordance with demand characteristics, taking into account conditions required for each product, including supply requirements, delivery frequency, and inventory placement. By utilizing such infrastructure, the Tender Offeror Group will be able to ensure its capacity to respond to supply requirements tailored to demand characteristics, while also enabling optimal allocation of personnel and efficient utilization of facilities, IT systems, and other resources by restraining excessive individual investments and duplicative investments, which is expected to contribute to sustainable growth and improved capital efficiency across the Tender Offeror Group, including the Target Company. Furthermore, the Tender Offeror believes that these initiatives will go beyond logistics as a function of wholesale businesses for pharmaceuticals, daily necessities, and similar products, and will lead to creation of new revenue opportunities through the use of such infrastructure as logistics infrastructure for business partners that are required to respond to environmental changes surrounding logistics, as well as through expansion into new fields, including food.

Accordingly, the Tender Offeror believes that logistics infrastructure that enables the optimization of both responses to supply requirements and operational efficiency in accordance with demand characteristics will, over the long term, serve as a source of competitive advantage that is not easily replicable by other companies, and will contribute to enhancement of the value provided by the Tender Offeror Group as a whole, as well as expansion of its business foundation.

(iii) Advancement of Data-Driven Business Operations

By utilizing the data and operational knowledge relating to sales, supply and demand, logistics, quality, etc. that the Tender Offeror Group and the Target Company have accumulated over many years through their respective businesses, the Tender Offeror Group aims to develop a common decision-making platform that supports business operations across the Tender Offeror Group as a whole. Through this initiative, the Tender Offeror believes that it will be possible to further enhance the precision of management resource allocation and business operations, while mutually complementing the strengths and knowledge fostered by both companies.

This initiative is not intended to construct new large-scale systems, but rather focuses on enabling cross-business and cross-functional comparison and analysis by organizing and standardizing data definitions, evaluation metrics, and underlying assumptions for decision-making that have been operated separately by the two companies. As an initial step, the Tender Offeror envisions taking stock of the information

and know-how held by both companies and organizing, on a cross-sectional basis, data related to demand understanding and supply design, thereby establishing information infrastructure that serves as a basis for decision-making on business operations.

As a result, the Tender Offeror believes that decisions that have relied on company-specific optimization can be reorganized from the perspective of optimization across the Tender Offeror Group, enabling more objective and timely decision-making with regard to demand domains, the optimal configuration of supply structures, and the level of management resources to be input. This, in turn, is expected to lead to maximization of the synergies described in (i) and (ii) above. Furthermore, the Tender Offeror believes that the advancement of data-driven business operations will contribute not only to operational improvements and improvement in the precision of resource allocation within the Tender Offeror Group, but also to digital transformation (DX) through linkage and utilization of data related to the supply chain in the future. For example, the Tender Offeror believes that this may evolve into the provision of data-driven solutions that will contribute to improvements in the precision of production planning and product planning at business partner manufacturers. Through this initiative, the Tender Offeror anticipates that a foundation will be established for building a “sustainable growth mechanism” that enables the Tender Offeror Group as a whole to continue generating profits at a consistently high level while responding flexibly to environmental changes.

(iv) Strengthening of Personnel Base Through Personnel Exchanges

The Tender Offeror Group and the Target Company have each steadily accumulated expertise and knowledge in their respective business domains through day-to-day business operations and on-site initiatives. As a result of the Transaction, integrated business operations as a group will be enabled, and cross-business and cross-functional personnel exchanges and collaboration are expected to be promoted, and the Tender Offeror believes that this will expand the opportunities available to each employee while also increasing the Tender Offeror Group’s bench strength as a whole.

The diverse perspectives and experiences accumulated through such personnel exchanges will not only support the growth and career development of individual employees, but also serve as an important foundation for concretely and continuously executing, at the operational level, the strategies of the Tender Offeror Group and the Target Company, including the process of embodying the initiatives described in (i) through (iii) above. Amid accelerating changes in the business environment, the Tender Offeror believes that maintaining a deep pool of human resources equipped with both the capacity to formulate strategies and the capacity to translate those strategies into implementation and operations will enhance the competitiveness of, and the reproducibility of growth across, the Tender Offeror Group, including the Target Company.

In light of the aforementioned background, purpose, and expected synergetic effects, in early July 2025, the Tender Offeror commenced initial consideration regarding making the Target Company its wholly owned subsidiary. Thereafter, in mid-September 2025, the Tender Offeror appointed Nishimura & Asahi (Gaikokuho Kyodo Jigyo) as its legal advisor independent from the Tender Offeror Group and the Target Company, and in mid-September 2025, the Tender Offeror appointed Nomura Securities Co., Ltd. (“Nomura Securities”) as its financial advisor and third-party valuation organization independent from the Tender Offeror Group and the Target Company, established a framework for conducting specific discussions and negotiations in connection with the Transaction, and commenced discussions and

examinations. Thereafter, on October 21, 2025, the Tender Offeror informed the Target Company of its intention to commence consideration toward implementation of the Transaction, and received a response from the Target Company indicating its willingness to proceed with its consideration of the Transaction. Subsequently, in late November 2025, the Tender Offeror received from the Target Company a list of questions regarding the expected synergies (the “Questions”) in writing. On November 28 and December 8, 2025, discussions were held between the Tender Offeror and the Target Company, and on December 25, 2025, the Tender Offeror provided written responses to the Questions. In parallel with those discussions and examinations, on December 9, 2025, the Tender Offeror submitted to the Target Company a legally non-binding initial proposal setting out (i) the background and purpose of the Transaction, (ii) the expected synergetic effects, and (iii) a request to conduct due diligence (“Due Diligence”) for the purpose of further considering and exploring the Transaction (the “Letter of Intent”).

Thereafter, the Tender Offeror was informed by the Target Company of its willingness to cooperate with Due Diligence, and the Tender Offeror and the Target Company commenced specific discussions and consideration toward the Transaction from mid-December 2025. Subsequently, in order to examine the feasibility of the Tender Offer and the synergies expected by the Tender Offeror, the Tender Offeror conducted Due Diligence on the Target Company from early February 2026 to early March 2026. In parallel, the Tender Offeror held discussions with the Target Company and the Special Committee (as defined in “(i) Background to Establishment of Review Framework” in “(c) Details of, Basis, and Reasons for the Target Company’s Opinion Regarding the Tender Offer” below; hereinafter the same applies) regarding the significance and purpose of the Transaction, the synergetic effects expected to be generated by the Transaction, and the management structure and business policies of the Target Company after the Transaction. Specifically, on February 17, 2026, the Tender Offeror received written questions from the Special Committee regarding the significance and purpose of the Transaction in response to the Letter of Intent, and on February 20, 2026, the Tender Offeror provided a written response answering some of such questions. On February 26, 2026, the Tender Offeror received a written request for follow-up responses and additional questions concerning synergies in the Transaction and growth strategies after the Transaction. In response, on March 2, 2026, the Tender Offeror provided a written response to such questions, and also personally provided the response to such questions and held a question-and-answer session and discussions regarding the significance and purpose of the Transaction in an interview at the Special Committee’s meeting held on March 6, 2026. Thereafter, on March 25, 2026, the Tender Offeror again provided a written response, and personally held a question-and-answer session and discussions regarding such response in an interview at the Special Committee’s meeting held on April 2 of the same year.

Since March 11, 2026, the Tender Offeror has conducted several rounds of negotiations with the Target Company and the Special Committee regarding the Tender Offer Price. Specifically, comprehensively considering information obtained through the Due Diligence and the preliminary valuation analysis for the Target Company Shares conducted by Nomura Securities, its financial advisor, based on such information, on March 11, 2026, on the premise that the Target Company would not distribute interim dividends for the term ending September 30, 2026, the Tender Offeror made a proposal to set the Tender Offer Price at 5,650 yen (a price obtained by adding a premium of 19.70% (rounded to the second decimal place; hereinafter the same applies to the premium value (%)) to 4,720 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day, 15.19% to 4,905 yen, which was the simple average closing price for the past one month up to the same date (rounded to the nearest whole number; hereinafter the same applies to the calculation of

simple average closing prices), 15.38% to 4,897 yen, which was the simple average closing price for the past three months up to the same date, and 18.97% to 4,749 yen, which was the simple average closing price for the past six months up to the same date) (the “First Proposal”).

In response, on March 16, 2026, the Tender Offeror received a written response from the Target Company and the Special Committee requesting that the Tender Offeror make a revised proposal of the Tender Offer Price, stating that the Tender Offer Price of 5,650 yen set forth in the First Proposal could hardly be regarded as giving due consideration to the interests of the Target Company’s minority shareholders when taking into account the preliminary analysis regarding the share value of the Target Company conducted by the third-party valuation organization of the Target Company and that of the Special Committee.

Following this, on March 26, 2026, the Tender Offeror made a proposal to set the Tender Offer Price at 5,900 yen (a price obtained by adding a premium of 26.34% to 4,670 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day, 24.08% to 4,755 yen, which was the simple average closing price for the past one month up to the same date, 21.20% to 4,868 yen, which was the simple average closing price for the past three months up to the same date, and 24.32% to 4,746 yen, which was the simple average closing price for the past six months up to the same date) (the “Second Proposal”). In response, on March 30, 2026, the Tender Offeror received a written response from the Target Company and the Special Committee requesting that the Tender Offeror make a revised proposal of the Tender Offer Price, stating that the Tender Offer Price of 5,900 yen set forth in the Second Proposal could hardly be regarded as giving due consideration to the interests of the Target Company’s minority shareholders when taking into account the preliminary analysis regarding the share value of the Target Company conducted by the third-party valuation organization of the Target Company and that of the Special Committee.

Following this, on April 6, 2026, the Tender Offeror made a proposal to set the Tender Offer Price at 6,100 yen (a price obtained by adding a premium of 23.56% to 4,937 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day, 28.50% to 4,747 yen, which was the simple average closing price for the past one month up to the same date, 25.28% to 4,869 yen, which was the simple average closing price for the past three months up to the same date, and 28.21% to 4,758 yen, which was the simple average closing price for the past six months up to the same date) (the “Third Proposal”). In response, on April 8, 2026, the Tender Offeror received a written response from the Target Company and the Special Committee requesting that the Tender Offeror make a revised proposal of the Tender Offer Price, stating that the Tender Offer Price of 6,100 yen set forth in the Third Proposal could hardly be regarded as giving due consideration to the interests of the Target Company’s minority shareholders when taking into account the preliminary analysis regarding the share value of the Target Company conducted by the third-party valuation organization of the Target Company and that of the Special Committee.

Following this, on April 10, 2026, the Tender Offeror made a proposal to set the Tender Offer Price at 6,300 yen (a price obtained by adding a premium of 29.71% to 4,857 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day, 32.21% to 4,765 yen, which was the simple average closing price for the past one month up to the same date, 29.44% to 4,867 yen, which was the simple average closing price for the past three months up to the same date, and 32.13% to 4,768 yen, which was the simple average closing price for the past six months

up to the same date) (the “Fourth Proposal”). In response, on the same day, the Tender Offeror received a written response from the Target Company and the Special Committee requesting that the Tender Offeror make a revised proposal of the Tender Offer Price, stating that the Tender Offer Price of 6,300 yen set forth in the Fourth Proposal could hardly be regarded as giving due consideration to the interests of the Target Company’s minority shareholders when taking into account the preliminary analysis regarding the share value of the Target Company conducted by the third-party valuation organization of the Target Company and that of the Special Committee.

Following this, on April 15, 2026, the Tender Offeror made a proposal to set the Tender Offer Price at 6,400 yen (a price obtained by adding a premium of 35.77% to 4,714 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day, 33.92% to 4,779 yen, which was the simple average closing price for the past one month up to the same date, 31.80% to 4,856 yen, which was the simple average closing price for the past three months up to the same date, and 34.12% to 4,772 yen, which was the simple average closing price for the past six months up to the same date) (the “Fifth Proposal”). In response, on April 16, 2026, the Tender Offeror received a written response from the Target Company and the Special Committee requesting that the Tender Offeror make a revised proposal of the Tender Offer Price, stating that the Tender Offer Price of 6,400 yen set forth in the Fifth Proposal could not be regarded as giving due consideration to the interests of the Target Company’s minority shareholders when taking into account the preliminary analysis regarding the share value of the Target Company conducted by the third-party valuation organization of the Target Company and that of the Special Committee.

Following this, on April 20, 2026, the Tender Offeror made a proposal to set the Tender Offer Price at 6,480 yen (a price obtained by adding a premium of 38.85% to 4,667 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day, 35.65% to 4,777 yen, which was the simple average closing price for the past one month up to the same date, 33.77% to 4,844 yen, which was the simple average closing price for the past three months up to the same date, and 35.68% to 4,776 yen, which was the simple average closing price for the past six months up to the same date) (the “Sixth Proposal”). In response, on April 21, 2026, the Tender Offeror received a written response from the Target Company and the Special Committee requesting that the Tender Offeror make a revised proposal of the Tender Offer Price, stating that the Tender Offer Price of 6,480 yen set forth in the Sixth Proposal still could not be regarded as giving due consideration to the interests of the Target Company’s minority shareholders when taking into account the preliminary analysis regarding the share value of the Target Company conducted by the third-party valuation organization of the Target Company and that of the Special Committee, the market price trends of the Target Company Shares, and the perspective of fair distribution to minority shareholders of the synergies expected to be realized after the Transaction.

Following this, on April 22, 2026, the Tender Offeror made a proposal to set the Tender Offer Price at 6,500 yen (a price obtained by adding a premium of 38.98% to 4,677 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day, 36.15% to 4,774 yen, which was the simple average closing price for the past one month up to the same date, 34.52% to 4,832 yen, which was the simple average closing price for the past three months up to the same date, and 36.07% to 4,777 yen, which was the simple average closing price for the past six months up to the same date) (the “Seventh Proposal”). In response, on April 23, 2026, the Tender Offeror received a written response from the Target Company and the Special Committee requesting that the

Tender Offeror make a revised proposal of the Tender Offer Price, stating that it is difficult to regard the Tender Offer Price of 6,500 yen set forth in the Seventh Proposal as giving due consideration to the interests of the Target Company's minority shareholders when taking into account the historical market price trends of the Target Company Shares and the perspective of fair distribution to minority shareholders of the synergies expected to be realized after the Transaction, from the perspective of protecting the interests of the Target Company's minority shareholders.

Following this, on April 24, 2026, the Tender Offeror made a proposal to set the Tender Offer Price at 6,550 yen (a price obtained by adding a premium of 41.84% to 4,618 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day, 37.37% to 4,768 yen, which was the simple average closing price for the past one month up to the same date, 35.92% to 4,819 yen, which was the simple average closing price for the past three months up to the same date, and 37.12% to 4,777 yen, which was the simple average closing price for the past six months up to the same date) (the "Eighth Proposal"). In response, on the same day, the Tender Offeror received a written response from the Target Company and the Special Committee requesting that the Tender Offeror make a revised proposal of the Tender Offer Price, stating that it is difficult to regard the Tender Offer Price of 6,550 yen set forth in the Eighth Proposal as giving due consideration to the interests of the Target Company's minority shareholders when taking into account the historical market price trends of the Target Company Shares and the perspective of fair distribution to minority shareholders of the synergies expected to be realized after the Transaction, from the perspective of protecting the interests of the Target Company's minority shareholders.

Following this, on April 27, 2026, the Tender Offeror made a proposal to set the Tender Offer Price at 6,600 yen (a price obtained by adding a premium of 43.10% to 4,612 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day, 38.45% to 4,767 yen, which was the simple average closing price for the past one month up to the same date, 37.04% to 4,816 yen, which was the simple average closing price for the past three months up to the same date, and 38.19% to 4,776 yen, which was the simple average closing price for the past six months up to the same date) (the "Ninth Proposal"). In response, on April 28, 2026, the Tender Offeror received a written response from the Target Company and the Special Committee requesting that the Tender Offeror make a revised proposal of the Tender Offer Price, stating that they would like the Tender Offeror to give further consideration to the interests of the Target Company's minority shareholders with regard to the Tender Offer Price of 6,600 yen set forth in the Ninth Proposal when taking into account the historical market price trends of the Target Company Shares and the perspective of fair distribution to minority shareholders of the synergies expected to be realized after the Transaction, from the perspective of protecting the interests of the Target Company's minority shareholders.

Following this, on April 30, 2026, the Tender Offeror made a proposal to set the Tender Offer Price, on the basis that the Target Company would not distribute an interim dividend for the term ending September 30, 2026, or a year-end dividend for the term ending March 31, 2027, at 6,630 yen (a price obtained by adding a premium of 42.06% to 4,667 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day, 39.23% to 4,762 yen, which was the simple average closing price for the past one month up to the same date, 37.92% to 4,807 yen, which was the simple average closing price for the past three months up to the same date, and 38.82% to 4,776 yen, which was the simple average closing price for the past six months up to the same date) (the "Tenth Proposal"). In response, on May 1, 2026, the Tender Offeror received a written

response from the Target Company and the Special Committee requesting that the Tender Offeror make a revised proposal of the Tender Offer Price, stating that they would like the Tender Offeror to further increase the Tender Offer Price of 6,630 yen set forth in the Tenth Proposal from the perspective of giving further consideration to the interests of the Target Company's minority shareholders.

Following this, on May 7, 2026, the Tender Offeror made a proposal to set the Tender Offer Price at 6,650 yen (a price obtained by adding a premium of 43.16% to 4,645 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day, 40.38% to 4,737 yen, which was the simple average closing price for the past one month up to the same date, 38.51% to 4,801 yen, which was the simple average closing price for the past three months up to the same date, and 39.09% to 4,781 yen, which was the simple average closing price for the past six months up to the same date) (the "11th Proposal"). In response, on May 8, 2026, the Tender Offeror received from the Target Company a written response in the name of the Target Company and the Special Committee stating that they would accept the Tender Offer Price of 6,650 yen set forth in the 11th Proposal.

Based on the foregoing consideration and discussions, on May 11, 2026, the Tender Offeror resolved to implement the Tender Offer as part of the Transaction at a Tender Offer Price of JPY 6,650.

(b) Background to and Basis for Valuation of Price of Purchase

(i) Background to Valuation of Price of Purchase

Please see "(a) Background, Purpose, and Decision-making Process Leading to the Tender Offeror's Decision to Implement the Tender Offer" above.

(ii) Basis for Valuation of Price of Purchase

When determining the Tender Offer Price, in order to ensure the fairness of the Tender Offer Price, the Tender Offeror requested that Nomura Securities, its financial advisor, as a third-party valuation organization independent from the Tender Offeror and the Target Company, value the Target Company Shares.

After considering multiple stock valuation methods and examining which valuation methods should be adopted for the valuation of the Target Company Shares, Nomura Securities conducted a valuation of the Target Company Shares using the following valuation methods: the average market share price method, as the market share price exists; the comparable company method, as there are multiple listed companies comparable to the Target Company and it is possible to analogize the share value of the Target Company Shares by comparison with that of similar companies; and the discounted cash flow method (the "DCF Method"), in order to reflect the status of future business activities in the valuation, and the Tender Offeror obtained from Nomura Securities a stock valuation report dated May 8, 2026 (the "Tender Offeror Stock Valuation Report") (Note).

Nomura Securities is not a related party of the Tender Offeror or the Target Company and has no material interest in the Tender Offer. Furthermore, by comprehensively considering the factors stated in "(3) Measures to Ensure Fairness of the Tender Offer" below, the Tender Offeror believes that due consideration has been given to the interests of the Target Company's general shareholders. Therefore,

the Tender Offeror has not obtained an opinion concerning the fairness of the Tender Offer Price (a fairness opinion) from Nomura Securities.

The ranges of the value per share of the Target Company Shares evaluated by Nomura Securities using each of the above methods are as follows:

Average market share price method:	4,658 yen to 4,791 yen
Comparable company method:	2,877 yen to 5,009 yen
DCF Method:	5,102 yen to 8,056 yen

Under the average market share price method, by setting the reference date as May 8, 2026, the range of the per-share value of the Target Company Shares was calculated to be 4,658 yen to 4,791 yen based on: 4,659 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE as of the reference date; 4,658 yen, which was the simple average closing price for the latest five business days; 4,679 yen, which was the simple average closing price for the latest one-month period; 4,786 yen, which was the simple average closing price for the latest three-month period; and 4,791 yen, which was the simple average closing price for the latest six-month period.

Under the comparable company method, the share value of the Target Company was calculated by comparison with the market prices and financial indicators showing profitability of listed companies that engage in businesses similar to those of the Target Company, and the range of the per-share value of the Target Company Shares was calculated to be 2,877 yen to 5,009 yen.

Under the DCF Method, based on the future earnings forecasts for the Target Company in and after the fiscal year ending March 2027 that considered various factors, including the earnings and investment plans in the business plan for the four fiscal years from the fiscal year ending March 2027 to the fiscal year ending March 2030 received from the Target Company and provided to Nomura Securities after confirmation by the Tender Offeror (the business plan received from the Target Company does not include free cash flow; the “Business Plan”), recent trends in the business performance, as well as publicly available information, etc., the corporate value and the share value of the Target Company were analyzed and evaluated by discounting the free cash flow expected to be generated by the Target Company in the future back to the present value using a certain discount rate; and the range of the per-share value of the Target Company Shares was calculated to be 5,102 yen to 8,056 yen. With respect to the numerical figures of the Target Company’s financial forecasts set forth in the Business Plan on which Nomura Securities’ valuation of the share value was based, fiscal years in which a significant increase or decrease in profits is expected are not included, but fiscal years in which a significant increase or decrease in free cash flow is expected are included. Specifically, for each of the fiscal years ending March 2027 through March 2029, the Target Company expects a significant year-on-year increase or decrease in free cash flow, primarily due to increases and decreases in capital expenditures for purposes, such as establishment of new facilities. The Business Plan is not premised on the Transaction being implemented and does not reflect the synergies expected to be realized through implementation of the Transaction because it is difficult to specifically estimate those synergies at present. Comprehensively considering the valuation results of the Target Company Shares in the Tender Offeror Stock Valuation Report obtained from Nomura Securities, the results of Due Diligence, whether the Target Company’s Board of Directors should support the Tender Offer, and the forecast for tendering shares in the Tender Offer, etc., based on the results of discussions and negotiations with the Target Company, today, the

Tender Offeror ultimately decided to set the Tender Offer Price at 6,650 yen pursuant to a resolution by the board of directors.

The Tender Offer Price of 6,650 yen is the price obtained by adding a premium of 42.73% to 4,659 yen, which was the closing price of the Target Company Shares on the Prime Market of the TSE on May 8, 2026, the business day immediately preceding the date of announcement regarding implementation of the Tender Offer, 42.12% to 4,679 yen, which was the simple average closing price for the past one month, 38.95% to 4,786 yen, which was the simple average closing price for the past three months, and 38.80% to 4,791 yen, which was the simple average closing price for the past six months, respectively.

(Note) In valuating the Target Company Shares, Nomura Securities has assumed, without independent verification, the accuracy and completeness of information that was publicly available or supplied to it. Nomura Securities has not made any independent valuation, appraisal, or assessment of the assets or liabilities (including financial derivatives, off-balance-sheet assets and liabilities, and other contingent liabilities) of the Target Company and its related companies, including analysis and valuation of individual assets and liabilities, nor has Nomura Securities requested an appraisal or assessment from any third-party organization. With respect to the financial projections (including the profit plan and other information) of the Target Company, Nomura Securities has assumed that they have been reasonably examined or prepared by the management team of the Tender Offeror based on the best and faithful projections and judgments available at present. The valuation by Nomura Securities reflects information and economic conditions that it obtained by May 8, 2026. The aim of Nomura Securities' valuation is only to contribute to examination by the board of directors of the Tender Offeror of the share value of the Target Company as a reference.

(c) Details of, Basis, and Reasons for the Target Company's Opinion Regarding the Tender Offer

(i) Background to Establishment of Review Framework

According to the Target Company Press Release, the Target Company received a notice from the Tender Offeror on October 21, 2025, stating that it had commenced consideration towards the implementation of the Transaction. In response to this, in considering the Transaction and conducting discussions and negotiations with the Tender Offeror regarding the Transaction, the Target Company took into consideration the fact that the Tender Offeror is the controlling shareholder (parent company) of the Target Company whose ownership ratio of the Target Company Shares has reached 52.40%, and that the Transaction constitutes a transaction that typically involves issues of structural conflicts of interest and information asymmetry. In order to address these issues and ensure the fairness of the Transaction, in early November 2025, the Target Company appointed Oh-Ebashi LPC & Partners ("Oh-Ebashi") as a legal advisor independent from the Tender Offeror Group and the Target Company Group and from the success or failure of the Transaction, and appointed Daiwa Securities Co. Ltd. ("Daiwa Securities") as a financial advisor and a third-party valuation organization independent from the Tender Offeror Group and the Target Company Group.

Thereafter, the Target Company received a Letter of Intent regarding the Transaction from the Tender Offeror again on December 9, 2025. In response to such proposal, in order to ensure the fairness of the Transaction, based on the advice of Oh-Ebashi, the Target Company immediately commenced the

establishment of a framework to consider, negotiate, and make decisions regarding the Transaction from a standpoint independent from the Tender Offeror, from the perspective of enhancing the corporate value of the Target Company and securing the interests of the general shareholders of the Target Company. Specifically, the Target Company proceeded with preparations for the establishment of a Special Committee as stated in “(c) Establishment of Independent Special Committee by Target Company and Acquisition of Report from Special Committee” of “(3) Measures to Ensure Fairness of the Tender Offer” below. By a resolution of the board of directors held on December 22, 2025, in order to constitute a meeting body with an appropriate size while ensuring a balance of knowledge, experience, and capability, the Target Company established a Special Committee (the “Special Committee”) composed of three members: Mr. Ichiro Yoshitake, who has extensive experience and broad insight as a business executive (Independent Outside Director of the Target Company, Outside Director of Unicafe Inc.), Ms. Kaori Oishi, who has specialized expertise and extensive experience as an attorney (Independent Outside Director of the Target Company, Outside Director and Audit and Supervisory Committee Member of Towa Pharmaceutical Co., Ltd., Outside Director of ESLEAD CORPORATION, Partner of Kitahama Partners, Attorney), and Ms. Kyoko Hikita, who has specialized expertise and a high level of insight in finance and accounting as a certified public accountant (Independent Outside Audit and Supervisory Board Member of the Target Company, Outside Audit and Supervisory Board Member of AOYAMA TRADING Co., Ltd., Outside Director and an Audit and Supervisory Committee Member of UNISOL Holdings Corporation, President of Hikita CPA Office, Certified Public Accountant), as a meeting body distinct from the standing special committee within the Target Company (for the background of consideration and details of decision by the Special Committee, please refer to “(c) Establishment of Independent Special Committee by Target Company and Acquisition of Report from Special Committee” of “(3) Measures to Ensure Fairness of the Tender Offer” below). The Target Company has established a standing special committee as an advisory body to the Board of Directors, composed of all independent outside directors and independent outside audit & supervisory board members, for the purpose of appropriately monitoring and supervising conflicts of interest with controlling shareholders, etc. and enhancing corporate governance. The aforementioned three candidates were selected from among the members of the committee. The Target Company has seven independent outside directors and three independent outside audit & supervisory board members. However, if all independent outside directors and independent outside audit & supervisory board members were appointed as members of the Special Committee, the possibility of impairing the agility and efficiency of deliberations and negotiations regarding the Transaction could not be ruled out, and the Target Company was concerned that this in turn could run counter to the interests of general shareholders. On the other hand, the Target Company believed that forming the Special Committee with Mr. Ichiro Yoshitake, Ms. Kaori Oishi, and Ms. Kyoko Hikita, in light of their backgrounds and expertise among those of the Target Company’s independent outside officers, would ensure necessary and sufficient experience and knowledge for consideration and negotiations regarding the Transaction from the perspectives of corporate management, legal affairs and risk management, and finance and financial affairs, while enabling agile and efficient consideration and negotiations regarding the Transaction. Accordingly, the Target Company selected Mr. Ichiro Yoshitake, Ms. Kaori Oishi, and Ms. Kyoko Hikita as members of the Special Committee.

Based on the above, the Target Company consulted the Special Committee on: (i) the reasonableness of the purpose of the Transaction (including whether the Transaction contributes to enhancing the corporate value of the Target Company); (ii) the fairness and appropriateness of the terms and conditions of the Transaction (including the level of consideration, the method of implementing the Transaction, and the type of consideration); (iii) the fairness of the procedures for the Transaction; (iv) based on (i) through

(iii) above, whether the Transaction is fair to the general shareholders; and (v) whether it is appropriate for the Target Company's Board of Directors to make a decision to conduct the Transaction (expressing an opinion in support of the Tender Offer and recommending that the Target Company's shareholders tender their shares in the Tender Offer, and conducting necessary procedures if the Squeeze-out Procedures are implemented after the completion of the Tender Offer), and requested the Special Committee to state its opinion to the Target Company's Board of Directors (hereinafter collectively referred to as the "Advisory Matters"). Furthermore, upon the establishment of the Special Committee, the Target Company's Board of Directors resolved that it would make a decision regarding the Transaction by respecting the determinations of the Special Committee to the maximum extent, and that if the Special Committee judged that the terms and conditions of the Transaction were not fair, the Target Company's Board of Directors would not support the Transaction. In addition, the Target Company's Board of Directors resolved to grant the Special Committee the authority to: (i) receive information necessary to consider and make decisions on the Transaction from the Target Company's officers and employees (including the authority to require attendance at Special Committee meetings); (ii) be substantially involved in the terms and conditions and the negotiation process of the Transaction (including stating opinions, giving instructions or making requests to the Target Company, and the Special Committee independently negotiating with the prospective purchaser); (iii) approve (including ratifying) the external professional advisors appointed by the Target Company; (iv) seek advice from the Target Company's external professional advisors at the Target Company's expense; (v) appoint its own external professional advisors and seek their advice, if necessary, at the Target Company's expense; and (vi) exercise authority regarding matters that the Special Committee deems necessary for considering and making decisions on the Transaction, such as the approval of persons assisting the duties of the Special Committee (for the method of resolution at the relevant board of directors' meeting, please refer to "(c) Establishment of Independent Special Committee by Target Company and Acquisition of Report from Special Committee" of "(3) Measures to Ensure Fairness of the Tender Offer" below). Note that the Target Company has a standing special committee consisting of all of the Target Company's outside directors and outside audit & supervisory board members, as described in "(c) Establishment of Independent Special Committee by Target Company and Acquisition of Report from Special Committee" of "(3) Measures to Ensure Fairness of the Tender Offer" below. However, since the Target Company's Board of Directors, including the relevant outside directors and outside audit & supervisory board members, has agreed to respect the determination of the Special Committee to the maximum extent regarding the Advisory Matters, the board of directors has resolved not to consult the standing special committee regarding the Transaction in addition to the Special Committee.

Furthermore, as described in "(c) Establishment of Independent Special Committee by Target Company and Acquisition of Report from Special Committee" of "(3) Measures to Ensure Fairness of the Tender Offer" below, on January 20, 2026, based on the above authority, the Special Committee determined to appoint Anderson Mori & Tomotsune ("Anderson Mori & Tomotsune") as its own legal advisor independent from the Tender Offeror Group and the Target Company Group and from the success or failure of the Transaction, and to appoint Plutus Consulting Co., Ltd. ("Plutus Consulting") as its own financial advisor and third-party valuation organization independent from the Tender Offeror Group and the Target Company Group and from the success or failure of the Transaction.

In addition, as described in "(c) Establishment of Independent Special Committee by Target Company and Acquisition of Report from Special Committee" of "(3) Measures to Ensure Fairness of the Tender Offer" below, after confirming that there were no issues regarding their independence from the Tender Offeror Group and the Target Company Group, independence from the success or failure of the Transaction, and expertise/experience, etc., the Target Company received approval from the Special

Committee for the appointment of Daiwa Securities as the Target Company's financial advisor and third-party valuation organization, and Oh-Ebashi as the Target Company's legal advisor.

Furthermore, as described in "(g) Establishment of Independent Internal Framework by Target Company" of "(3) Measures to Ensure Fairness of the Tender Offer" below, the Target Company established a framework within the Target Company to consider, negotiate, and make decisions regarding the Transaction (including the scope and duties of the Target Company's officers and employees involved in considering, negotiating, and making decisions regarding the Transaction) from a standpoint independent from the Tender Offeror Group, and received approval from the Special Committee that there were no issues regarding the independence and fairness of such consideration framework.

(ii) Background of Review and Negotiation

According to the Target Company Press Release, the Target Company has carefully discussed and considered the pros and cons of the Transaction and the appropriateness of its terms and conditions, based on the report on the valuation results of the Target Company Shares, advice on the negotiation strategies with the Tender Offeror, and other advice from a financial perspective received from Daiwa Securities, as well as advice on measures to ensure the fairness of procedures in the Transaction and other legal advice received from Oh-Ebashi, while fully respecting the details of the opinion of the Special Committee.

Furthermore, after receiving the Letter of Intent regarding the Transaction from the Tender Offeror on December 9, 2025, the Target Company has continuously discussed and negotiated the terms and conditions regarding the Transaction, including the Tender Offer Price, with the Tender Offeror.

Specifically, after the Target Company received the Letter of Intent regarding the Transaction on December 9, 2025, and established the Special Committee by a resolution of the Target Company's Board of Directors on December 22, the Target Company and the Special Committee proceeded with their consideration and discussions. Prior to this, after receiving the notice from the Tender Offeror on October 21, 2025, stating that it had commenced consideration towards the implementation of the Transaction, the Target Company proceeded with its initial consideration and discussions, sent written preliminary questions regarding the Transaction to the Tender Offeror on November 27, 2025, held discussions between the Tender Offeror and the Target Company on November 28 and December 8, of the same year, and received a written response from the Tender Offeror on December 25, of the same year. Such initial consideration and discussions were approved by the Special Committee at its first meeting held on December 22, 2025. Thereafter, the Target Company and the Special Committee sent written questions regarding the significance and purpose of the Transaction to the Tender Offeror on February 17, 2026, and received a written response to some of such questions from the Tender Offeror on February 20, 2026. Furthermore, based on such response, the Target Company and the Special Committee sent additional written questions on February 26, 2026, and received a written response to the questions from the Tender Offeror on March 2, 2026. Based on these responses, an interview with the Tender Offeror by the Special Committee was conducted on March 6, 2026. Thereafter, on March 25, the Target Company received a written response from the Tender Offeror again, and at the Special Committee meeting held on April 2, 2026, an interview with the Tender Offeror was conducted again regarding the matters responded to.

Regarding the Tender Offer Price, the Target Company has conducted several rounds of negotiations with the Tender Offeror since March 11, 2026. Specifically, as a result of comprehensively taking into account information obtained through Due Diligence conducted on the Target Company by the Tender

Offeror, an analysis concerning the Target Company's financial condition, management status, and future outlook, etc. based on the Business Plan disclosed by the Target Company, and the preliminary valuation analysis for the Target Company Shares conducted by Nomura Securities, the third-party valuation organization of the Tender Offeror, the Target Company and the Special Committee received the first proposal regarding the Transaction from the Tender Offeror on March 11, 2026, which included setting the Tender Offer Price at 5,650 yen (a premium of 19.70% over 4,720 yen, the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 15.19% over 4,905 yen, the simple average closing price for the past one month up to the same day; a premium of 15.38% over 4,897 yen, the simple average closing price for the past three months up to the same day; and a premium of 18.97% over 4,749 yen, the simple average closing price for the past six months up to the same day) on the premise that the Target Company would not distribute interim dividends with a record date of September 30, 2026. Thereafter, on March 16, the Target Company and the Special Committee requested the Tender Offeror to make a fundamental review of the Tender Offer Price, stating that the proposed Tender Offer Price could hardly be regarded as giving due consideration to the interests of the Target Company's minority shareholders.

Following this, on March 26, 2026, the Target Company received a revised proposal from the Tender Offeror to set the Tender Offer Price at 5,900 yen (a premium of 26.34% over 4,670 yen, the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 24.08% over 4,755 yen, the simple average closing price for the past one month up to the same day; a premium of 21.20% over 4,868 yen, the simple average closing price for the past three months up to the same day; and a premium of 24.32% over 4,746 yen, the simple average closing price for the past six months up to the same day). In response to this, on March 30, the Target Company and the Special Committee requested the Tender Offeror to make a fundamental review of the Tender Offer Price, stating that the proposed Tender Offer Price could hardly be regarded as giving due consideration to the interests of the Target Company's minority shareholders.

Following this, on April 6, 2026, the Target Company received a revised proposal from the Tender Offeror to set the Tender Offer Price at 6,100 yen (a premium of 23.56% over 4,937 yen, the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 28.50% over 4,747 yen, the simple average closing price for the past one month up to the same day; a premium of 25.28% over 4,869 yen, the simple average closing price for the past three months up to the same day; and a premium of 28.21% over 4,758 yen, the simple average closing price for the past six months up to the same day). In response to this, on the 8th of the same month, the Target Company and the Special Committee requested the Tender Offeror to make a fundamental review of the Tender Offer Price, stating that the proposed Tender Offer Price could still hardly be regarded as giving due consideration to the interests of the Target Company's minority shareholders.

Following this, on April 10, 2026, the Target Company received a revised proposal from the Tender Offeror to set the Tender Offer Price at 6,300 yen (a premium of 29.71% over 4,857 yen, the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 32.21% over 4,765 yen, the simple average closing price for the past one month up to the same day; a premium of 29.44% over 4,867 yen, the simple average closing price for the past three months up to the same day; and a premium of 32.13% over 4,768 yen, the simple average closing price for the past six months up to the same day). In response to this, on April 10, the Target Company and the Special Committee requested the Tender Offeror to make a fundamental review of the Tender Offer

Price, stating that the proposed Tender Offer Price could still hardly be regarded as giving due consideration to the interests of the Target Company's minority shareholders.

Following this, on April 15, 2026, the Target Company received a revised proposal from the Tender Offeror to set the Tender Offer Price at 6,400 yen (a premium of 35.77% over 4,714 yen, the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 33.92% over 4,779 yen, the simple average closing price for the past one month up to the same day; a premium of 31.80% over 4,856 yen, the simple average closing price for the past three months up to the same day; and a premium of 34.12% over 4,772 yen, the simple average closing price for the past six months up to the same day). In response to this, on April 16, the Target Company and the Special Committee requested the Tender Offeror to make a fundamental review of the Tender Offer Price, stating that the proposed Tender Offer Price could not be regarded as giving due consideration to the interests of the Target Company's minority shareholders.

Following this, on April 20, 2026, the Target Company received a revised proposal from the Tender Offeror to set the Tender Offer Price at 6,480 yen (a premium of 38.85% over 4,667 yen, the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 35.65% over 4,777 yen, the simple average closing price for the past one month up to the same day; a premium of 33.77% over 4,844 yen, the simple average closing price for the past three months up to the same day; and a premium of 35.68% over 4,776 yen, the simple average closing price for the past six months up to the same day). In response to this, on April 21, the Target Company and the Special Committee requested the Tender Offeror to make a fundamental review of the Tender Offer Price, stating that the proposed Tender Offer Price could not be regarded as giving due consideration to the interests of the Target Company's minority shareholders when taking into account the market price trends of the Target Company Shares and the perspective of a fair distribution of synergies expected to be generated after the Transaction to the minority shareholders.

Following this, on April 22, 2026, the Target Company received a revised proposal from the Tender Offeror to set the Tender Offer Price at 6,500 yen (a premium of 38.98% over 4,677 yen, the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 36.15% over 4,774 yen, the simple average closing price for the past one month up to the same day; a premium of 34.52% over 4,832 yen, the simple average closing price for the past three months up to the same day; and a premium of 36.07% over 4,777 yen, the simple average closing price for the past six months up to the same day). In response to this, on April 23, the Target Company and the Special Committee requested the Tender Offeror to make a revised proposal for the Tender Offer Price, stating that it is difficult to regard the proposed Tender Offer Price as giving due consideration to the interests of the Target Company's minority shareholders when taking into account the historical market price trends of the Target Company Shares and the perspective of a fair distribution of synergies expected to be generated after the Transaction to the minority shareholders.

Following this, on April 24, 2026, the Target Company received a revised proposal from the Tender Offeror to set the Tender Offer Price at 6,550 yen (a premium of 41.84% over 4,618 yen, the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 37.37% over 4,768 yen, the simple average closing price for the past one month up to the same day; a premium of 35.92% over 4,819 yen, the simple average closing price for the past three months up to the same day; and a premium of 37.12% over 4,777 yen, the simple average closing price

for the past six months up to the same day). In response to this, on the same day, the Target Company and the Special Committee requested the Tender Offeror to make a revised proposal for the Tender Offer Price, stating that it is difficult to regard the proposed Tender Offer Price as giving due consideration to the interests of the Target Company's minority shareholders when taking into account the historical market price trends of the Target Company Shares and the perspective of a fair distribution of synergies expected to be generated after the Transaction to the minority shareholders.

Following this, on April 27, 2026, the Target Company received a revised proposal from the Tender Offeror to set the Tender Offer Price at 6,600 yen (a premium of 43.10% over 4,612 yen, the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 38.45% over 4,767 yen, the simple average closing price for the past one month up to the same day; a premium of 37.04% over 4,816 yen, the simple average closing price for the past three months up to the same day; and a premium of 38.19% over 4,776 yen, the simple average closing price for the past six months up to the same day). In response to this, on April 28, the Target Company and the Special Committee requested the Tender Offeror to make a revised proposal for the Tender Offer Price, stating that they would like the Tender Offeror to give further consideration to the interests of the Target Company's minority shareholders with regard to the proposed Tender Offer Price when taking into account the historical market price trends of the Target Company Shares and the perspective of fair distribution to minority shareholders of the synergies expected to be realized after the Transaction.

Following this, on April 30, 2026, the Target Company received a revised proposal from the Tender Offeror to set the Tender Offer Price at 6,630 yen (a premium of 42.06% over 4,667 yen, the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 39.23% over 4,762 yen, the simple average closing price for the past one month up to the same day; a premium of 37.92% over 4,807 yen, the simple average closing price for the past three months up to the same day; and a premium of 38.82% over 4,776 yen, the simple average closing price for the past six months up to the same day) on the premise that the Target Company would declare neither an interim dividends with a record date of September 30, 2026 nor a year-end dividends for 2027. In response to this, on May 1, 2026, the Target Company and the Special Committee requested the Tender Offeror to make a revised proposal for the Tender Offer Price, stating that although the proposed Tender Offer Price had been increased from the previous proposal, further consideration should be given to the interests of the Target Company's minority shareholders.

Following this, on May 7, 2026, the Target Company received a revised proposal from the Tender Offeror to set the Tender Offer Price at 6,650 yen (a premium of 43.16% over 4,645 yen, the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 40.38% over 4,737 yen, the simple average closing price for the past one month up to the same day; a premium of 38.51% over 4,801 yen, the simple average closing price for the past three months up to the same day; and a premium of 39.09% over 4,781 yen, the simple average closing price for the past six months up to the same day). On May 8, 2026, the Target Company sent a response to the Tender Offeror indicating its acceptance of the Tender Offeror's proposal and reached an agreement to set the Tender Offer Price at 6,650 yen.

In the above consideration and negotiation process, the Target Company engaged in discussions and negotiations with the Tender Offeror regarding the Tender Offer Price based on the opinions heard from the Special Committee and the advice from Daiwa Securities and Oh-Ebashi. At that time, the Special

Committee received advice from its advisors, Plutus Consulting and Anderson Mori & Tomotsune, exchanged opinions with the Target Company and its advisors as needed, and confirmed and approved matters as appropriate. Specifically, first, given its importance, the Special Committee expressed the opinion that the Business Plan should be presented to the Tender Offeror after its contents were approved by the Special Committee regarding the reasonableness of the contents, material assumptions, and the process of preparation, etc., of the Business Plan of the Target Company presented by the Target Company to the Tender Offeror and used as the basis for the valuation of the Target Company Shares by Daiwa Securities and Plutus Consulting. Based on this opinion, at the Special Committee meeting held on January 26, 2026, the Special Committee confirmed and approved the reasonableness of the contents, material assumptions, and the process of preparation, etc., of the Business Plan. After that, the Target Company presented the Business Plan to the Tender Offeror on January 29, 2026. Also, Daiwa Securities, the Target Company's financial advisor, handled negotiations with the Tender Offeror in accordance with the negotiation strategies deliberated and decided by the Special Committee in advance. Whenever a proposal regarding the Tender Offer Price was received from the Tender Offeror, Daiwa Securities immediately reported it to the Special Committee each time, received opinions, instructions, and requests from the Special Committee regarding the negotiation strategies, etc., with the Tender Offeror, and responded in accordance with them.

Then, the Target Company received a report dated May 9, 2026, from the Special Committee (the "Report") stating that: (a) the Transaction contributes to the enhancement of the Target Company's corporate value, and the purpose of the Transaction is considered reasonable; (b) the fairness and appropriateness of the terms and conditions of the Transaction (including the level of consideration, the method of implementation of the Transaction, and the type of consideration) are considered to be ensured; (c) the fairness of the procedures for the Transaction is considered to be ensured; (d) based on (a) through (c) above, the Transaction is considered to be fair to the general shareholders; and (e) it is considered appropriate for the Target Company's Board of Directors to make a decision to conduct the Transaction (expressing an opinion in support of the Tender Offer and recommending that the Target Company's shareholders tender their shares in the Tender Offer, and conducting necessary procedures if the Squeeze-out Procedures are implemented after the completion of the Tender Offer) (for outlines of the Report, please refer to "(c) Establishment of Independent Special Committee by Target Company and Acquisition of Report from Special Committee" of "(3) Measures to Ensure Fairness of the Tender Offer" below). In addition, together with the Report, the Target Company also received from the Special Committee a stock valuation report on the Target Company Shares dated May 8, 2026, which the Special Committee received from Plutus Consulting ("Stock Valuation Report (Plutus Consulting)"), and a fairness opinion stating that the Tender Offer Price of 6,650 yen per share is fair from a financial perspective to the general shareholders of the Target Company (the "Fairness Opinion (Plutus Consulting)") (for outlines of the Stock Valuation Report (Plutus Consulting) and the Fairness Opinion (Plutus Consulting), please refer to "(e) Acquisition of Stock Valuation Report by Special Committee from Independent Financial Advisor and Third-Party Valuation Organization" in "(3) Measures to Ensure Fairness of the Tender Offer" below).

(iii) Details of Decision

According to the Target Company Press Release, given the above background, at the Target Company's Board of Directors' meeting held today, the Target Company carefully discussed and considered whether the Transaction, including the Tender Offer, contributes to enhancing the Target Company's

corporate value, and whether the terms and conditions of the Transaction, including the Tender Offer Price, are appropriate. The Target Company did so by fully respecting the details of the judgment of the Special Committee indicated in the Report, while taking into account the legal advice received from Oh-Ebashi, the advice from a financial perspective received from Daiwa Securities, and the contents of the stock valuation report on the Target Company Shares dated May 8, 2026, received from Daiwa Securities (“Stock Valuation Report (Daiwa Securities)”), as well as the legal advice received from Anderson Mori & Tomotsune through the Special Committee, and the contents of the Stock Valuation Report (Plutus Consulting) and the Fairness Opinion (Plutus Consulting) received from Plutus Consulting.

As a result, as stated below, the Target Company also came to the conclusion that taking the Target Company private through the Transaction, including the Tender Offer by the Tender Offeror, contributes to enhancing the Target Company’s corporate value.

Under its long-term vision and the Target Company’s Medium-Term Management Plan anticipating future environmental changes, the Target Company has steadily progressed with developing the foundation for deepening its existing businesses and expanding the areas where it provides value. However, the Target Company believes that it is necessary to further accelerate these initiatives in order to expand into broader business fields in the future. Above all, the Target Company considers that supplementing and strengthening operational expertise in areas different from the past, as well as data infrastructure and functions that contribute to the optimization of the entire supply chain from production to sales, is an important issue in executing its strategies.

Recognizing these issues, the Target Company received a proposal from the Tender Offeror Group and proceeded with consideration by focusing on the relationship with its business. The Tender Offeror Group positions the prescription pharmaceutical wholesale business and the cosmetics, daily necessities, and OTC pharmaceutical wholesale business handled by the Target Company as its foundational businesses. In addition, the Tender Offeror Group possesses functions such as a medical coordination network, testing services, digital services, and wholesale of food processing raw materials, and is promoting the expansion of its business fields utilizing these functions. In this way, the direction of expanding functions and areas of provision originating from the existing distribution infrastructure is aligned with the Target Company’s long-term vision. The Tender Offeror Group is strengthening its unique business foundations, networks, data, human resources, and know-how in areas different from those of the Target Company, such as medical care, in line with this direction. Based on the above, the Target Company believes that in its future business development, utilizing these resources possessed by the Tender Offeror Group integrally and dynamically with the Target Company’s foundation is effective in increasing the feasibility of the Target Company’s strategies and expanding their effects.

On the other hand, under the current structure premised on a parent-subsidiary double listing, it is necessary to give consideration to the interests of general shareholders. As a result, the Target Company recognizes that there are certain constraints on the cross-functional utilization of data, human resources, and know-how, as well as the integrated promotion of medium- to long-term measures, and that there are structural limits in executing the above measures at a sufficient speed and scope.

From this perspective, the Transaction contributes to further accelerating the transformation that the Target Company has been aiming for and expanding the scope of its development by integrally utilizing the management resources of both the Target Company and the Tender Offeror Group. The Target Company has judged that the realization of synergies contributing to the enhancement of corporate value in the medium to long term is expected, particularly in the following points.

I. Strengthening Solution Provision Capabilities through Advanced Understanding of Demand Originating from Consumers

According to the Target Company, in order for the Target Company to contribute more broadly to the optimization of the entire supply chain, including retailers and manufacturers who are business partners, through the provision of functions based on distribution data, it is not enough to merely grasp demand that has already materialized as an accumulation of sales results. The Target Company, the Target Company recognizes that it is important to enhance the ability to grasp changes in consumer behavior and demand, including the underlying lifestyle issues, regional characteristics, and how demand spreads.

In particular, regarding health-related demand, against the backdrop of the progression of an aging population and other factors, the focal point of medical and nursing care is shifting from inside hospitals to communities and homes. As the need to support the entire spectrum from prevention and pre-symptomatic conditions to the maintenance of daily functioning as a whole society increases, the tendency for demand to manifest across multiple categories, such as OTC pharmaceuticals, health/hygiene-related products, and food products, is becoming stronger.

Based on this recognition, through the Transaction, by combining the contact points with medical institutions and dispensing pharmacies, etc. possessed by the Tender Offeror Group, and the information and expertise obtained from prevention/testing-related services and the utilization of digital technology, with the Target Company's distribution data, the Target Company believes it will become possible to structurally grasp changes in health-related demand, including the signs thereof, the underlying lifestyle issues, regional differences, and the status of demand manifestation across multiple categories, from the stage before they materialize as sales results.

As a result, it will become possible to make proposals to retailers, who are sales destinations, regarding sales floor design and inventory placement, etc. centered on demand themes rather than on a single-item basis, more promptly and accurately than ever before. Furthermore, to manufacturers, who are suppliers, it will become possible to provide signs of changes in demand and the background thereto as information that can be utilized to improve the accuracy of product planning, product development, and production planning. Consequently, the Target Company believes that it will be likely that products tailored to the region and lifestyle issues will be appropriately provided to consumers at the necessary timing, and the quality of value that can actually be selected and used in daily life can be improved.

Based on this advanced understanding of demand, the Target Company believes that it can create new revenue opportunities and improve profitability by providing solutions that support decision-making from an earlier stage in the supply chain from production to consumers.

II. Expansion of Value Provision Areas through Advanced Logistics Models

According to the Target Company, as environmental constraints surrounding logistics intensify, the Target Company views designing the nature of processing, storage, and sorting at logistics centers and the prior and subsequent transport, delivery, and supply operations according to required standards, while premised on products with varying handling conditions and supply requirements, and supplying them sustainably as an important issue for the future.

Under this awareness of issues, the Target Company is currently proceeding with the design and verification of logistics centers with productivity clearly distinct from conventional ones, based on its long-term vision and the Target Company's Medium-Term Management Plan, and is also

building a logistics network through collaboration across industries and customs, including joint delivery.

Through the Transaction, the Target Company expects to build a structure that can flexibly design and operate logistics models corresponding to the standards required for different products and supply conditions, rather than simply combining daily necessities logistics and pharmaceutical logistics. This will be achieved by combining and developing the Target Company's expertise in highly efficient logistics operations premised on a wide variety of products, the Tender Offeror Group's expertise in highly efficient logistics operations premised on strict supply requirements, and the expertise in facility design and operation premised on automation that both companies have accumulated in their respective areas.

As a result, it is expected to become possible to design base locations, delivery frequencies, and automation levels according to the characteristics of handled products more precisely than before, and to advance the effective utilization of management resources, including the joint use of bases, facilities, and IT, etc., as well as the optimal allocation of human resources, thereby improving capital efficiency in terms of logistics functions.

Furthermore, based on these results, the Target Company believes that it will lead to the creation of new revenue opportunities by extending its logistics functions not only to providing functions in intermediate distribution but also to the logistics areas individually built and operated by each business operator, such as manufacturers' logistics and retailers' logistics, and by expanding support to different product areas such as food products.

III. Practice of Data Collaboration Across Different Areas and Acquisition of Expertise

According to the Target Company, in order for the Target Company to advance the provision of distribution solutions utilizing data and expand into new business areas, data collaboration with diverse companies in the supply chain is necessary. The Target Company recognizes that in doing so, in addition to utilizing data accumulated in its own areas, it is important to establish a state where data from areas with different definitions, evaluation indicators, and prerequisites for judgment can be connected, analyzed, and utilized cross-functionally.

Through the Transaction, the Target Company expects to acquire expertise in connecting and utilizing different data systems alongside the Tender Offeror Group, through practical application both in terms of business practices, such as organizing and standardizing definitions and evaluation indicators for data relating to demand understanding and logistics operations, and in technical aspects, such as data format conversion and inter-system connection design.

This will enable the Target Company to develop an information infrastructure that supports the advanced demand understanding mentioned in I. above and the advanced logistics models mentioned in II. above, while minimizing the burden of system investment and the construction of operational systems that would be required if the Target Company were to build an equivalent infrastructure independently. Furthermore, the Target Company believes it will acquire expertise that can be applied to collaboration with companies other than the Tender Offeror Group.

IV. Strengthening the Human Resource Foundation to Support Execution of Transformation

According to the Target Company, based on the recognition that human resources are the source of value creation and the most important asset, the Target Company positions the independent and spontaneous active participation of diverse human resources as a prerequisite for realizing its

long-term vision. To execute the expansion of the value provision areas intended by the Target Company, it is necessary to form a pool of human resources who possess experience and expertise beyond the existing business areas and who can consistently handle everything from business planning to operations.

Triggered by the Transaction, the Target Company and the Tender Offeror Group expect to promote joint operations beyond functional and corporate boundaries, focusing on priority areas such as understanding demand and advancing logistics models. This will expand the opportunities for the Target Company's human resources to participate in setting tasks, making decisions, and implementing solutions across multiple areas.

As a result, in addition to broadening the experience and careers of individuals, the Target Company expects that a robust talent pool capable of adapting external information and functions to their own business operations while considering different constraints and business requirements will be formed as an organization. The Target Company believes that such a solid pool of human resources will enhance the continuity of transformation and the reproducibility of results, contributing to the enhancement of corporate value over the medium to long term.

On the other hand, general disadvantages associated with delisting may include the inability to procure funds from capital markets, and possible effects on the name recognition, creditworthiness, and securing of human resources that the Target Company has enjoyed as a listed company. However, considering the Target Company's current financial condition, etc., the necessity of procuring funds through equity financing is not expected for the time being, and the Target Company believes it has built relationships of trust with many stakeholders, including employees and business partners, through its long-standing business and social activities. In addition, taking into account the social credibility and recognition possessed by the Tender Offeror, even if the Target Company becomes a wholly owned subsidiary of the Tender Offeror, it is unlikely to have a negative impact on the Target Company's social credibility or recruitment activities compared to its current status as a listed company. Therefore, the Target Company considers that the disadvantages of going private through the Transaction are limited. Furthermore, if the Transaction is implemented, the capital relationship with existing shareholders other than the Tender Offeror will be dissolved. However, given that even at present, transactions with such existing shareholders are conducted on an arm's-length basis where applicable, the Target Company believes that concerns about a decrease in transactions with existing shareholders are limited.

Furthermore, based on the following points, the Target Company determined that the Tender Offer Price and other terms and conditions relating to the Tender Offer are appropriate, and that the Tender Offer provides an opportunity for the shareholders of the Target Company to sell the Target Company Shares at a price with a reasonable premium and under reasonable terms and conditions.

- (a) According to the stock valuation results regarding the Target Company Shares conducted by Daiwa Securities, as described in "(b) Acquisition of Stock Valuation Report by the Target Company from Independent Third-party Valuation Organization" under "(3) Measures to Ensure Fairness of the Tender Offer" below, the results of the share valuation of the Target Company Shares by Daiwa Securities indicate that the valuation exceeds the upper end of the ranges calculated by the market share price method and the comparable peer company analysis method, and exceeds the median of the range calculated by the discounted cash flow method.
- (b) As described in "(e) Acquisition of Stock Valuation Report by Special Committee from Independent Financial Advisor and Third-Party Valuation Organization" under "(3) Measures to

Ensure Fairness of the Tender Offer” below, according to the stock valuation results regarding the Target Company Shares conducted by Plutus Consulting in the Stock Valuation Report (Plutus Consulting), the results of the share valuation of the Target Company Shares by Plutus Consulting indicate that the valuation exceeds the upper end of the ranges calculated by the market share price method and the comparable peer company analysis method, and exceeds the median of the range calculated by the DCF Method. In addition, the Special Committee has acquired from Plutus Consulting the Fairness Opinion (Plutus Consulting) stating that the Tender Offer Price of 6,650 yen per share is fair from a financial perspective to the general shareholders of the Target Company.

- (c) The Tender Offer Price of 6,650 yen includes a premium of 42.73% over 4,659 yen, the closing price of the Target Company Shares on the Prime Market of the TSE on May 8, 2026, the business day immediately preceding the date of announcement of the Tender Offer; a premium of 42.12% over 4,679 yen, the simple average closing price for the past one month up to the same day (from April 9, 2026 to May 8, 2026); a premium of 38.95% over 4,786 yen, the simple average closing price for the past three months up to the same day (from February 9, 2026 to May 8, 2026); and a premium of 38.80% over 4,791 yen, the simple average closing price for the past six months up to the same day (from November 10, 2025 to May 8, 2026). With respect to the premium levels of the Tender Offer Price, among 18 precedent transactions (the “Reference Transactions”), consisting of tender offers conducted by parent companies for the purpose of acquiring all shares of listed subsidiaries in Japan with a market capitalization of at least JPY 100 billion and a price-to-book ratio of at least 1x that were completed between June 28, 2019 (the date on which the Ministry of Economy, Trade and Industry published the “Fair M&A Guidelines”) and March 11, 2026 (excluding transactions in which the market price significantly increased or fluctuated due to speculation or media reports, and two-step tender offer transactions), the average premium rates were 33.45% based on the closing price on the business day immediately preceding the announcement date, 35.60% based on the one-month simple average of closing prices prior to the announcement, 37.19% based on the three-month simple average, and 38.24% based on the six-month simple average. The median premium rates were 25.97%, 31.58%, 34.09%, and 36.59%, respectively. Accordingly, the Tender Offer Price is considered to provide a premium comparable to those observed in the Reference Transactions.
- (d) In light of the Target Company’ s long-term stock price trends, the price is equal to 6,650 yen, the highest closing price of the Target Company Shares (closing price on June, 6, 2018) over the period since listing.
- (e) Measures to ensure the fairness of the Tender Offer as described in “(3) Measures to Ensure Fairness of the Tender Offer” below have been implemented, and it is recognized that the interests of general shareholders are secured.
- (f) The Tender Offer Price is a price raised from 5,650 yen, the initial proposal price from the Tender Offeror, as a result of the Target Company conducting sincere negotiations with the Tender Offeror with substantial involvement of the Special Committee, which is independent from the Target Company Group and the Tender Offeror Group, after sufficiently implementing measures to ensure the fairness of the terms and conditions relating to the Transaction, including the Tender Offer Price, as described in “(3) Measures to Ensure Fairness of the Tender Offer” below.

- (g) In the Report acquired from the Special Committee, which is independent within the Target Company, as stated in “(c) Establishment of Independent Special Committee by Target Company and Acquisition of Report from Special Committee” under “(3) Measures to Ensure Fairness of the Tender Offer” below, it is judged that the fairness and appropriateness of the terms and conditions of the Transaction, including the Tender Offer Price, have been ensured.

According to the Target Company, based on the above, at the board of directors’ meeting held today, the Target Company resolved to express its opinion in support of the Tender Offer and to recommend that the Target Company’s shareholders tender their shares in the Tender Offer.

For the resolution method used at the aforementioned the Target Company’s Board of Directors’ meeting of the Target Company, please see “(h) Approval of All Disinterested Directors of Target Company and No Objection Opinion of All Disinterested Audit and Supervisory Board Members of Target Company” in “(3) Measures to Ensure Fairness of the Tender Offer” below.

(d) Management Policy After the Tender Offer

With respect to the management policy after the Transaction, the Tender Offeror has engaged in repeated discussions with the Target Company and the Special Committee, and taking into account the views of the Special Committee, the Tender Offeror recognizes that it is important to respect the Target Company’s current management policy, as well as its initiative and self-direction, to the maximum extent in order to generate the synergies of the Transaction stated in “(a) Background, Purpose, and Decision-making Process Leading to the Tender Offeror’s Decision to Implement the Tender Offer” above and to maximize the medium- to long-term corporate value of both companies.

Accordingly, with respect to operation of the Target Company after the Transaction, the Tender Offeror will engage in good faith discussions with the Target Company regarding the specific details after completion of the Tender Offer based on the principles set forth below (i) to (vii).

Tender Offeror intends to make the Target Company its wholly owned subsidiary, as stated in “(1) Outline of Purpose of the Tender Offer” above and “(4) Policy for Reorganization After the Tender Offer” below, if the Tender Offeror fails to acquire the Shares Subject to the Tender Offer through the Tender Offer, the Tender Offeror plans to implement a share consolidation or a Demand for Share Cash-out as part of the Squeeze-out Procedures after completion of the Tender Offer.

- (i) In order to share the management resources of the Tender Offeror and the Target Company and maximize the corporate value of both companies, the Tender Offeror and the Target Company will, promptly after completion of the Squeeze-out Procedures, establish and operate a committee to consider measures to enhance their corporate value in connection with issues to be examined in the cosmetics, daily necessities, and OTC pharmaceutical wholesale business, the prescription pharmaceutical wholesale business, etc. with the aim of determining specific initiatives and allocation of roles relating to business collaboration through the exchange of information and opinions regarding such business collaboration. The committee will include members of the management team and will have a balanced composition of representatives from the Tender Offeror and the Target Company, and subcommittees will be established in accordance with

individual issues to be examined. Details of the committee will separately be discussed in good faith with the Target Company so that such details can be determined by completion of the Squeeze-out Procedures.

- (ii) Taking into account the importance of maintaining the Target Company's ability to make prompt decisions and conduct agile business operations after the Transaction, the Tender Offeror will, at an early stage after completion of the Transaction, discuss with the Target Company the various rules and policies applicable to the Tender Offeror's group companies and consider necessary revisions thereto. In making revisions, utmost consideration will be given to ensuring that the business operations of the Target Company will not be hindered, taking into account the Target Company's business activities, scale of sales, etc.
- (iii) With respect to the management team structure of the Target Company after the Transaction, the Tender Offeror will, while respecting the current structure to the maximum extent, consider such structure from the perspectives of enhancing the Target Company's medium- to long-term corporate value and ensuring continuity of its growth strategies, taking fully into account the Target Company's intentions as well as operational necessities of its business.
- (iv) As a basic policy, the Tender Offeror will not make any changes to the employment conditions of the Target Company's employees in a disadvantageous manner after the Transaction.
- (v) As a basic policy, the Tender Offeror will maintain the Target Company's trade name after the Transaction, and if any change thereto is contemplated, the Tender Offeror will engage in good faith discussions with the Target Company in advance.
- (vi) If, after the Transaction, the Tender Offeror intends to transfer or otherwise dispose of the Target Company Shares, or to conduct a merger or any other organizational restructuring transaction involving the Target Company, or any other acts that would result in a material change to the Target Company's management team structure, the Tender Offeror will engage in good faith discussions with the Target Company in advance.
- (vii) With respect to the Target Company's financial planning, the Tender Offeror will, after the Transaction, fully respect securing of the Target Company's cash and cash equivalents and the necessity of making required investments, including growth investments and capital expenditures such as equipment renewal, and will engage in ongoing good faith discussions with the Target Company so as to promote the Target Company's growth strategies to the maximum extent.

(3) Measures to Ensure Fairness of the Tender Offer

In light of the fact that the Tender Offeror is the controlling shareholder (parent company) of the Target Company whose ownership ratio of the Target Company Shares has reached 52.40%, and that the Transaction constitutes a transaction that typically involves issues of structural conflicts of interest and information asymmetry between the Tender Offeror and shareholders of the Target Company other than the Tender Offeror, the Tender Offeror and the Target Company have implemented the measures set forth in items (a) through (j) below as measures to address those issues, ensure the fairness of the Tender Offer, and avoid conflicts of interest. The descriptions regarding the measures implemented by the

Target Company below are based on explanations stated in the Target Company Press Release and received from the Target Company.

As stated in “(1) Outline of Purpose of the Tender Offer” above, as of today, the Tender Offeror holds 31,853,485 Target Company Shares (ownership ratio: 52.40%). Therefore, the Tender Offeror believes that if it sets a minimum number of shares to be purchased based on the “majority of minority” requirement in the Tender Offer, this could make completion of the Tender Offer uncertain and, conversely, may not serve the interests of the Target Company’s minority shareholders who wish to tender their shares in the Tender Offer. For this reason, the Tender Offeror has not set a minimum number of shares to be purchased based on the “majority of minority” requirement in the Tender Offer. However, since the Tender Offeror and the Target Company have implemented the measures set forth in items (a) through (j) below as measures to ensure the fairness of the Tender Offer Price, the Tender Offeror believes that due consideration has been given to the interests of the Target Company’s general shareholders.

- (a) Acquisition of Stock Valuation Report by the Tender Offeror from Independent Third-party Valuation Organization

On May 8, 2026, the Tender Offeror obtained from Nomura Securities the Tender Offeror Stock Valuation Report concerning the valuation results of the Target Company Shares. For details, please see “(b) Background to and Basis for Valuation of Price of Purchase” in “(2) Background, Purpose, and Decision-making Process Leading to Implementation of the Tender Offer, and Management Policy After Purchase” above.

- (b) Acquisition of Stock Valuation Report by Target Company from Independent Third-party Valuation Organization

- (i) Acquisition of Stock Valuation Report by Target Company from Independent Third-party Valuation Organization

According to the Target Company Press Release, in expressing its opinion regarding the Tender Offer, the Target Company requested Daiwa Securities, a financial advisor and third-party valuation organization independent from the Tender Offeror Group and the Target Company Group, to evaluate the value of the Target Company’s share, and obtained the Stock Valuation Report (Daiwa Securities) dated May 8, 2026. According to the Target Company, Daiwa Securities is not a related party of the Tender Offeror Group or the Target Company Group, and has no material interest required to be disclosed in the Transaction, including the Tender Offer. According to the Target Company, also, the Tender Offeror and the Target Company have implemented measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest; therefore, the Target Company has not obtained an opinion regarding the fairness of the Tender Offer Price (a fairness opinion) from Daiwa Securities.

According to the Target Company, the compensation for Daiwa Securities includes a contingency fee that is payable subject to the completion, etc. of the Transaction. However, the Target Company appointed Daiwa Securities as its financial advisor and third-party valuation organization under the above compensation structure, taking into account general business practices in similar transactions. According to the Target Company, in addition, the Special

Committee approved Daiwa Securities as the Target Company's financial advisor at its first meeting held on December 22, 2025, after confirming that there were no issues regarding its independence, expertise, and experience.

(ii) Outline of Valuation Regarding the Target Company Shares

According to the Target Company Press Release, after examining valuation methods to be applied to value the Target Company Shares among multiple valuation methods, Daiwa Securities calculated the share value per Company Share based on the idea that it is appropriate to evaluate the value of the Target Company Shares from multiple perspectives under the premise that the Target Company is a going concern, using: the market price method to take into account the trends of the Target Company's market share price; the comparable peer company analysis method because there are multiple listed companies comparable to the Target Company, allowing for an estimation of the share value of the Target Company Shares through comparison with similar companies; and the DCF Method to reflect the content of the Target Company's performance and forecasts, etc., in the valuation. According to the Target Company, the Target Company acquired the Stock Valuation Report (Daiwa Securities) from Daiwa Securities on May 8, 2026.

According to the Target Company, the ranges of the share value per Company Share calculated using each of the above methods are as follows.

Average market share price method:	4,659 yen to 4,791 yen
Comparable company method:	4,241 yen to 5,535 yen
DCF Method:	4,950 yen to 6,776 yen

According to the Target Company, the Business Plan used as a premise by Daiwa Securities to calculate the Target Company's share value was formulated by a team consisting of the Target Company's directors and employees who have no conflict of interest with the Tender Offeror for the purpose of considering the Transaction (specifically, the team consists of a total of 10 members: one director of the Target Company (Mr. Masaharu Shimada), three executive officers, and six other employees), and was subsequently approved after review by the Special Committee. According to the Target Company, the Target Company usually formulates a medium-term management plan covering three fiscal years. According to the Target Company, however, due to the shift to recent inflation, changes in terms and conditions with business partners have occurred, exceeding the assumption that such changes would be temporary, and it was determined that it is difficult to fully incorporate the impact over three years. According to the Target Company, in addition, in order to reflect the effects of large-scale investments to be implemented from the fiscal year ending March 2027 to the fiscal year ending March 2030, the target period has been extended by one term, and the period up to the fiscal year ending March 2030 is set as the target period for the Business Plan.

According to the Target Company, also, the operating profit plan figure (25.3 billion yen) for the fiscal year ending March 2027 in the Business Plan is lower than the operating profit target figure (30.0 billion yen) for the fiscal year ending March 2027 in the Target Company's Medium-Term Management Plan announced by the Target Company on May 13, 2024.

According to the Target Company, this is due to the fact that, taking into account the nature of the planned figures in the Target Company's Medium-Term Management Plan as quantitative target figures, when formulating the Business Plan that serves as the premise for valuation, the

Target Company incorporated changes in the business environment and business performance trends from the time the Target Company's Medium-Term Management Plan was formulated up to the most recent period, as described below. According to the Target Company, the Target Company determined that it is more appropriate to examine the appropriateness of the Tender Offer Price after calculating the Target Company's corporate value based on a plan based on the latest and best estimates of the Target Company's management, and therefore adopted figures different from the quantitative target figures in the Target Company's Medium-Term Management Plan.

According to the Target Company, namely, regarding changes in the business environment, consumer sentiment has declined due to inflation, and the growth in the volume of products handled by the Target Company has been limited. According to the Target Company, additionally, integration among major retailers, which are the Target Company's sales destinations, has progressed significantly, and transaction conditions have changed to become more severe for the Target Company. According to the Target Company, the Target Company recognizes that due to the progress of integration among these companies, the bargaining power of business partners has relatively strengthened, and pressure to change transaction conditions is further increasing across the industry to which the Target Company belongs. According to the Target Company, furthermore, recent rises in unit labor costs and rises in delivery unit costs associated with revisions to the Labor Standards Act in the logistics industry are both at levels exceeding expectations.

According to the Target Company, for the fiscal year ended March 2026, operating profit was approximately 2.5 billion yen lower than the operating profit in the Non-consolidated Financial Statements for the Fiscal Year Ended March 31, 2025 [Japanese GAAP] announced on May 12, 2025. According to the Target Company, this was mainly due to the impact of changes in transaction terms and conditions with sales destinations determined in the latter half of the fiscal year ended March 2026. According to the Target Company, other complex factors for the increase in selling, general and administrative expenses included higher-than-expected delivery costs due to the expansion of transactions with sales destinations and rises in delivery unit costs, a decline in shipping productivity at the Target Company's logistics bases due to an increase in the number of stores of retailers while shipping volumes were sluggish, rising unit costs for in-warehouse labor against the backdrop of serious labor shortages, and expanded use of external warehouses. According to the Target Company, for the fiscal year ending March 2027, the Target Company expects to partially recover from the above factors that pushed down the Target Company's performance in the fiscal year ended March 2026 through improvement initiatives. According to the Target Company, however, the rise in unit labor costs and delivery unit costs is strongly driven by changes in the external environment and will not be completely resolved, and the Target Company determined that its impact will continue to a certain extent. According to the Target Company, in addition, regarding the change in transaction terms and conditions with sales destinations decided in the latter half of the fiscal year ended March 2026, it is reasonably expected to have an impact throughout the year, so such assumption has been made.

According to the Target Company, furthermore, in the fiscal year ending March 2027, a review of transactions is scheduled accompanying a change in the management policy of sales destinations, and the resulting decrease in sales and profit is incorporated into the Business Plan. According to the Target Company, on the other hand, the sales revenue in the Business Plan is expected to exceed the level of sales revenue for the fiscal year ending March 2027 in the Target

Company's Medium-Term Management Plan, reflecting the rise in unit prices of handled products, etc. associated with inflation.

According to the Target Company, and for the fiscal year ending March 2028 and beyond in the Business Plan, as a reasonable assumption, structural trends that push down the Target Company's performance, such as a review of transaction terms by major business partners, rising personnel expenses against the backdrop of labor shortages given the recent inflationary environment, and rising charter fees, will continue. According to the Target Company, however, the Business Plan also reflects improvements in profitability through higher value-added commercial products and expected certain productivity improvements.

According to the Target Company, because it is difficult at this time to specifically estimate the synergetic effects expected to be realized by the execution of the Transaction, they are not taken into account in the Business Plan.

According to the Target Company, under the market price method, using May 8, 2026 as the base date, the range of value per Company Share was calculated to be from 4,659 yen to 4,791 yen based on the closing price of the Target Company Shares on the Prime Market of the TSE on the base date of 4,659 yen, the simple average closing price for the most recent one month (from April 9, 2026 to May 8, 2026) of 4,679 yen, the simple average closing price for the most recent three months (from February 9, 2026 to May 8, 2026) of 4,786 yen, and the simple average closing price for the most recent six months (from November 10, 2025 to May 8, 2026) of 4,791 yen.

According to the Target Company, under the comparable peer company analysis method, MEDIPAL HOLDINGS CORPORATION, ARATA CORPORATION, Alfresa Holdings Corporation, SUZUKEN CO., LTD., TOHO HOLDINGS CO., LTD., VITAL KSK HOLDINGS, INC., and OHKI HEALTHCARE HOLDINGS CO., LTD. were selected as listed peer companies determined to be similar to the Target Company. Then, the value was calculated using the multiple of corporate value to EBITDA, and the range of value per Company Share was calculated to be from 4,241 yen to 5,535 yen.

According to the Target Company, under the DCF Method, based on the Business Plan, and on the premise of various factors such as earnings and investment plans in the Business Plan, and publicly available information, the Target Company's corporate value and share value were analyzed by discounting the free cash flow expected to be generated by the Target Company from the fiscal year ending March 2027 onward to present value at a certain discount rate. According to the Target Company, the range of value per Company Share was calculated to be from 4,950 yen to 6,776 yen. According to the Target Company, the weighted average cost of capital was used as the discount rate, adopting 7.4% to 8.4%, calculated considering the Target Company's scale and including a size risk premium. According to the Target Company, in calculating the going concern value, a multiple model and a constant growth model were adopted. According to the Target Company, under the multiple model, similar companies were selected in the same way as in the comparable peer company analysis method, and the going concern value was calculated to be 245.1 billion yen to 324.2 billion yen, assuming the multiple of corporate value to EBITDA to be 6.2 times to 8.2 times. Under the constant growth model, the perpetual growth rate was set at 0.50% to 1.50%, based on domestic and international inflation rates and the growth rate of the industry to which the Target Company belongs, and the Target Company's going concern value was calculated to be 280.2 billion yen to 377.4 billion yen. According to the Target Company, additionally, as non-business assets, surplus cash and deposits obtained by deducting business cash and deposits estimated by comprehensively considering the Target Company's past cash flow records, etc., as well as investment securities, etc. were added. Moreover, the going concern

value was calculated under the premise of deducting the one-time expenses for the new logistics center scheduled to commence operation in the fiscal year ending March 2030.

According to the Target Company, the Business Plan used by Daiwa Securities for the DCF analysis does not include fiscal years in which significant increases or decreases in profits are expected, but includes fiscal years in which significant increases or decreases in free cash flow are expected. According to the Target Company, Specifically, for the fiscal year ending March 2027, a significant decrease in free cash flow is expected due to the commencement of capital expenditures for the establishment of a new logistics center. Furthermore, for the fiscal year ending March 2028, a further significant decrease in free cash flow is anticipated as capital expenditures related to the new logistics center are expected to increase. In contrast, for the fiscal year ending March 2029, a significant increase in free cash flow is projected as capital expenditures are expected to decline compared to the fiscal year ended March 2028.

According to the Target Company, The figures of the Target Company's Business Plan used as a premise for the calculation under the DCF Method are as follows.

	(Millions of yen)			
	Fiscal Year Ending March 2027	Fiscal Year Ending March 2028	Fiscal Year Ending March 2029	Fiscal Year Ending March 2030
Sales revenue	1,281,987	1,327,235	1,374,686	1,423,124
Operating profit	25,303	27,160	29,774	30,698
EBITDA	31,903	33,560	36,174	39,098
Free cash flow	11,053	5,529	17,990	18,394

- (c) Establishment of Independent Special Committee by Target Company and Acquisition of Report from Special Committee
- (i) Background of Establishment, etc.

According to the Target Company Press Release, as stated in “(c) Details of, Basis, and Reasons for the Target Company's Opinion Regarding the Tender Offerthe Target Company” under “(2) Background, Purpose, and Decision-making Process Leading to Implementation of the Tender Offer, and Management Policy After Purchase ” above, the Target Company established the Special Committee by a resolution at the board of directors' meeting held on December 22, 2025. Prior to the establishment of the Special Committee, in order to construct a framework to consider, negotiate, and make judgments concerning the Transaction from a standpoint independent of the Tender Offeror Group, from the perspective of enhancing the Target Company's corporate value and securing the interests of the Target Company's general shareholders, the Target Company obtained legal advice from Oh-Ebashi. On December 11, 2025, the Target Company explained to its outside directors and outside audit and supervisory board members who have no conflict of interest with the Tender Offeror Group that the Target Company had received a Letter of Intent from the Tender Offeror on December 9, 2025, stating its intention to commence consideration and discussions toward implementing the Transaction. The Target Company also explained that in conducting consideration and negotiations, etc., concerning the Transaction, it was necessary to sufficiently implement measures to ensure the fairness of the terms and conditions relating to the Transaction, including the establishment of the Special Committee. At the same time, the Target Company verified the independence and qualifications, etc., of the Target Company's outside directors and outside audit and supervisory board members who were candidates for the members of the Special Committee, with the advice of Oh-Ebashi. The Target Company also verified

their independence from the Tender Offeror Group and independence with respect to the success or failure of the Transaction. After consultation among the Target Company's outside directors and outside audit and supervisory board members with the advice of Oh-Ebashi, it was confirmed that there were no objections. The Target Company selected three candidates to constitute the Special Committee: Mr. Ichiro Yoshitake (Independent Outside Director of the Target Company, Outside Director of Unicafe Inc.), Ms. Kaori Oishi (Independent Outside Director of the Target Company, Outside Director and an Audit and Supervisory Committee Member of Towa Pharmaceutical Co., Ltd., Outside Director of ESLEAD CORPORATION, Partner of Kitahama Partners, Attorney), and Ms. Kyoko Hikita (Independent Outside Audit and Supervisory Board Member of the Target Company, Outside Audit and Supervisory Board Member of AOYAMA TRADING Co., Ltd., Outside Director and an Audit and Supervisory Committee Member of UNISOL Holdings Corporation, Director of Hikita CPA Office, Certified Public Accountant), in order to form a Special Committee of an appropriate size while ensuring a balance of knowledge, experience, and ability as a whole. Note that the Target Company has a permanent Special Committee established a standing special committee as an advisory body to the board of directors, composed of all independent outside directors and independent outside audit and supervisory board members, for the purpose of appropriately monitoring and supervising conflicts of interest with controlling shareholders, etc. and enhancing corporate governance. The aforementioned three candidates were selected from among the members of the committee. The Target Company has seven independent outside directors and three independent outside audit & supervisory board members. However, if all of independent outside directors and independent outside audit & supervisory board members were appointed as members of the Special Committee, the possibility of impairing the agility and efficiency of deliberations and negotiations regarding the Transaction could not be ruled out, and the Target Company was concerned that this in turn could run counter to the interests of general shareholders. On the other hand, the Target Company believed that forming the Special Committee with Mr. Ichiro Yoshitake, Ms. Kaori Oishi, and Ms. Kyoko Hikita, in light of their backgrounds and expertise among those of the Target Company's independent outside officers, would ensure necessary and sufficient experience and necessary and sufficient experience and knowledge for consideration and negotiations regarding the Transaction from the perspectives of corporate management, legal affairs and risk management, and finance and financial affairs, while enabling agile and efficient consideration and negotiations regarding the Transaction. Accordingly, the Target Company selected Mr. Ichiro Yoshitake, Ms. Kaori Oishi, and Ms. Kyoko Hikita selected as members of the Special Committee.

Based on the above, as stated in "(c) Details of, Basis, and Reasons for the Target Company's Opinion Regarding the Tender Offer" under "(2) Background, Purpose, and Decision-making Process Leading to Implementation of the Tender Offer, and Management Policy After Purchase" above, the Target Company established the Special Committee composed of the three candidates mentioned above by a resolution at the board of directors' meeting on December 22, 2025 (Mr. Ichiro Yoshitake, an independent outside director of the Target Company, assumed the position of chairperson, and the members of the Special Committee have not changed since its establishment). The Target Company submitted the Advisory Matters to the Special Committee. Furthermore, upon the establishment of the Special Committee, the Target Company's Board of Directors resolved that it would make a decision regarding the Transaction by respecting the determinations of the Special Committee to the maximum extent, and that if the Special Committee judged that the terms and conditions of the Transaction were not fair, the Target Company's Board of Directors would not support the Transaction. In addition, the Target Company's Board of Directors resolved to grant the Special Committee the authority to: (i) receive information necessary to consider and make decisions on the Transaction from the Target Company's officers and employees (including the authority to require attendance at Special Committee

meetings); (ii) be substantially involved in the terms and conditions and the negotiation process of the Transaction (including stating opinions, giving instructions or making requests to the Target Company, and the Special Committee independently negotiating with the prospective purchaser); (iii) approve (including ratifying) the external professional advisors appointed by the Target Company; (iv) seek advice from the Target Company's external professional advisors at the Target Company's expense; (v) appoint its own external professional advisors and seek their advice, if necessary, at the Target Company's expense; and (vi) exercise authority regarding matters that the Special Committee deems necessary for considering and making decisions on the Transaction, such as the approval of persons assisting the duties of the Special Committee. In making the resolution, the board of directors, including the relevant outside officers who are members of the Target Company's permanent Special Committee, agreed to respect the judgment of the Special Committee to the maximum extent regarding the Advisory Matters, and therefore resolved not to consult the permanent Special Committee regarding the Transaction in addition to the Special Committee.

At the Target Company's Board of Directors' meeting mentioned above, in light of the facts including that, out of the 13 directors of the Target Company, Mr. Takuya Yoshida and Mr. Yuji Sakon currently concurrently serve as directors of the Tender Offeror, and Mr. Seiichi Kasuya previously served as a director of the Tender Offeror. In order to eliminate the possibility that the deliberations and resolutions at the Target Company's Board of Directors' meeting would be affected by the structural conflict of interest issue and the information asymmetry issue in the Transaction, the 10 directors excluding Mr. Takuya Yoshida, Mr. Yuji Sakon, and Mr. Seiichi Kasuya deliberated and unanimously passed the above resolution.

In addition, among the Target Company's directors, Mr. Takuya Yoshida, Mr. Yuji Sakon, and Mr. Seiichi Kasuya have not participated in the deliberations and resolutions of the board of directors concerning the Transaction, including the above board of directors' meeting, nor have they participated in discussions and negotiations regarding the Transaction on behalf of the Target Company. This is to eliminate the possibility of being affected by these issues, given that the Transaction typically involves structural conflicts of interest and information asymmetry.

The members of the Special Committee are to be paid a fixed fee as remuneration for their duties, regardless of the success or failure of the Transaction.

(ii) Background of Review

According to the Target Company Press Release, the Special Committee held a total of 17 meetings between December 22, 2025 and May 8, 2026, and also performed its duties relating to the Advisory Matters by receiving reports, sharing information, deliberating, and making decisions via email, etc. as necessary between meeting dates. Specifically, after considering independence, expertise, and experience, the Special Committee decided on January 20, 2026, to appoint Anderson Mori & Tomotsune as its own legal advisor independent from the Tender Offeror Group and the Target Company Group, and to appoint Plutus Consulting as its own financial advisor and third-party valuation organization independent from the Tender Offeror Group and the Target Company Group. The Special Committee has confirmed that Anderson Mori & Tomotsune and Plutus Consulting do not fall under related parties of the Tender Offeror Group and the Target Company Group, have no material interest regarding the Transaction including the Tender Offer, and have no issues with independence in the Transaction.

Additionally, the Special Committee approved the appointment of Daiwa Securities, as the Target Company's financial advisor and third-party valuation organization, and Oh-Ebashi, as the Target

Company's legal advisor, after confirming that there were no issues regarding their independence, expertise, and experience.

Furthermore, the Special Committee confirmed and approved that there were no issues from the perspective of independence and fairness regarding the Target Company's internal consideration framework for the Transaction (including the scope and duties of the Target Company's officers and employees involved in considering, negotiating, and making decisions regarding the Transaction).

Based on the legal advice received from Anderson Mori & Tomotsune and the opinions heard from Oh-Ebashi, the Special Committee deliberated on the measures to be taken to ensure the fairness of the procedures in the Transaction.

The Special Committee received explanations from the Tender Offeror regarding the background of proposing the Transaction, the significance and purpose of the Transaction, and the management structure, business policies etc. after the implementation of the Transaction, and conducted question-and-answer sessions.

In addition, the Special Committee heard the Target Company's views and relevant information from the Target Company regarding the significance and purpose of the Transaction, the impact of the Transaction on the Target Company's business, and the management structure, business policies etc. after the implementation of the Transaction, and conducted question-and-answer sessions regarding these matters.

Moreover, taking into account the advice from a financial perspective received from Plutus Consulting, the Special Committee received explanations from the Target Company regarding the contents, material assumptions, and process of preparation of the Business Plan formulated by the Target Company. After conducting question-and-answer sessions, the Special Committee confirmed and approved the reasonableness of the Business Plan. Furthermore, as stated in "(b) Acquisition of Stock Valuation Report by Target Company from Independent Third-party Valuation Organization" above and "(e) Acquisition of Stock Valuation Report and Fairness Opinion by Special Committee from Independent Financial Advisor and Third-Party Valuation Organization" below, Plutus Consulting and Daiwa Securities calculated the Target Company's share value based on the Target Company's Business Plan. The Special Committee received explanations from Plutus Consulting and Daiwa Securities regarding their respective valuation methods, the reasons for adopting those methods, the details of the calculation by each method, and material assumptions. After conducting question-and-answer sessions, deliberation, and consideration, the Special Committee confirmed the reasonableness of these matters. In addition, as described in "(e) Acquisition of Stock Valuation Report by Special Committee from Independent Financial Advisor and Third-Party Valuation Organization" below, the Special Committee received the Fairness Opinion (Plutus Consulting) from Plutus Consulting dated May 8, 2026. At that time, the Special Committee received an explanation from Plutus Consulting regarding the content and material assumptions of the Fairness Opinion (Plutus Consulting) and confirmed them.

Also, the Special Committee received reports from the Target Company and its advisors from time to time regarding the Target Company's negotiations with the Tender Offeror. The Special Committee deliberated and considered the matter based on the advice from a financial perspective from Plutus Consulting and the advice from a legal perspective from Anderson Mori & Tomotsune, and stated necessary opinions on the Target Company's negotiation strategies as appropriate. Specifically, each time the Target Company received a proposal from the Tender Offeror regarding the Tender Offer Price, the Special Committee was timely informed by the Target Company of the progress, details, and other relevant matters of the discussions and negotiations relating to the Tender Offer Price. On a total of ten occasions, the Special Committee expressed its opinion that the Target Company should request an increase in the Tender Offer Price from the Tender Offeror. Through the Target Company's negotiations

with the Tender Offeror conducted in accordance with such opinions, and other related actions, the Special Committee was substantively involved in the process of discussions and negotiations between the Target Company and the Tender Offeror.

As a result, on May 7, 2026, the Target Company received a proposal from the Tender Offeror that included setting the Tender Offer Price at 6,650 yen per share, and ultimately succeeded in raising the Tender Offer Price from 5,650 yen, the initial amount proposed by the Tender Offeror, to 6,650 yen.

Furthermore, the Special Committee received explanations multiple times from Oh-Ebashi regarding the draft of the Target Company Press Release concerning the Tender Offer to be published by the Target Company. Receiving advice from Anderson Mori & Tomotsune, the Special Committee confirmed that extensive information disclosure is scheduled to be made.

(iii) Details of Decision

According to the Target Company Press Release, under the circumstances described above, the Special Committee carefully discussed and considered the Advisory Matters taking into account the legal advice from Anderson Mori & Tomotsune, opinions from Oh-Ebashi, advice from a financial perspective from Plutus Consulting and Daiwa Securities, and the contents of the Stock Valuation Report (Plutus Consulting), Stock Valuation Report (Daiwa Securities), and Fairness Opinion (Plutus Consulting) dated May 8, 2026. As a result, on May 9, 2026, the Special Committee submitted the Report as outlined below to the Target Company's Board of Directors with the unanimous consent of all members.

(A) Details of the Report

- (i) The Transactions contribute to the enhancement of the Target Company's corporate value, and the purpose of the Transactions is considered to be rational;
- (ii) The fairness and reasonableness of the terms and conditions of the Transactions (including the level of consideration, the method of implementation of the Transactions, and the type of consideration) are considered to be ensured;
- (iii) The fairness of the procedures regarding the Transactions is considered to be ensured;
- (iv) Based on (i) through (iii) above, the Transactions are considered fair to the Target Company's general shareholders; and
- (v) It is considered appropriate for the Target Company's board of directors to make a decision to conduct the Transactions (to express its opinion in favor of the Tender Offer and recommend that the Target Company's shareholders tender their shares in the Tender Offer, and to carry out the necessary procedures if the Squeeze-Out Procedures are implemented after completion of the Tender Offer).

(B) Reasons for the Report

1. Background of the Establishment of the Special Committee and the Guidelines Referred to in Considering the Consultation Matters

(1) Background of the establishment of the Special Committee

The Transactions are transactions in which MEDIPAL HOLDINGS CORPORATION (the parent company of the Target Company and its controlling shareholder) acts as the Tender Offeror and which are implemented for the purpose of making the Target Company its wholly-owned subsidiary, and accordingly fall under the so-called “acquisition of a controlled company by the controlling shareholder.”

Generally, because it is considered that “issues with respect to structural conflicts of interest and information asymmetries typically exist” in the “acquisition of a controlled company by the controlling

shareholder” (“Fair M&A Guidelines” dated June 28, 2019 formulated by the Ministry of Economy, Trade and Industry (the “M&A Guidelines”) 1.4), in order to ensure the fairness of the Tender Offer and avoid conflicts of interest, the Target Company’s Board of Directors, at its meeting held on December 22, 2025, resolved to establish the Special Committee composed of two independent outside directors of the Target Company (Mr. Ichiro Yoshitake (Chairman) (Outside Director of Unicafe Inc.) and Ms. Kaori Oishi (Attorney at Kitahama Partners; Outside Director and Audit and Supervisory Committee Member of Towa Pharmaceutical Co., Ltd.; Outside Director of ESLEAD CORPORATION)) and one independent outside corporate auditor of the Target Company (Ms. Kyoko Hikita (Director of Hikita Certified Public Accountant Office; Outside Corporate Auditor of AOYAMA TRADING Co., Ltd.; Outside Director and Audit and Supervisory Committee Member of UNISOL Holdings Corporation)), all of whom are independent from the Tender Offeror Group, the Target Company Group, and the success or failure of the Transactions.

(2) Guidelines referred to in considering the Consultation Matters

The Special Committee has received advice from legal advisors to the Target Company and the Special Committee that the M&A Guidelines “provide guidance on fair M&A practices in Japanese corporate society, mainly from a procedural perspective, with a focus on MBOs and acquisitions of a controlled company by the controlling shareholder” (M&A Guidelines 1.2), and that it is generally accepted in practice for a special committee established in connection with “an acquisition of a controlled company by the controlling shareholder” to refer to such guidelines when considering the Consultation Matters.

Accordingly, the Special Committee determined that it is appropriate to take into account the M&A Guidelines in considering the Consultation Matters.

2. Consultation Matter (i)

(1) The Special Committee's understanding of, and approach to, its examination of Consultation Matter (i)

Consultation Matter (i) asks whether the Transactions, including the Tender Offer, contribute to the enhancement of the Target Company's corporate value and whether the purpose of the Transactions is rational.

The Special Committee, through interviews with the Target Company and the Tender Offeror, and the like (the “Interviews, etc.”), specifically reviewed the Target Company's business environment and management issues, the significance of the Transactions, the expected synergies, and the post-Transaction management policy of the Target Company, including its autonomy, self-governance and capital management, and, based on such review as well as its study of the Review Materials (the Letter of Intent submitted by the Tender Offeror to the Target Company on December 9, 2025, the written responses submitted by the Target Company and the Tender Offeror to the Special Committee, the Business Plan, the Share Valuation Report (Daiwa Securities), the Share Valuation Report (Plutus Consulting), the Fairness Opinion (Plutus Consulting), and the draft of the Target Company Press Release and Tender Offer Registration Statement, as well as each proposal letter relating to the Tender Offer Price and the response letters thereto, the materials received by the Target Company from the Tender Offeror in connection with the negotiations relating to the Transactions, the materials sent by the Target Company to the Tender Offeror, and other materials reasonably necessary for the Special Committee’s review), carefully examined whether the Transactions would contribute to the enhancement of the Target Company's corporate value and whether their purpose is rational.

(2) Recognition of the current status of the Target Company

A. History of the Target Company and business description

According to the Target Company, the outline of the Target Company's history and business is as follows.

- The Target Company was founded as a haberdashery wholesale business in Osaka in December 1898, and since then has developed business activities rooted in local communities. In October 1976, it changed its trade name to Paltac Co., Ltd. Thereafter, in October 2005, the Target Company implemented a business integration through a share exchange with MEDICEO Holdings Co., Ltd., which is engaged in the prescription pharmaceutical wholesale business, etc., and became its wholly owned subsidiary. MEDICEO Holdings was the predecessor of the Tender Offeror. Subsequently, in July 2015, the Target Company changed its trade name to PALTAC CORPORATION.
- As of March 31, 2026, the Target Company Group consists of the Target Company and three non-consolidated subsidiaries, and its principal business is to purchase cosmetics, daily necessities, and OTC pharmaceuticals from manufacturers and sell them to retailers nationwide. The Target Company stands between manufacturers and retailers and provides functions indispensable at the distribution stage as a wholesaler, such as logistics, inventory management, information transmission, and financing.

B. Recognition of the Target Company's business environment and management issues by the Target Company

According to the Target Company, the Target Company recognizes its business environment and management issues as follows.

- In operating its business for sustainable growth, the Target Company recognizes the decline in the working population, the progression of the declining birthrate and aging population, the diversification of values, and climate change and shortages of resources and energy as structural and medium- to long-term environmental changes. While these changes may pose risks such as a decline in revenue due to the contraction of the domestic economy and a decrease in profitability due to rising business operation costs, the Target Company believes that they may also create new revenue opportunities, as wholesalers with more efficient logistics functions are likely to be preferred in an environment where it is becoming increasingly difficult for retailers as well to secure personnel against the backdrop of a shrinking labor force, and as the growing complexity of consumption structures associated with the declining birthrate, aging population, and diversification of values is expected to increase demand for solutions utilizing the Target Company's real distribution data, including purchasing and sales data.
- Under such an environment, the Target Company has set forth its long-term vision, "Create the future of people and society through the power to connect," and seeks to further strengthen the competitive advantage of its existing businesses based on the nationwide logistics network, the continuous business relationships with retailers and manufacturers, and the information assets relating to procurement, sales, logistics and other matters that it has cultivated as an enterprise responsible for the intermediate distribution of daily necessities. In addition, the Target Company aims to apply these foundations to peripheral areas and new areas that can be developed from its existing businesses through initiatives such as providing solutions to business partners, including demand analysis and sales promotion proposals utilizing the Target Company's real

distribution data relating to procurement and sales, expanding logistics functions into other fields, and enhancing procurement networks both domestically and internationally, and thereby to provide value over a broader range through optimization of the supply chain. To achieve this, the Target Company has positioned the three-year period through the fiscal year ending March 2027 as a phase for “constructing a foundation for transformation through structural reforms,” and is working on Target Company’s Medium-Term Management Plan.

C. Recognition of the Target Company's business environment and management issues by the Tender Offeror

According to the draft of the Tender Offer Registration Statement and the Interviews, etc., the Tender Offeror recognizes the Target Company's business environment and management issues as follows.

- The Tender Offeror believes that, as each of the Target Company and the Tender Offeror is seeking to create new values and expand their business fields by leveraging their respective strengths, the following structural changes in the external business environment surrounding the Target Company and the Tender Offeror Group are accelerating.
 - a. First, the Tender Offeror believes that, amid the tightening of healthcare finances driven by population aging and decline, the center of medical and nursing care has been shifting from hospitals to communities and home-based settings, and that, as the “integration of healthcare and daily life,” whereby society as a whole supports matters ranging from prevention and pre-symptomatic care to the maintenance of daily living functions, advances, the boundaries among product categories such as pharmaceuticals, daily necessities and food products are gradually disappearing.
 - b. Second, the Tender Offeror believes that, under constraints such as labor shortages across society and rising logistics costs, there is a strong demand for a shift from traditional distribution models to new, more sustainable and optimized supply systems functioning as social infrastructure.
 - c. Third, the Tender Offeror believes that, as consolidation and reorganization continue to advance in the retail industry, particularly among drugstores and food supermarkets, in addition to reductions in purchase prices, centralized procurement and inventory management associated with the operation of extensive store networks have progressed, the need for reduced stockouts, agile responses to demand fluctuations and efficient supply of a wide variety of products has become even greater.
- The Tender Offeror believes that, in order to respond to such changes in the business environment, create new values, and support people’s physically and mentally healthy lives, it is essential for the Tender Offeror Group as a whole to address the following strategic challenges, rather than pursuing optimization on a company-by-company basis or adopting a product-centric approach: (a) comprehensively providing products and services from a consumer-centric perspective that stays closely attuned to consumers’ needs; (b) building a mechanism to deliver products in optimal ways tailored to the characteristics of products and regions; and (c) establishing a common data platform that enables efficient and effective utilization of management resources across the Tender Offeror Group and supports swift and accurate decision-making.

D. Evaluation of the recognition of the Target Company's business environment and management issues

The foregoing recognition by the Target Company and the Tender Offeror of the Target Company's business environment and management issues is agreeable by the Special Committee, as no inconsistencies or points contrary to objective facts were identified in terms of their specific contents, the underlying circumstances, or the issues to be addressed in realizing them.

(3) The significance of the Transactions

A. The significance of the Transactions as viewed by the Tender Offeror

According to the draft of the Tender Offer Registration Statement and the Interviews, etc., the Tender Offeror believes that, because the Tender Offeror and the Target Company currently operate independently as listed companies, there are certain restrictions on the sharing of know-how and other resources possessed by each, and that, by making the Target Company a wholly owned subsidiary of the Tender Offeror through the Transactions, such restrictions will be eliminated. The Tender Offeror further believes that, by integrating the "capacity to respond to stringent healthcare-related supply requirements" possessed by the Tender Offeror Group's prescription pharmaceutical wholesale business with the "intermediary distribution capacity to efficiently supply a wide variety of products in the daily necessities market" possessed by the Target Company, it will be possible to establish a competitive advantage that enables flexible and continuous responses to social issues and the needs of business partners. The Tender Offeror also believes that the Transactions will contribute to bringing together the evolving future visions of both companies into one and, through this, transforming the Tender Offeror Group not merely into a "collection of individual companies," but into a strong corporate group that supports "every aspect of daily life" in an integrated manner. More specifically, according to the Tender Offeror, the Transactions, if completed, are expected to give rise to the following initiatives and synergies.

a. Strengthening of Capacity to Provide Solutions to Business Partners and Consumers

The Tender Offeror believes that, by linking (a) the healthcare collaboration networks, testing services, digital services in the Tender Offeror Group's prescription pharmaceutical wholesale business and functional raw materials, such as naturally derived polysaccharides, that can be provided through its food processing raw materials wholesale and related business with (b) the Target Company's know-how in product assortment and sales floor design for daily necessities, the Tender Offeror Group will be able to deliver new solutions for its business partners and consumers. More specifically, the Tender Offeror believes that, by closely connecting signs of issues and demand stemming from consumers' latent concerns, such as changes in physical condition, that the Tender Offeror Group identifies through its prescription pharmaceutical wholesale business with the Target Company's intermediary distribution function for daily necessities, the Tender Offeror Group will establish a framework that enables proactive responses to the needs of business partners and consumers leading to pre-symptomatic care and prevention, such as disease awareness, recommendations to seek medical consultation and early detection, through, for example, the provision of risk information on lifestyle-related diseases and other conditions using digital tools, and the provision of testing services. As a result, the Tender Offeror believes that it will become possible to swiftly provide

retailers, as business partners, with proposals for store operations, including sales floor design and inventory placement, that are aligned with consumers' health-related needs. Furthermore, the Tender Offeror believes that, by organically linking those store operation proposals with resources such as testing services and digital services, the Tender Offeror Group aims to provide value to consumers in the form of total healthcare, connecting processes ranging from the early stages at which consumers begin to perceive health-related issues through prevention, hygiene management and daily self-care.

The Tender Offeror also believes that the knowledge accumulated in the process of connecting healthcare and daily life is expected to be shared with and utilized by manufacturers, as suppliers, as information that can be used to improve the accuracy of product planning, product development and production planning by identifying signs of changes in demand and the background to such changes, and that such knowledge will contribute to new product development and related initiatives. In product development, the Tender Offeror believes that, through joint development that captures signs of demand and collaboration with the Tender Offeror Group's food processing raw materials wholesale and related businesses, it will become possible to support the supply of raw materials that reflect consumers' health awareness and usage scenarios, which, in turn, will lead to the provision of high value-added solutions to manufacturers. The Tender Offeror believes that these initiatives will further strengthen relationships with business partners and consumers across the Tender Offeror Group, including the Target Company, while also contributing to the creation of new revenue opportunities and the enhancement of profitability.

b. Building of Next-Generation Logistics Models and Expansion of Product Provision Fields

The Tender Offeror believes that, by integrally leveraging (a) the Tender Offeror Group's capacity to respond to stringent supply requirements that it has fostered over many years through the distribution of pharmaceuticals and related products, (b) the Target Company's operational capacity to handle a wide variety of products in a stable and efficient manner, and (c) the know-how related to automation, such as robotics, that both companies have accumulated through their respective businesses, the Tender Offeror Group will be able to build next-generation logistics infrastructure capable of providing optimal supply tailored to product characteristics and demand conditions.

The Tender Offeror believes that the core of these initiatives lies not only in integrating logistics infrastructure, such as existing logistics bases and transportation and delivery networks, but also in building common infrastructure that enables flexible design, management and operation of service levels themselves in accordance with demand characteristics, taking into account the conditions required for each product, including supply requirements, delivery frequency and inventory placement. The Tender Offeror further believes that, by utilizing such infrastructure, the Tender Offeror Group will be able to ensure its capacity to respond to supply requirements tailored to demand characteristics, while also enabling optimal allocation of personnel and efficient utilization of facilities, IT systems and other resources by restraining excessive individual investments and duplicative investments, which is expected to contribute to sustainable growth and improved capital efficiency across the Tender Offeror Group, including the Target Company. Furthermore, the Tender Offeror believes that these initiatives will go beyond logistics as a function of wholesale businesses for pharmaceuticals, daily necessities and similar products, and will lead to the creation of new revenue opportunities through the use of such infrastructure as logistics infrastructure for business partners that are required to respond to environmental changes surrounding logistics, as well as through expansion into new fields, including food. Accordingly, the Tender Offeror believes that logistics infrastructure that enables the optimization of both responses to supply requirements and operational efficiency in accordance with demand characteristics will, over the long term, serve as a source of competitive advantage that is not easily replicable by other companies, and will contribute to enhancement of the value provided by the Tender Offeror Group as a whole, as well as expansion of its business foundation.

c. Advancement of Data-Driven Business Operations

The Tender Offeror believes that, by utilizing the data and operational knowledge relating to sales, supply and demand, logistics, quality and other matters that the Tender Offeror Group and the Target Company have accumulated over many years through their respective businesses, it will be possible to develop a common decision-making platform that supports business operations across the Tender Offeror Group as a whole. Through this initiative, the Tender Offeror believes that it will become possible to further enhance the precision of management resource allocation and business operations, while mutually complementing the respective strengths and knowledge cultivated by both companies.

The Tender Offeror believes that this initiative is not intended to construct new large-scale systems, but rather to enable cross-business and cross-functional comparison and analysis by organizing and standardizing data definitions, evaluation metrics and the underlying assumptions for decision-making that have been separately operated by the two companies. As an initial step, the Tender Offeror believes that it will be possible to take stock of the information and know-how held by both companies and to organize, on a cross-sectional basis, data relating to demand identification and supply design, thereby establishing an information infrastructure that serves as a basis for decision-making in business operations.

As a result, the Tender Offeror believes that decisions that have previously relied on optimization within each individual company can be reorganized from the perspective of optimization across the Tender Offeror Group as a whole, thereby enabling more objective and timely decision-making with respect to demand domains, the optimal configuration of supply structures and the appropriate level of management resources to be deployed. The Tender Offeror further believes that this will lead to the maximization of the synergies described in a. and b. above. Furthermore, the Tender Offeror believes that the advancement of data-driven business operations will contribute not only to operational improvements and greater precision in resource allocation within the Tender Offeror Group, but also to digital transformation (DX) through the future linkage and utilization of data relating to the supply chain. For example, the Tender Offeror believes that this may evolve into the provision of data-driven solutions that contribute to improving the precision of production planning and product planning at business partner manufacturers. Through this initiative, the Tender Offeror believes that a foundation will be established for building a sustainable growth mechanism that enables the Tender Offeror Group as a whole to continue generating profits at a consistently high level while responding flexibly to changes in the business environment.

d. Strengthening of Personnel Base Through Personnel Exchanges

The Tender Offeror believes that the Tender Offeror Group and the Target Company have each steadily accumulated expertise and knowledge in their respective business domains through day-to-day business operations and on-site initiatives. The Tender Offeror further believes that, as a result of the Transactions, integrated business operations as a group will become possible, and cross-business and cross-functional personnel exchanges and collaboration will be promoted, thereby expanding the opportunities available to individual employees while also strengthening the human resource base of the Tender Offeror Group as a whole.

The Tender Offeror believes that the diverse perspectives and experiences accumulated through such personnel exchanges will not only support the growth and career development of individual employees, but will also serve as an important foundation for concretely and continuously executing, at the operational level, the strategies of the Tender Offeror Group and the Target Company, including the process of giving concrete form to the initiatives described in a. through c. above. Amid accelerating changes in the business environment, the Tender Offeror believes that maintaining a deep pool of human resources equipped with both the ability to formulate strategies and the ability to translate those strategies into implementation and operations will enhance the competitiveness of the Tender Offeror Group, including the Target Company, and improve the reproducibility of growth across the group.

B. The significance of the Transactions as viewed by the Target Company

According to the draft of the Target Company Press Release and the Interviews, etc., the Target Company expects that, after the completion of the Transactions, the following initiatives and synergies can be expected.

a. Strengthening Solution Provision Capabilities through Advanced Understanding of Demand Originating from Consumers

The Target Company recognizes that, in order to contribute more broadly to the optimization of the entire supply chain, including retailers and manufacturers that are its business partners, through the provision of functions based on distribution data, it is important not only to grasp demand that has already materialized as an accumulation of sales results, but also to enhance its ability to understand changes in consumer behavior and demand, including the underlying lifestyle issues, regional characteristics, and the manner in which demand spreads.

In particular, with respect to health-related demand, the Target Company recognizes that, against the backdrop of the progression of an aging population and other factors, the center of medical and nursing care is shifting from hospitals to communities and home-based settings, and that, as the need for society as a whole to support the full spectrum from prevention and pre-symptomatic conditions to the maintenance of daily functioning increases, the tendency for demand to manifest across multiple categories, such as OTC pharmaceuticals, health- and hygiene-related products, and food products, is becoming even stronger.

Based on this recognition, through the Transactions, by combining the contact points with medical institutions and dispensing pharmacies, etc. possessed by the Tender Offeror Group, and the information and expertise obtained through prevention- and testing-related services and the use of digital technologies, with the Target Company's distribution data, the Target Company believes that it will become possible to structurally grasp changes in health-related demand, including not only the signs thereof but also the underlying lifestyle issues, regional differences, and the state of demand manifestation across multiple categories, from the stage before such demand materializes as sales results.

As a result, the Target Company believes that it will become possible to make proposals to retailers, which are its sales destinations, more promptly and accurately than ever before, regarding sales floor design, inventory placement and other matters

centered on demand themes rather than on a product-by-product basis. In addition, the Target Company believes that it will become possible to provide manufacturers, which are its suppliers, with information on signs of changes in demand and the background thereto that can be utilized to improve the accuracy of product planning, product development and production planning. Consequently, the Target Company believes that the likelihood will increase that products tailored to regional characteristics and lifestyle issues will be appropriately provided to consumers at the necessary timing, and that the quality of value that consumers can actually select and use in their daily lives can be improved.

Based on such advanced understanding of demand, the Target Company believes that it can create new revenue opportunities and improve profitability by providing solutions that support decision-making from earlier stages in the supply chain, from production to consumers.

b. Expansion of Value Provision Areas through Advanced Logistics Models

As constraints surrounding logistics intensify, the Target Company regards it as an important issue for the future to design, based on products with differing handling conditions and supply requirements, the appropriate methods of processing, storage and sorting at logistics centers, as well as the appropriate methods of transportation, delivery and supply before and after such logistics center operations, in accordance with the required standards, and to provide such supply in a sustainable manner.

Under this recognition of issues, the Target Company is currently proceeding, based on its long-term vision and the Target Company's Medium-Term Management Plan, with the design and verification of logistics centers with productivity clearly distinct from conventional logistics centers, while also promoting the development of logistics networks through collaboration beyond industry boundaries and customary practices, including joint delivery.

Through implementing the Transactions, by combining and further developing the Target Company's expertise in highly efficient logistics operations premised on a wide variety of products, the Tender Offeror Group's expertise in highly efficient logistics operations premised on strict supply requirements, and the expertise in facility design and operation premised on automation that both companies have accumulated in their respective fields, the Target Company believes that it will become possible to build a structure capable of flexibly designing and operating logistics models according to the standards required for different products and supply conditions, rather than merely combining daily necessities logistics and pharmaceutical logistics.

As a result, the Target Company expects that it will become possible to design base locations, delivery frequencies and automation levels more precisely than before according to the characteristics of the products handled, and to promote the effective utilization of management resources, including the joint use of bases, facilities and IT, as well as the optimal allocation of human resources, thereby improving capital efficiency in terms of logistics functions.

Furthermore, based on such results, the Target Company believes that this will lead not only to the provision of functions in intermediate distribution, but also to the provision of the Target Company's logistics functions to logistics areas that have been individually developed and operated by each business operator, such as

manufacturers' logistics and retailers' logistics, as well as to expansion into different product areas such as food products, thereby creating new revenue opportunities.

- c. Practice of Data Collaboration Across Different Areas and Acquisition of Expertise
In advancing the provision of distribution solutions utilizing data and expansion into new business areas, the Target Company believes that data collaboration with a variety of companies across the supply chain is necessary. In doing so, the Target Company recognizes that, in addition to utilizing the data it has accumulated in its own business areas, it is important to establish a state in which data from different areas, where definitions, evaluation indicators and prerequisites for judgment differ, can be connected, analyzed and utilized on a cross-functional basis.

Through the Transactions, the Target Company expects to acquire, together with the Tender Offeror Group, expertise in connecting and utilizing different data systems through practical implementation, both in business practice aspects, such as organizing and standardizing definitions and evaluation indicators for data relating to demand identification and logistics operations, and in technical aspects, such as converting data formats and designing inter-system connections.

This will enable the Target Company to develop an information infrastructure supporting the advanced understanding of demand described in a. above and the advanced logistics models described in b. above, while minimizing the burden of system investment and the construction of operational structures that would be required if the Target Company were to build an equivalent infrastructure independently. Furthermore, the Target Company believes that it will acquire expertise that can also be applied in collaboration with companies other than the Tender Offeror Group.

- d. Strengthening the Human Resource Foundation to Support Execution of Transformation

Based on the recognition that human resources are the source of value creation and the most important asset, the Target Company positions the independent and spontaneous active participation of diverse human resources as a prerequisite for realizing its long-term vision. The Target Company believes that, in order to implement the expansion of the value provision areas it is seeking to achieve, it is necessary to develop a talent pool possessing experience and expertise beyond the existing business domains and capable of consistently undertaking everything from business planning to operations.

Triggered by the Transactions, the Target Company and the Tender Offeror Group expect to promote joint operations beyond functional and corporate boundaries, focusing on priority areas such as demand identification and the advancement of logistics models, and the Target Company believes that this will expand opportunities for the Target Company's personnel to participate in setting issues, making decisions and implementing measures across multiple areas.

As a result, in addition to broadening the experience and career paths of individual personnel, the Target Company expects that, as an organization, it will develop a robust talent pool capable of adapting external information and functions to its own business operations while taking into account differing constraints and business requirements. The Target Company believes that such depth in human resources will

enhance the continuity of transformation and the reproducibility of results, thereby contributing to the enhancement of corporate value over the medium to long term. The Target Company has steadily advanced the development of a foundation for deepening its existing businesses and expanding the areas where it provides value under its long-term vision and the Target Company's Medium-Term Management Plan, which anticipate future environmental changes. However, the Target Company believes that it is necessary to further accelerate these initiatives in order to expand into broader business fields in the future. In particular, the Target Company recognizes that supplementing and strengthening operational expertise in areas different from those addressed in the past, as well as data infrastructure and functions that contribute to the optimization of the entire supply chain from production to sales, are important issues in the execution of its strategies. In addressing these issues, the Target Company believes that, in its future business development, it will be effective, in enhancing the feasibility of the Target Company's strategies and expanding their effects, to utilize the resources possessed by the Tender Offeror Group integrally and dynamically together with the Target Company's own foundation. On the other hand, under the current structure premised on a parent-subsidary double listing, it is necessary to give consideration to the interests of minority shareholders. As a result, the Target Company recognizes that there are certain constraints on the cross-functional utilization of data, human resources and know-how, as well as on the integrated promotion of medium- to long-term measures, and that there are structural limits to executing the above initiatives at sufficient speed and scope. Accordingly, the Target Company believes that taking the Target Company private through the Transactions, including the Tender Offer by the Tender Offeror, contributes to the enhancement of the Target Company's corporate value.

C. Evaluation of the significance of the Transactions as viewed by the Tender Offeror and the Target Company

The significance of the Transactions as viewed by the Tender Offeror set forth in A above can be evaluated as being based on the Target Company's management issues described in (2) above, from the perspective of utilizing the Tender Offeror Group's medical-related networks, logistics functions, data and human resource base, and other management resources in order to expand the scope of the Target Company's value provision and strengthen its business foundation. Likewise, the significance of the Transactions as viewed by the Target Company set forth in B above can also be evaluated as being based on the Target Company's management issues described in (2) above, from the perspective of further accelerating the deepening of its existing businesses and the expansion of the scope of its value provision in order to realize the Target Company's long-term vision and Target Company's Medium-Term Management Plan, by strengthening demand identification, logistics, data collaboration, and its human resource base through integrated and agile collaboration with the Tender Offeror Group. In addition, the initiatives and synergies set forth in A and B above can be regarded as consistent with each other.

Accordingly, the Special Committee considers that the views of the Tender Offeror and the Target Company—that, by taking the Target Company private, the implementation of the

various initiatives described in A and B above and synergies generated therefrom can be expected—are reasonable.

D. The Target Company's management policy, etc. after the Transactions

From the Target Company's perspective, in order to maximize the Target Company's medium- to long-term corporate value after the Transactions, it is important that the Target Company's current management policies, as well as its autonomy and self-governance, be respected to the fullest extent possible. From this perspective, the Tender Offeror and the Target Company have agreed that, with respect to the operation of the Target Company after the Transactions, the following shall serve as the basic principles, and that they will engage in good-faith discussions regarding the specific details thereof after the Tender Offer has been successfully completed.

- (a) In order to share the management resources of the Tender Offeror and the Target Company and maximize the corporate value of both parties, promptly after the completion of the Squeeze-Out Procedures, the Tender Offeror and the Target Company will establish and operate a forum for considering measures to enhance corporate value with respect to issues to be examined, including the wholesale business for cosmetics, daily necessities and OTC pharmaceuticals, and the wholesale business for prescription pharmaceuticals and related products, for the purpose of specifically determining measures and allocation of roles concerning business alliances through the exchange of information and opinions regarding such business alliances. This forum shall have an equal number of personnel from the Tender Offeror and the Target Company, including members of senior management, and subcommittees shall be established according to the individual issues to be examined. The details of such forum shall be separately discussed in good faith with the Target Company so that they can be determined by the completion of the Squeeze-Out Procedures.
- (b) In light of the importance of maintaining the Target Company's prompt decision-making and agile business operations even after the Transactions, the various regulations and rules concerning the Tender Offeror's group companies shall be reviewed as necessary promptly after the completion of the Transactions, following discussions with the Target Company. In conducting such review, maximum consideration shall be given, taking into account the Target Company's business content, scale of sales, and other relevant factors, so as not to interfere with the Target Company's business operations.
- (c) With respect to the structure of the Target Company's management team after the Transactions, the current structure shall be respected to the fullest extent possible, and consideration shall be given from the perspectives of enhancing the Target Company's medium- to long-term corporate value and ensuring continuity of its growth strategy, while fully taking into account the Target Company's intentions and the needs of its business operations.
- (d) Even after the Transactions, the basic policy shall be not to make any disadvantageous changes to the employment conditions of the Target Company's employees.
- (e) Even after the Transactions, the basic policy shall be to maintain the Target Company's trade name, and if any change is to be made thereto, the Tender Offeror and the Target Company shall engage in prior good-faith discussions.
- (f) The Tender Offeror shall engage in prior good-faith discussions with the Target Company if, after the Transactions, any transfer or other disposition of the Target Company Shares is to be made, or if any merger or other organizational restructuring involving the Target

Company as a party, or any other act that would materially affect the structure of the Target Company's management team, is to be carried out.

- (g) With respect to the Target Company's financial plans and use of funds, even after the Transactions, the Tender Offeror shall pay due respect to the necessity of securing the Target Company's cash and deposits and making necessary investments such as growth investments and capital expenditures for equipment renewal, and shall engage in continuous and good-faith discussions with the Target Company so as to maximize the promotion of the Target Company's growth strategy.

The Special Committee considers that the fact that, even after the Transactions, the Target Company's management policies, as well as its autonomy and self-governance, are to be fully respected, and that the Tender Offeror and the Target Company are to engage in continuous and good-faith discussions regarding, among other things, the Target Company's financial plans so as to maximize the promotion of the Target Company's growth strategy, together with the other agreed matters described above, will serve as a foundation enabling the Target Company to maintain its prompt decision-making and agile business operations, as well as leading ongoing discussions and consideration to materializing the expected synergies. In addition, the Special Committee has repeatedly confirmed with the Tender Offeror that the Tender Offeror clearly recognizes the need to review its internal rules in light of the Target Company's business scale and its existing operating practices, and that the Tender Offeror does not intend to utilize the Target Company's cash in a way that would hinder the Target Company's growth investments. In light of these circumstances, the Special Committee concludes that such agreed matters will contribute to the enhancement of the Target Company's medium- to long-term corporate value.

E. Comparison with other possible approaches

From another perspective, if the above synergies can be realized without delisting the Target Company, and if there is any feasible transaction that could serve as an alternative to the Transactions, the rationality of the Transactions involving delisting would be reduced. However, according to the Tender Offeror and the Target Company, under the current circumstances in which both the Tender Offeror and the Target Company conduct their businesses independently as listed companies, because it is necessary to give consideration to the interests of general shareholders, there are certain constraints on the group-wide utilization of data, personnel, know-how and on the integrated promotion of medium- to long-term measures, they recognize that there are structural limits to executing the above initiatives with sufficient speed and scope. Accordingly, they believe that it would be difficult to achieve the above synergies while maintaining the Target Company's listing. The Special Committee considers that there is nothing particularly unreasonable in this explanation. In addition, through the Interviews, etc., the Special Committee confirmed with the Tender Offeror and the Target Company whether there existed any transaction that could serve as an alternative to the Transactions, and received a response that, as of now, they were not aware of any specific and highly feasible alternative transaction that would enable the realization of the above synergies while at the same time providing general shareholders with a reasonable opportunity to recover their investment on terms equal to or more favorable than those of the Transactions. The Special Committee considers, in light of the Review Materials and the results of the Interviews, etc., that such explanation is reasonable.

F. Other impacts of implementing the Transactions

If the Target Company is delisted as a result of the Transactions, general disadvantages associated with delisting may come to realization, which include the inability to procure funds from capital markets, and possible effects on the name recognition, creditworthiness, and securing of human resources that the Target Company has enjoyed as a listed company. However, the Target Company believes that, considering its current financial condition and other relevant factors, the need to procure funds through equity financing is not expected for the time being. The Target Company also believes that it has built relationships of trust with many stakeholders, including employees and business partners, through its long-standing business and social activities. In addition, the Target Company recognizes that, taking into account the social credibility and recognition possessed by the Tender Offeror, even if the Target Company becomes a wholly owned subsidiary of the Tender Offeror, it is unlikely that there would be any adverse impact on the Target Company's social credibility or recruitment activities compared to its current status as a listed company, and, for this reason as well, the disadvantages of taking the Target Company private through the Transactions are limited. In addition to these points, the Target Company believes that, although the implementation of the Transactions would result in the dissolution of the capital relationship with existing shareholders other than the Tender Offeror, concerns about a decrease in transactions with such existing shareholders are limited, given that even at present, where transactions exist with such existing shareholders, they are conducted on an arm's-length basis. The Special Committee considers that there is nothing unreasonable in the Target Company's recognition described above, and determines that there are no particular circumstances that would constitute a material obstacle to the enhancement of the Target Company's corporate value through the implementation of the Transactions.

(4) Review and determination by the Special Committee

Based on the above facts, the various measures which the Tender Offeror and the Target Company intend to implement are considered rational in light of the Target Company's management issues. Further, the Tender Offeror and the Target Company share the understanding that, the Target Company's post-Transactions management policies, as well as its autonomy and self-governance, should be fully respected in order to implement such measures promptly and in an agile manner. Considering the above, the Special Committee finds substantial positive significance in implementing the Transactions. In particular, the Special Committee finds it important that the Transactions are expected to give rise to the following synergies and benefits, through taking-private of the Target Company which would enable the Tender Offeror Group and the Target Company to achieve more integrated and agile collaborations:

- (a) by combining the medical-related networks, expertise and information regarding related services possessed by the Tender Offeror Group with the distribution- and sales-related data and other management resources possessed by the Target Company, it may become possible to enhance consumer-oriented demand identification and, based thereon, the ability to make proposals to business partners;
- (b) by combining the Tender Offeror Group's expertise in pharmaceutical distribution with the Target Company's expertise in the intermediate distribution of daily necessities, OTC pharmaceuticals and other products, it may be possible to enhance logistics models capable of accommodating product categories with differing supply requirements, to utilize logistics bases, systems and personnel more efficiently, and to expand the scope of services provided;

- (c) through the development of a common platform for connecting and utilizing the different data and expertise held by both parties, the possibility may be broadened for providing solutions that contribute to the advancement of demand forecasting, product planning, production planning and logistics operations; and
- (d) through the meetings concerning the enhancement of corporate value and personnel exchanges that are scheduled to be established after the Transactions, a framework would be put in place under which both parties can continuously consider and promote measures, thereby increasing the effectiveness of initiatives aimed at enhancing corporate value over the medium to long term.

On the other hand, given that no particular circumstances that would constitute a material obstacle to the enhancement of the Target Company's corporate value through the implementation of the Transactions are found, the Special Committee believes that the implementation of the Transactions will contribute to resolving the management issues recognized by the Target Company and, furthermore, to enhancing the Target Company's corporate value.

(5) Summary

Accordingly, the Special Committee considers that the Transactions will contribute to the enhancement of the Target Company's corporate value and that the purpose of the Transactions is rational.

3. Consultation Matter (ii)

(1) The Special Committee's understanding of, and approach to, its examination of Consultation Matter (ii)

Consultation Matter (ii) asks whether the fairness and reasonableness of the terms and conditions of the Transactions (including the level of consideration, the method of implementation of the Transactions, and the type of consideration) are ensured.

In this regard, the M&A Guidelines contain the following description (M&A Guidelines 3.2.2) regarding the reasonableness of the terms and conditions of the Transaction, which serves as a useful reference when considering the fairness and reasonableness of the terms and conditions of the Transactions.

“it is important for the Special Committee to consider the reasonableness of transaction terms by (a) ensuring that in discussions and negotiations of transaction terms with an acquiring party, reasonable efforts are made to conduct the M&A transaction on the best possible transaction terms for general shareholders, while also increasing corporate value, and (b) confirming the contents of the stock price valuation, which is an important basis for judging the reasonableness of transaction terms, and the rationality of financial forecasts, assumptions and other factors which are the premises for such valuation. In addition, it is important to examine not only the level of the acquisition consideration but also the reasonableness of both the acquisition method and types of acquisition consideration.”

Given the above, the Special Committee will consider the fairness and reasonableness of the terms and conditions of the Transactions based on the above points raised in the M&A Guidelines.

Furthermore, according to the M&A Guidelines 3.3.2.1B, as specific details regarding (b) above, it is advisable that the Special Committee consider, in addition to valuation results delivered by an independent third party valuation organization with expertise, the positioning and feasibility of the business plan on which the valuation was based, the characteristics of the valuation methodologies used, the level of premiums generally paid in similar M&A transactions, the value that can be realized without such M&A transaction, and the expected increase in corporate value created by such M&A transaction, the Special Committee also incorporated these factors in conducting the consideration.

(2) Negotiation status regarding the terms and conditions of the Transactions

As described below, the Target Company has engaged in multiple rounds of negotiations with the Tender Offeror to increase the Tender Offer Price, respecting taking into account the Special Committee's opinion. These negotiations can be evaluated as having been conducted based on objective and consistent discussions, substantially equivalent to negotiations at arm's-length. Furthermore, in view of the fact that the Target Company has implemented the various measures described in “Consultation Matter (iii)” under 4. below in order to “ensure a situation in which reasonable efforts are made to conduct the M&A transaction on the best possible transaction terms for general shareholders,” it can be determined that the Target Company made reasonable efforts to ensure that the M&A transaction was conducted on the best possible transaction terms for general shareholders.

The specific details of the negotiations regarding the terms and conditions of the Transactions that the Target Company conducted with the Tender Offeror since March 11, 2026, are as follows.

Specifically, on March 11, 2026, after comprehensively taking into account the information obtained through the Due Diligence, analysis of the Target Company's financial condition,

business performance and future outlook, etc., based on the Business Plan disclosed by the Target Company, and the preliminary valuation analysis of the Target Company Shares conducted by Nomura Securities the Tender Offeror's third-party valuation organization, the Tender Offeror proposed that, on the premise that the Target Company would not pay an interim dividend in respect of the end of September 2026, the Tender Offer Price be set at 5,650 yen (representing a premium of 19.70% over 4,720 yen, the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 15.19% over 4,905 yen, the simple average closing price for the past one month up to the same day; a premium of 15.38% over 4,897 yen, the simple average closing price for the past three months up to the same day; and a premium of 18.97% over 4,749 yen, the simple average closing price for the past six months up to the same day).

In response, on March 16, 2026, the Target Company sent, in the name of both the Target Company and the Special Committee, a response letter requesting that the Tender Offeror make a revised proposal for the Tender Offer Price, stating that the Tender Offer Price proposed in such proposal (5,650 yen), in light of the preliminary analyses conducted by the third-party valuation organizations of the Target Company and the Special Committee regarding the value of the Target Company Shares, could hardly be regarded as giving due consideration to the interests of the Target Company's minority shareholders.

Following this, on March 26, 2026, the Tender Offeror proposed that the Tender Offer Price be set at 5,900 yen (representing a premium of 26.34% over 4,670 yen, the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day ; a premium of 24.08% over 4,755 yen, the simple average closing price for the past one month up to the same day; a premium of 21.20% over 4,868 yen, the simple average closing price for the past three months up to the same day; and a premium of 24.32% over 4,746 yen, the simple average closing price for the past six months up to the same day).

In response, on March 30, 2026, the Target Company sent, in the name of both the Target Company and the Special Committee, a response letter requesting that the Tender Offeror make a revised proposal for the Tender Offer Price, stating that the Tender Offer Price proposed in such proposal (5,900 yen), in light of the preliminary analyses conducted by the third-party valuation organizations of the Target Company and the Special Committee regarding the value of the Target Company Shares, could hardly be regarded as giving due consideration to the interests of the Target Company's minority shareholders.

Following this, on April 6, 2026, the Tender Offeror proposed that the Tender Offer Price be set at 6,100 yen (representing a premium of 23.56% over 4,937 yen, the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 28.50% over 4,747 yen, the simple average closing price for the past one month up to the same day; a premium of 25.28% over 4,869 yen, the simple average closing price for the past three months up to the same day; and a premium of 28.21% over 4,758 yen, the simple average closing price for the past six months up to the same day).

In response, on April 8, 2026, the Target Company sent, in the name of both the Target Company and the Special Committee, a response letter requesting that the Tender Offeror make a revised proposal for the Tender Offer Price, stating that the Tender Offer Price proposed in such proposal (6,100 yen), in light of the preliminary analyses conducted by the third-party valuation organizations of the Target Company and the Special Committee regarding the value of the Target Company Shares, could hardly be regarded as giving due consideration to the interests of the Target Company's minority shareholders.

Following this, on April 10, 2026, the Tender Offeror proposed that the Tender Offer Price be set at 6,300 yen (representing a premium of 29.71% over 4,857 yen, the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 32.21% over 4,765 yen, the simple average closing price for the past one month up to the same day; a premium of 29.44% over 4,867 yen, the simple average closing price for the past three months up to the same day; and a premium of 32.13% over 4,768 yen, the simple average closing price for the past six months up to the same day).

In response, on the same day, the Target Company sent, in the name of both the Target Company and the Special Committee, a response letter requesting that the Tender Offeror make a revised proposal for the Tender Offer Price, stating that the Tender Offer Price proposed in such proposal (6,300 yen), in light of the preliminary analyses conducted by the third-party valuation organizations of the Target Company and the Special Committee regarding the value of the Target Company Shares, could hardly be regarded as giving due consideration to the interests of the Target Company's minority shareholders.

Following this, on April 15, 2026, the Tender Offeror proposed that the Tender Offer Price be set at 6,400 yen (representing a premium of 35.77% over 4,714 yen, the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 33.92% over 4,779 yen, the simple average closing price for the past one month up to the same day; a premium of 31.80% over 4,856 yen, the simple average closing price for the past three months up to the same day; and a premium of 34.12% over 4,772 yen, the simple average closing price for the past six months up to the same day).

In response, on April 16, 2026, the Target Company sent, in the name of both the Target Company and the Special Committee, a response letter requesting that the Tender Offeror make a revised proposal for the Tender Offer Price, stating that the Tender Offer Price proposed in such proposal (6,400 yen), in light of the preliminary analyses conducted by the third-party valuation organizations of the Target Company and the Special Committee regarding the value of the Target Company Shares, could not be regarded as giving sufficient consideration to the interests of the Target Company's minority shareholders.

Following this, on April 20, 2026, the Tender Offeror proposed that the Tender Offer Price be set at 6,480 yen (representing a premium of 38.85% over 4,667 yen, the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 35.65% over 4,777 yen, the simple average closing price for the past one month up to the same day; a premium of 33.77% over 4,844 yen, the simple average closing price for the past three months up to the same day; and a premium of 35.68% over 4,776 yen, the simple average closing price for the past six months up to the same day).

In response, on April 21, 2026, the Target Company sent, in the name of both the Target Company and the Special Committee, a response letter requesting that the Tender Offeror make a revised proposal for the Tender Offer Price, stating that the Tender Offer Price proposed in such proposal (6,480 yen), in light of the preliminary analyses conducted by the third-party valuation organizations of the Target Company and the Special Committee regarding the value of the Target Company Shares, the market price trends of the Target Company Shares, the perspective of the fair distribution to minority shareholders of the synergies expected to materialize after the Transactions, and other factors, still could not be regarded as giving sufficient consideration to the interests of the Target Company's minority shareholders.

Following this, on April 22, 2026, the Tender Offeror proposed that the Tender Offer Price be set at 6,500 yen (representing a premium of 38.98% over 4,677 yen, the closing price of the Target

Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 36.15% over 4,774 yen, the simple average closing price for the past one month up to the same day; a premium of 34.52% over 4,832 yen, the simple average closing price for the past three months up to the same day; and a premium of 36.07% over 4,777 yen, the simple average closing price for the past six months up to the same day).

In response, on April 23, 2026, the Target Company sent, in the name of both the Target Company and the Special Committee, a response letter requesting that the Tender Offeror make a revised proposal for the Tender Offer Price, stating that it is difficult to regard the Tender Offer Price proposed in such proposal (6,500 yen) as giving sufficient consideration to the interests of the Target Company's minority shareholders, from the perspective of serving the interests of the Target Company's minority shareholders and taking into account the historical market price trends of the Target Company Shares, the perspective of the fair distribution to minority shareholders of the synergies expected to materialize after the Transactions and other factors.

Following this, on April 24, 2026, the Tender Offeror proposed that the Tender Offer Price be set at 6,550 yen (representing a premium of 41.84% over 4,618 yen, the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 37.37% over 4,768 yen, the simple average closing price for the past one month up to the same day; a premium of 35.92% over 4,819 yen, the simple average closing price for the past three months up to the same day; and a premium of 37.12% over 4,777 yen, the simple average closing price for the past six months up to the same day).

In response, on the same day, the Target Company sent, in the name of both the Target Company and the Special Committee, a response letter requesting that the Tender Offeror make a revised proposal for the Tender Offer Price, stating that it is difficult to regard the Tender Offer Price proposed in such proposal (6,550 yen), as giving sufficient consideration to the interests of the Target Company's minority shareholders, from the perspective of serving the interests of the Target Company's minority shareholders and taking into account the historical market price trends of the Target Company Shares, the perspective of the fair distribution to minority shareholders of the synergies expected to materialize after the Transactions and other factors,.

Following this, on April 27, 2026, the Tender Offeror proposed that the, on the premise that the Target Company would not pay an interim dividend in respect of the end of September 2026 or a year-end dividend for the end of March 2027, Tender Offer Price be set at 6,600 yen (representing a premium of 43.10% over 4,612 yen, the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 38.45% over 4,767 yen, the simple average closing price for the past one month up to the same day; a premium of 37.04% over 4,816 yen, the simple average closing price for the past three months up to the same day; and a premium of 38.19% over 4,776 yen, the simple average closing price for the past six months up to the same day).

In response, on April 28, 2026, the Target Company sent, in the name of both the Target Company and the Special Committee, a response letter requesting that the Tender Offeror make a revised proposal for the Tender Offer Price, stating that, in light of historical market price trends of the Target Company Shares and from the perspective of fair distribution to minority shareholders of the synergies expected to be realized after the Transactions, further consideration should be given to the interests of the Target Company's minority shareholders.

Following this, on April 30, 2026, the Tender Offeror proposed that the Tender Offer Price be set at 6,630 yen (representing a premium of 42.06% over 4,667 yen, the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of

39.23% over 4,762 yen, the simple average closing price for the past one month up to the same day; a premium of 37.92% over 4,807 yen, the simple average closing price for the past three months up to the same day; and a premium of 38.82% over 4,776 yen, the simple average closing price for the past six months up to the same day).

In response, on May 1, 2026, the Target Company sent, in the name of both the Target Company and the Special Committee, a response letter requesting that the Tender Offeror make a revised proposal for the Tender Offer Price, stating that although the Tender Offer Price proposed in such proposal, 6,630 yen, had been increased from the previous proposal, further consideration should be given to the interests of the Target Company's minority shareholders.

In response, on May 7, 2026, the Tender Offeror made a revised proposal to set the Tender Offer Price at 6,650 yen (representing a premium of 43.16% over 4,645 yen, the closing price of the Target Company Shares on the Prime Market of the TSE as of the preceding business day; a premium of 40.38% over 4,737 yen, the simple average closing price for the past one month up to the same day; a premium of 38.51% over 4,801 yen, the simple average closing price for the past three months up to the same day; and a premium of 39.09% over 4,781 yen, the simple average closing price for the past six months up to the same day).

Then, on May 8, 2026, the Target Company and the Special Committee sent a response to the Tender Offeror stating that they accepted the Tender Offeror's proposal and hence reached agreement to set the Tender Offer Price at 6,650 yen.

In this manner, starting from the Tender Offeror's initial proposal of 5,650 yen per share, the Target Company and the Special Committee requested increases in the Tender Offer Price based on the preliminary share valuation results obtained from Daiwa Securities and Plutus Consulting, as well as the deliberations and examinations conducted by the Special Committee. As a result, the Target Company and the Special Committee succeeded in eliciting from the Tender Offeror proposals to increase the Tender Offer Price 10 times, ultimately reaching agreement at the Tender Offer Price of 6,650 yen per share. Throughout this series of negotiations, Daiwa Securities and Plutus Consulting timely shared and explained developments to the Special Committee, either at Special Committee meetings, by email or other means. The negotiations were conducted under the substantive involvement of the Special Committee, with the negotiation policy being confirmed by the Special Committee and the Special Committee's views being heard as appropriate from time to time. As a result, the Tender Offer Price reflects a meaningful increase from the price initially proposed by the Tender Offeror, and it is recognized that the Target Company conducted the negotiations with the aim of having the Transactions conducted on the terms and conditions that were as favorable as possible to minority shareholders.

In light of the foregoing, it is recognized that the agreement on the Tender Offer Price in the Transactions was reached as a result of negotiations between the Target Company and the Tender Offeror that were based on objective and consistent discussions substantially equivalent to those conducted in arm's length transactions. At the same time, no circumstances have been identified that would cast doubt on the transparency or fairness of the agreement process.

(3) Relationship between share valuation and the Tender Offer Price

A. Rationality of the business plan

In considering the fairness and reasonableness of the Tender Offer Price, the results of share valuation conducted by Daiwa Securities and Plutus Consulting serve as the primary reference materials.

In light of the fact that both Daiwa Securities and Plutus Consulting adopted the DCF method in conducting the share valuations and used the Business Plan as the basis therefor, it is necessary to verify the credibility and reasonableness of the Business Plan. Since the Business Plan was prepared after the possibility of the Transactions being implemented was concretely recognized by the Target Company, there is a theoretical possibility that arbitrary elements are involved to influence the success or failure of the Transactions, as compared with a case where such plan were to be prepared prior to the Target Company concretely recognizing the possibility of the Transactions. While the Target Company had prepared an internal management business plan for the fiscal year ending March 2027 (the “Management-Use-Only Business Plan”. Note that such management business plan of the Target Company is generally not publicly disclosed), no business plans had been formulated for the fiscal years ending March 2028 and thereafter. Accordingly, after the Target Company commenced its consideration of the Transactions, it newly prepared business plans for the fiscal year ending March 2028 and beyond for the purpose of the share valuations to be conducted by Daiwa Securities and Plutus Consulting. However, in transaction types such as the Transactions, it is common for the target company to newly prepare a business plan, for business years which the existing business plans have not covered, and to use such business plans as underlying materials for share valuations conducted by third-party valuation organizations to conduct their share valuation.

Therefore, the mere fact that the Business Plan was prepared after the consideration on the Transactions commenced does not constitute grounds for doubting its rationality.

According to the Review Materials and the Interviews, etc., the Business Plan was, as described above, prepared using the Management-Use-Only Business Plan on a stand-alone basis without assuming that the Transactions would be implemented.

Then, based on the following circumstances, the Special Committee determined that there are no grounds to deny the rationality of the preparation process or details of the Business Plan.

(I)Preparation process of the Business Plan

According to the Interviews, etc., the Management-Use-Only Business Plan was prepared in the ordinary course of business, independently of the Transactions and before the possibility of implementing the Transactions was specifically recognized by the Target Company.

Furthermore, based on the responses provided in the Interviews, etc., there is no indication that the Tender Offeror or any of its related parties was involved in the preparation of the Business Plan or exerted any influence over it.

(II)Details of the Business Plan

The Business Plan is an updated version of the Management Use-Only Business Plan reflecting the current business environment and other relevant factors. The Business Plan was formulated for the purpose of considering the Transactions by a team composed of the Target Company’s directors and employees who have no conflict of interest with the Tender Offeror (specifically, the team consists of a total of 10 members: one director of the Target Company (Mr. Masaharu Shimada), three executive officers, and six other employees).

In this regard, the operating profit plan figure for the fiscal year ending March 2027 in the Business Plan (25.3 billion yen) is lower than the operating profit target figure for the fiscal

year ending March 2027 (30.0 billion yen) in the Target Company's Medium-Term Management Plan announced by the Target Company on May 13, 2024. According to the Target Company, this is because, taking into account the nature of the figures in the Target Company's Medium-Term Management Plan as quantitative target figures, when formulating the Business Plan that serves as the premise for valuation, the Target Company determined that it would be more appropriate to examine the appropriateness of the Tender Offer Price after calculating the Target Company's corporate value based on a plan reflecting changes in the business environment and business performance trends from the time of formulation of the Target Company's Medium-Term Management Plan to the most recent period, as described below, and based on the latest and best estimates of the Target Company's management. Accordingly, the Target Company adopted figures different from the quantitative target figures in the Target Company's Medium-Term Management Plan.

Specifically, according to the Target Company's explanation, with respect to changes in the business environment, consumer sentiment has declined due to inflation, and the growth in the volume of products handled by the Target Company has been limited. In addition, integration among major retailers, which are the Target Company's sales destinations, has progressed significantly, and transaction conditions have changed to become more severe for the Target Company. The Target Company also recognizes that, due to the progress of these corporate integrations, the bargaining power of business partners has relatively strengthened, and pressure to change transaction conditions has further intensified across the industry to which the Target Company belongs. Furthermore, recent rises in unit labor costs and rises in delivery unit costs associated with revisions to the Labor Standards Act in the logistics industry have both exceeded expectations. In the fiscal year ended March 2026, operating profit was approximately 2.5 billion yen lower than the operating profit in the earnings forecast stated in the financial results summary announced on May 12, 2025, due to the combined effect of the impact of changes in transaction terms with sales destinations, which were mainly determined in the latter half of the fiscal year ended March 2026, higher-than-expected delivery costs associated with the expansion of transactions and rising delivery unit costs, a decline in shipping productivity at the Target Company's logistics bases resulting from an increase in the number of retail stores while shipment volumes remained sluggish, rises in unit labor costs for in-warehouse operations against the backdrop of worsening labor shortages, expanded use of external warehouses, and other factors contributing to an increase in selling, general and administrative expenses. For the fiscal year ending March 2027, although the Target Company expects partial recovery through improvement measures with respect to the above factors that depressed its performance in the fiscal year ended March 2026, it has determined that rises in unit labor costs and delivery unit costs are strongly driven by changes in the external environment and will not be completely eliminated, and that their impact will continue to a certain extent. In addition, with respect to the changes in transaction terms with sales destinations decided in the latter half of the fiscal year ended March 2026, the Target Company has adopted the assumption that such changes will reasonably be expected to affect the entire year. Furthermore, since a review of transactions is scheduled for the fiscal year ending March 2027 due to a change in the management policy of sales destinations, the resulting decrease in sales and profit has been incorporated into the Business Plan.

Based on the above explanation, the Special Committee confirmed that there are no unreasonable aspects in the assumptions and details of the Business Plan, and that the Business Plan was not prepared suppressively to intentionally depress the valuation of the Target Company Shares.

B. Rationality of the method and basis of valuation (Daiwa Securities)

The Special Committee received a detailed explanation from Daiwa Securities regarding, among others, the range of the per-share valuation results of the Target Company Shares, the valuation methods, and the reasoning process behind the valuation results.

First, the valuation methods adopted by Daiwa Securities are going concern-based valuation methods; specifically, the market price method, the comparable company method, and the DCF method were adopted.

Among the valuation methods adopted by Daiwa Securities, the market price method sets the business day prior to the announcement date of the Transactions as the record date and calculates the share price based on the closing price on the record date as well as the simple average of the closing prices for the one-month period, the three-months period, and the six-months period immediately preceding the record date, respectively. Regarding the price trends of the Target Company Shares, there have been no significant fluctuations attributable to suspected special factors, and given the absence of any particularly abnormal movements, the Special Committee believes that the share valuation period set by Daiwa Securities for its valuation is appropriate and that the price range derived from the market price method is sufficiently rational.

Next, in the comparable company method, MEDIPAL HOLDINGS CORPORATION, ARATA CORPORATION, Alfresa Holdings Corporation, SUZUKEN CO., LTD., TOHO HOLDINGS CO., LTD., VITAL KSK HOLDINGS, INC., and OHKI HEALTHCARE HOLDINGS CO., LTD. were selected as comparable listed companies deemed to have similarities with the Target Company, and the valuation was conducted using the enterprise value to EBITDA multiple. The price range derived from the comparable company method is therefore considered to be not unreasonable.

In addition, regarding the DCF method, if figures are arbitrary manipulated or irrational assumptions are set in any of the valuation elements, the final valuation result may fluctuate significantly. From this perspective, the Special Committee confirmed its valuation process with Daiwa Securities through the Interviews, etc. However, the Special Committee did not observe any arbitrary manipulation of figures or the setting of irrational assumptions in the various valuation basis adopted in the DCF method.

As described above, the Special Committee found no unreasonable aspects in the Daiwa Securities' selection of the market price method, the comparable company method, and the DCF method, as well as the respective valuation methodologies and bases therefor.

C. Rationality of the method and basis of valuation (Plutus Consulting)

Similarly with Daiwa Securities, the Special Committee also received a detailed explanation from Plutus Consulting regarding, among others, the range of the per-share valuation results of

the Target Company Shares, the valuation methods, and the reasoning process behind the valuation results.

First, the valuation methods adopted by Plutus Consulting are going concern-based valuation methods; specifically, the market price method, the comparable company method, and the DCF method were adopted.

Among the valuation methods adopted by Plutus Consulting, the market price method is a similar method to the market price method adopted by Daiwa Securities, and the Special Committee believes that the price range derived from the market price method is not unreasonable.

Next, the comparable company method is likewise the same type of methodology as the comparable company method adopted by Daiwa Securities. In this regard, Plutus Consulting selected MEDIPAL HOLDINGS CORPORATION, Alfresa Holdings Corporation, SUZUKEN CO., LTD., TOHO HOLDINGS CO., LTD., ARATA CORPORATION, VITAL KSK HOLDINGS, INC., OHKI HEALTHCARE HOLDINGS CO., LTD., and DOSHISHA CO., LTD. as listed companies considered to be comparable to the Target Company, and conducted its valuation using, among other things, the multiple of enterprise value to EBITDA. The Special Committee considers the valuation range derived from the comparable company method to be not unreasonable.

In addition, with respect to the DCF method, as mentioned under B above, if figures are arbitrary manipulated or irrational assumptions are set in any of the valuation elements, the final valuation result may fluctuate significantly. From this perspective, the Special Committee conducted interviews with Plutus Consulting and confirmed its valuation process. As a result, with respect to the various calculation bases adopted in the DCF method, no arbitrary manipulation of numerical inputs or use of unreasonable assumptions that should be pointed out was observed.

In light of the foregoing, the Special Committee evaluated that Plutus Consulting's selection of the market price reference method, the comparable company method, and the DCF method, as well as each of the valuation methodologies and the bases therefor, was not unreasonable.

D. Results of share valuations

According to the Share Valuation Report (Daiwa Securities), the range of per-share value of the Target Company Shares based on each valuation method is as shown in Table 1 below.

<Table 1: The range of per-share value of the Target Company Shares as determined by Daiwa Securities>

Valuation method	Range of per-share value
Market price method	4,659 yen to 4,791 yen
Comparable company method	4,241 yen to 5,535 yen
DCF method	4,950 yen to 6,776 yen

The Tender Offer Price of 6,650 yen per share is recognized as exceeding the upper limit of the valuation range based on the market price method and comparable company method and exceeding the median of the valuation result based on the DCF method.

Next, according to the Share Valuation Report (Plutus Consulting), the range of per-share value of the Target Company Shares based on each valuation method is as shown in Table 2 below.

<Table 2: The range of per-share value of the Target Company Shares as determined by Plutus Consulting>

Valuation method	Range of per-share value
Market price method	4,659 yen to 4,791 yen
Comparable company method	4,293 yen to 5,476 yen
DCF method	4,962 yen to 6,765 yen

The Tender Offer Price of 6,650 yen per share is recognized as exceeding the upper limit of the valuation range based on the market price method and comparable company method and exceeding the median of the valuation result based on the DCF method.

Further, the fact that the Target Company has obtained, on May 8, 2026, the Fairness Opinion (Plutus Consulting) from Plutus Consulting stating that the Tender Offer Price of 6,650 yen per share is fair from a financial perspective for the Target Company's shareholders, excluding the Tender Offeror and its affiliated companies, can also be evaluated as supporting the fairness of the Tender Offer Price (M&A Guidelines 3.3.2.2).

Based on the foregoing, the Special Committee considers that the Tender Offer Price of 6,650 yen per share is at a level that ensures fairness and reasonableness for the Target Company's general shareholders, when viewed from the perspective of a comparison between the range of per-share value of the Target Company Shares calculated by Daiwa Securities and Plutus Consulting.

E. Consideration of premiums

(a) Premium under the Transactions

According to the Share Valuation Report (Daiwa Securities), the Tender Offer Price of 6,650 yen per share has been obtained by adding the premium shown in Table 3 below to the closing price of the Target Company Shares on the TSE Prime Market as of May 8, 2026 (the "Immediately Preceding Business Day").

<Table 3: Premium of the Tender Offer Price>

Reference value	Share price	Premium
Closing price on the Immediately Preceding Business Day	4,659 yen	42.73%
Simple average of the closing prices over the past one-month period as of the Immediately Preceding Business Day	4,679 yen	42.12%
Simple average of the closing prices over the past three-months period as of the Immediately Preceding Business Day	4,786 yen	38.95%

Simple average of the closing prices over the past six-months period as of the Immediately Preceding Business Day	4,791 yen	38.80%
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(b) Comparison with other cases

As noted in the M&A Guidelines it is difficult to establish any singular or objective criteria such as, “the premium is fair if it is x% over” the market price of the shares (M&A Guidelines 2.2.2). The Special Committee recognizes that the mere fact that a premium attached as described above does not immediately mean that the Tender Offer Price is fair, reasonable, or unreasonable.

However, according to Daiwa Securities, the Tender Offer Price represents an amount obtained by adding a premium of 42.73% to the closing price of the Target Company Shares on the TSE Prime Market of 4,659 yen on May 8, 2026, the business day prior to the announcement date of the Tender Offer; a premium of 42.12% to the simple average of the closing prices over the one-month period up to and including that date (from April 9, 2026 to May 8, 2026), of 4,679 yen; a premium of 38.95% to the simple average of the closing prices over the three-month period up to and including that date (from February 9, 2026 to May 8, 2026), of 4,786 yen; and a premium of 38.80% to the simple average of the closing prices over the six-month period up to and including that date (from November 10, 2025 to May 8, 2026), of 4,791 yen. Daiwa Securities further analyzed that, among 18 tender offer Reference Cases, the average premium rates were 33.45% over the closing price on the business day immediately preceding the announcement date, 35.60% over the simple average of closing prices during the one-month period prior to the announcement date, 37.19% over the simple average of closing prices during the three-month period prior to the announcement date, and 38.24% over the simple average of closing prices during the six-month period prior to the announcement date; and the median premium rates were 25.97% over the closing price on the business day immediately preceding the announcement date, 31.58% over the simple average of closing prices during the one-month period prior to the announcement date, 34.09% over the simple average of closing prices during the three-month period prior to the announcement date, and 36.59% over the simple average of closing prices during the six-month period prior to the announcement date. Based on this, Daiwa Securities concluded that the Tender Offer Price includes a premium comparable to those seen in the Reference Cases.

Further to this, the Special Committee did not recognize any unreasonable points in Daiwa Securities’ above analysis.

Therefore, the premium associated with the Tender Offer Price can be evaluated as being at a rational level.

F. Summary

In both the Share Valuation Report (Daiwa Securities) and the Share Valuation Report (Plutus Consulting) described above, the Tender Offer Price exceeds the upper limit of the per-share value ranges of the Target Company Shares calculated using the market price method and the comparable company method, and falls within the per-share value range of the Target Company Shares calculated using the DCF method, and exceeds the median of the valuation result based on the DCF method calculated by Daiwa Securities (5,863 yen) and the median of the valuation result based on the DCF method calculated by Plutus Consulting (5,864 yen).

Further, the Special Committee has obtained the Fairness Opinion (Plutus Consulting). Additionally, the Tender Offer Price is equal to the highest-ever closing price since the Target Company's listing, namely 6,650 yen (June 6, 2018). Accordingly, the level of the Tender Offer Price can be evaluated as appropriate.

Furthermore, the premium attached to the Tender Offer Price is recognized as being comparable to those seen in the Reference Cases.

In addition, since the Tender Offer Price of 6,650 yen per share can be recognized as an amount that represents a reasonable increase, when compared to the range of per-share value of the Target Company Shares calculated on a stand-alone basis, the Transactions are deemed to have also taken into account the point raised by the M&A Guidelines (M&A Guidelines 2.2.1) that general shareholders should enjoy (a) all of the "value that can be realized without executing the M&A transaction" and (b) an appropriate portion of the "value that cannot be realized without executing the M&A transaction."

In light of the foregoing factors, the Tender Offer Price can be considered to appropriately reflect the range of per-share value of the Target Company Shares.

(4) Fairness and reasonableness of the scheme, etc.

In the Transactions, the plan is to first conduct the Tender Offer and, following its completion, either consolidate the Target Company Shares or demand for share cash-out for the Target Company Shares as part of the Squeeze-Out Procedures. Here, according to the draft Tender Offer Registration Statement, it is disclosed that the Tender Offeror intends to set the amount of cash to be paid to general shareholders who did not tender their shares in the Tender Offer equal to that of the Tender Offer Price.

The Structure of the Transactions is generally adopted in take-private transactions of this kind, and, in the second-step procedures, each Target Company's shareholder will be able to file a petition asking the court to determine a fair price pursuant to the provisions of the Companies Act.

The fact that the consideration to be received by shareholders in the Transactions is cash makes the method of the Transactions superior in terms of the ease of understanding the consideration as well as the high stability and objectivity of its value. It is also considered desirable from the perspective of satisfying both the need to promptly delist the Target Company Shares and the need to ensure that general shareholders have the opportunity and time to make appropriate judgments based on sufficient information.

Based on the foregoing, adopting the method of a two-step acquisition involving a tender offer as the method of acquisition, with the consideration for the acquisition to be paid in cash, is deemed fair and reasonable.

(5) Review and determination by the Special Committee

As described in (1) through (4) above, the Tender Offer Price can be evaluated as having a reasonable basis in light of the respective Share Valuation Reports and as providing general shareholders with an opportunity to sell their shares at an appropriate price. In addition, taking into account the fact that, in the process of determining the price, the Special Committee has been substantively involved in the negotiation strategy and the substance of negotiations and repeatedly sought price increases from the Tender Offeror, as well as the fact that, in the Transactions, general shareholders are ensured to receive consideration in the same amount as the Tender Offer Price either in the Tender Offer or the Squeeze-Out Procedures, the Tender Offer Price is considered as fair and reasonable.

(6) Summary

Therefore, the Special Committee considers that the fairness and reasonableness of the terms and conditions of the Transactions (including the level of consideration, the method of implementation of the Transactions, and the type of consideration) are ensured.

4. Consultation Matter (iii)

(1) The Special Committee's understanding of, and approach to, its examination of Consultation Matter (iii)

Consultation Matter (iii) asks whether the procedures, including the measures to ensure fairness adopted in connection with the negotiation process leading to the Transactions, are considered to be fair, and whether sufficient consideration is considered to have been given to the interests of the Target Company's shareholders through such procedures.

The Special Committee considered the Consultation Matter (iii) by analyzing the status of the implementation of measures to ensure fairness described in the M&A Guidelines, as well as the status of the implementation of measures to ensure fairness in cases similar with the Transactions. The Special Committee believes that, as noted in the M&A Guidelines (M&A Guidelines 3.1.2), it is not necessary to implement all measures listed in the M&A Guidelines; rather, it is important to analyze whether appropriate measures to ensure fairness in accordance with the actual circumstances surrounding the Transactions have been adopted and have been properly implemented.

Further, the Special Committee believes that when determining the fairness of the procedures related to the Transactions, it is appropriate to do so based on the fundamental perspectives outlined in the M&A Guidelines: (i) ensuring a situation substantially equivalent to an arm's length transaction in the process of formulating the transaction terms, and (ii) ensuring that general shareholders have an opportunity to make an appropriate decision based on sufficient information (M&A Guidelines 2.4).

(2) Establishment of the Special Committee and the procurement of the report from the Special Committee

The Special Committee was established by resolution at the Target Company's Board of Directors meeting, and has been consulted by it with the Consultation Matters.

In examining the Consultation Matters, the Special Committee has fulfilled the role expected of a special committee under the M&A Guidelines (specifically, to (1) evaluate and decide on an M&A transaction from the perspective of whether or not it increases corporate value of the target company, and (2) from the perspective of benefiting general shareholders, evaluate and decide (i) the reasonableness of transaction terms and (ii) the fairness of procedures) (M&A Guidelines 3.2.2).

In addition, the Special Committee is considered to be functioning effectively as a measure to ensure fairness, given the following considerations.

(i) Prompt establishment of a special committee (M&A Guidelines 3.2.4.1)

After receiving the Letter of Intent for the Transactions from the Tender Offeror on December 9, 2025, the Special Committee was established by resolution at the Target Company's Board of Directors' board of directors meeting on December 22, 2025. The first meeting of the Special Committee was held on the same day. Accordingly, the Special Committee was established and convened as promptly as possible after the acquisition offer was received from the acquiring party.

(ii) Committee composition of a special committee (M&A Guidelines 3.2.4.2)

The members of the Special Committee consist of two independent outside directors and one independent outside corporate auditor of the Target Company, and each member has been confirmed to be independent from the Tender Offeror, the Target Company, and the success or failure of the Transactions, and to be eligible to serve as a member. Furthermore, although the Target Company has seven independent outside directors and three independent outside corporate auditors, the Target Company selected Mr. Ichiro Yoshitake, Ms. Kaori Oishi, and Ms. Kyoko Hikita as members of the Special Committee, rather than having all independent outside directors and independent outside corporate auditors serve as members, because, if all independent outside directors and independent outside corporate auditors were to serve as members, the flexibility and efficiency of the consideration of, negotiations regarding and other matters relating to the Transactions could be impaired, and there was a concern that this could, rather, be contrary to the interests of general shareholders. On the other hand, in light of the backgrounds and expertise of these three individuals among the independent outside officers, the Target Company believed that, by establishing a body consisting of these three individuals, the Target Company could secure the necessary and sufficient experience and knowledge with respect to the consideration of, negotiations regarding and other matters relating to the Transactions from the perspectives of corporate management, legal affairs and risk management, and finance, etc., and could also realize flexible and efficient consideration of, negotiations regarding and other matters relating to the Transactions.

(iii) A special committee's involvement in negotiations of transaction terms with an acquiring party (M&A Guidelines 3.2.4.4)

As described above, in the course of the series of negotiations between the Tender Offeror and the Target Company with respect to the Transactions, Daiwa Securities and Plutus Consulting provided the Special Committee, in a timely manner, with relevant information and explanations either at meetings of the Special Committee, via email and other means. In

addition, the Special Committee's views were sought as appropriate from time to time, and its confirmation of the negotiation policy was obtained throughout the process. In addition, The Special Committee has been involved in the negotiation process between the Target Company and the Tender Offeror by, preparing and delivering a joint response letter in the names of both the Target Company and the Special Committee, each time the Target Company responded to the Tender Offeror's proposals regarding the transaction terms for the Transactions.

(iv) Procurement of advice from advisors (M&A Guidelines 3.2.4.5)

The Special Committee is authorized, to approve the Target Company's financial advisor or legal advisor (including ex-post facto approval), and to seek professional advice or explanations from such advisors, as necessary, in providing its report on the Consultation Matters or to appoint its own financial advisor or legal advisor, and to seek professional advice from such advisor (the Target Company shall bear the costs associated therewith)

At the first meeting of the Special Committee, the Special Committee confirmed that there is no issue regarding the independence of Daiwa Securities, the Target Company's financial advisor, and Oh-Ebashi, the Target Company's legal advisor, and further confirmed that it would seek professional advice or explanations from such advisor.

Also, at the third meeting of the Special Committee, after confirming that there is no issue regarding the independence, the Special Committee appointed Plutus Consulting as its financial advisor and third-party valuation organization and Anderson Mori & Tomotsune as its legal advisor, and decided to seek professional advice or explanations from such advisors. In addition, the Special Committee received from Anderson Mori & Tomotsune legal advice necessary for evaluating the fairness assurance measures implemented in connection with the Transactions.

(v) Procurement of information (M&A Guidelines 3.2.4.6)

As described above, the Special Committee collected the information it considered necessary for its review and determination by sending questions to the Tender Offeror and the Target Company, conducting interviews, and requesting from time to time that the Tender Offeror and the Target Company provide additional information.

(vi) Member's remuneration (M&A Guidelines 3.2.4.7)

The remuneration of each member of the Special Committee does not include any contingency fee paid subject to the successful completion of the Transactions.

(vii) Methods used by the Target Company's Board of Directors to handle special committee decisions (M&A Guidelines 3.2.5)

The Target Company's Board of Directors has resolved that it will make its decisions regarding the Transactions by giving the utmost respect to the determinations of the Special Committee (i.e., the contents of its report in response to the Consultation Matters), and that, if the Special Committee determines that the terms and conditions of the Transactions are not fair, the Target Company will not support the Transactions.

- (3) The decision-making process and review system of the Target Company (M&A Guidelines 3.2.6)
The unanimous consent of all directors, and an opinion of all corporate auditors that there are no objections to an M&A transaction, excluding those who have significant interests in the transaction, in the board resolution with respect to the approval of an M&A transaction are considered to be an indication that the measures to ensure fairness have functioned effectively (M&A Guidelines 3.2.5, Note 46).

Under the M&A Guidelines, a system in the target company that enables, to the extent possible, an evaluation and negotiation of the proposed transaction independent from the acquiring party, such as by excluding directors with certain interests, including “directors with a special interest,” from evaluating and negotiating the transaction on behalf of the target company, depending on the specific circumstances of such M&A transaction, from the stages of evaluation and negotiation preceding the resolution of the board of directors of the target company to approve or reject the M&A transaction should be established (M&A Guidelines 3.2.6)

In this regard, after receiving notice from the Tender Offeror on October 21, 2025 that it had commenced consideration toward implementation of the Transactions, the Target Company, after obtaining legal advice from Oh-Ebashi, considered and established a project team to conduct the review of the Transactions (including preparation of the business plan that would form the basis for the valuation of the Target Company Shares), as well as consultations and negotiations with the Tender Offeror. The members of this project team consist solely of the Target Company’s officers and employees who do not concurrently serve as officers or employees of the Tender Offeror Group other than the Target Company Group, and the Target Company has continued to maintain this arrangement.

In addition, in light of the facts that Mr. Takuya Yoshida and Mr. Yuji Sakon, both directors of the Target Company, concurrently serve as directors of the Tender Offeror, and that Mr. Seiichi Kasutani formerly served as a director of the Tender Offeror, among other things, these three directors have not participated in the deliberations or resolutions of the Target Company’s Board of Directors relating to the Transactions, including the board meeting held on December 22, 2025 regarding the establishment of the Special Committee, from the perspective of eliminating any risk that the deliberations and resolutions of the Target Company’s Board of Directors may be affected by the structural conflict of interest issues and information asymmetry issues inherent in the Transactions.

Likewise, the three directors above will not participate in the deliberations regarding the Transactions of the Target Company’s Board of Directors meeting scheduled to be held on the announcement date of the Transactions.

In addition, as stated in (2) above, while the Target Company has established the Special Committee and decided to receive its opinion, the Target Company’s Board of Directors resolved that it would make decisions regarding the Transactions by respecting the determinations of the Special Committee to the maximum extent, and that, upon establishing the Special Committee, if the Special Committee determined that the terms and conditions of the Transactions were not fair, the Target Company’s Board of Directors would not support the Transactions. Therefore, the arbitrariness in the Target Company’s decision-making process for the Transactions is deemed to have been eliminated and the fairness, transparency and objectivity of the decision-making process have been ensured (M&A Guidelines 3.2.4.4 and 3.2.5).

Accordingly, it does not appear that there are any issues casting doubt on the fairness of the decision-making process within the Target Company.

- (4) Procuring share valuation reports from independent third-party valuation organizations (M&A Guidelines 3.3.2)

A. Procurement of the Share Valuation Report (Daiwa Securities)

In expressing its opinion regarding the Tender Offer, the Target Company, in order to ensure the fairness of the decision-making process concerning the Tender Offer Price proposed by the Tender Offeror, appointed Daiwa Securities in early November 2025 as a financial advisor and third-party valuation organization independent of both the Tender Offeror and the Target Company Group, requested Daiwa Securities to value the range of per-share value, and procured the Share Valuation Report (Daiwa Securities) dated May 8, 2026.

At the first meeting of the Special Committee, after confirming that there is no issue regarding the independence and expertise of Daiwa Securities, the Special Committee approved Daiwa Securities as the Target Company's financial advisor and third-party valuation organization.

Furthermore, Daiwa Securities does not fall within the category of affiliated parties of either the Tender Offeror Group or the Target Company Group, and has no material interest in connection with the Transactions, including the Tender Offer.

Although Daiwa Securities' remuneration includes a contingency fee paid subject to the successful completion of the Transactions, since such fee arrangement is in line with general practices in transactions of the same kind, the Special Committee has not identified any particular issues with the Target Company's decision to appoint Daiwa Securities as its financial advisor and third-party valuation organization under the structure of remuneration above.

In the Share Valuation Report (Daiwa Securities), as detailed in (3) under 3 above, multiple valuation methods were adopted, with due care taken to avoid any arbitrary determination of value. In addition, in preparing the Business Plan underlying the valuation, no facts were found indicating any arbitrary conduct by the officers or employees of the Tender Offeror or the Target Company, and no circumstances were identified that would cast doubt on the fairness of the valuation.

Accordingly, the Share Valuation Report (Daiwa Securities) is found to be a share valuation report prepared by an independent third-party valuation organization.

B. Procurement of Share Valuation Report (Plutus Consulting)

In expressing its opinion regarding the Tender Offer, the Target Company, in order to ensure the fairness of the decision-making process concerning the Tender Offer Price proposed by the Tender Offeror, appointed Plutus Consulting at the third meeting of the Special Committee as its financial advisor and third-party valuation organization independent of the Tender Offeror Group and the Target Company Group, and the success or failure of the Transactions, requested Plutus Consulting to value the range of per-share value, and procured the Share Valuation Report (Plutus Consulting) dated May 8, 2026.

At the third meeting of the Special Committee, after confirming that there is no issue regarding the independence and expertise of Plutus Consulting, the Special Committee approved Plutus Consulting as the Special Committee's financial advisor and third-party valuation organization. Furthermore, Plutus Consulting does not fall within the category of affiliated parties of either the Tender Offeror Group or the Target Company Group, and has no material interest in connection with the Transactions, including the Tender Offer. In addition, Plutus Consulting's remuneration consists solely of a fixed fee paid regardless of the success or failure of the Transactions, and does not include a contingency fee paid subject to the successful completion of the Transactions, including the Tender Offer.

In the Share Valuation Report (Plutus Consulting), as detailed in (3) under 3 above, multiple valuation methods were adopted, with due care taken to avoid any arbitrary determination of value. In addition, likewise, as in A above, in preparing the Business Plan underlying the valuation, no facts were found indicating any arbitrary conduct by the officers or employees of the Tender Offeror or the Target Company, and no circumstances were identified that would cast doubt on the fairness of the valuation.

Accordingly, the Share Valuation Report (Plutus Consulting) is found to be a share valuation report prepared by an independent third-party valuation organization.

(5) Procurement of the Fairness Opinion (Plutus Consulting)

The Special Committee has obtained the Fairness Opinion (Plutus Consulting) from Plutus Consulting, stating that the Tender Offer Price of 6,650 yen per share is fair to the Target Company's general shareholders from a financial perspective.

Fairness opinions differ from share valuation reports in that in fairness opinions, the third-party valuation organization forms and expresses an opinion, and in that the subject of the opinion is the fairness, for the general shareholders of the target company, of the specific transaction terms agreed upon between the parties. Accordingly, compared with share valuation reports, fairness opinions are more direct information with greater relevance, to the value of the target company's shares, and therefore can be more useful to address issues with respect to structural conflicts of interest and information asymmetries in the process of formulating transaction terms (M&A Guidelines 3.3.2.2 A).

In addition, the M&A Guidelines state that if a fairness opinion is obtained from a third-party valuation organization with elements that include: (i) independence and neutrality, (ii) a rigorous issuance process, (iii) advanced expertise and performance, and (iv) reputation, such fairness opinion should be positively evaluated as a measure to ensure fairness (M&A Guidelines 3.3.2.2 B).

Regarding the independence of Plutus Consulting, as stated in (4) above, the Special Committee, after conducting a hearing with Plutus Consulting, determined that Plutus Consulting had (i) independence and neutrality.

In addition, through the hearing from Plutus Consulting, the Special Committee confirmed that each of the items (ii) to (iv) above was satisfied.

Accordingly, the Special Committee considers that the obtaining of the Fairness Opinion (Plutus Consulting) can be positively evaluated as a measure to ensure fairness.

(6) Procurement of advice from an independent law firm (M&A Guidelines 3.3.1)

A. Procurement of advice from an independent law firm (legal advisor of the Target Company)

In order to ensure the fairness and reasonableness of the decision-making process of the Target Company's Board of Directors concerning the Tender Offer, the Target Company appointed Oh-Ebashi in early November 2025 as its legal advisor, independent of the Tender Offeror Group and the Target Company Group, and the success or failure of the Transactions, and has received necessary legal advice from Oh-Ebashi regarding the methods and process of the Target Company's Board of Directors' decision-making, including the various procedures concerning the Transactions, as well as other relevant points to be noted. Furthermore Oh-Ebashi does not fall within the category of affiliated parties of either the Tender Offeror Group or the Target Company Group, and has no material interest in connection with the Transactions, including the Tender Offer.

Oh-Ebashi remuneration is to be calculated by multiplying the hours worked by the hourly rate of each involved attorney, regardless of the success or failure of the Transactions, and does not include a contingency fee paid subject to the successful completion of the Transactions. At the first meeting of the Special Committee, after confirming that there is no issue regarding the independence and expertise of Oh-Ebashi, the Special Committee approved Oh-Ebashi as the Target Company's legal advisor.

- B.** Procurement of advice from an independent law firm (legal advisor of the Special Committee)
- In order to ensure the fairness and propriety of the decision-making process of the Target Company's Board of Directors concerning the Tender Offer, the Special Committee appointed Anderson Mori & Tomotsune at the third meeting of the Special Committee as its legal advisor, independent of the Tender Offeror Group and the Target Company Group, and the success or failure of the Transactions. The Special Committee has received necessary legal advice from Anderson Mori & Tomotsune concerning various matters to be noted upon the deliberations of the Consultation Matters. Anderson Mori & Tomotsune does not fall within the category of affiliated parties of either the Tender Offeror Group or the Target Company Group, and has no material interest in connection with the Transactions, including the Tender Offer. Anderson Mori & Tomotsune's remuneration is to be calculated by multiplying the hours worked by the hourly rate of each involved attorney, regardless of the success or failure of the Transactions, and does not include a contingency fee paid subject to the successful completion of the Transactions.

Accordingly, the Target Company and the Special Committee are found to be procuring professional advice from their legal advisors from the initial stage of the consideration of the Transactions.

(7) Market check (M&A Guidelines 3.4.2)

According to the draft of the Tender Offer Registration Statement, although the minimum tender offer period prescribed by laws and regulations is 20 business days, the Tender Offeror has set the tender offer period at 41 business days (the “Tender Offer Period”). By setting the tender offer period longer than the statutory minimum period, the Tender Offeror intends to ensure that the Target Company’s shareholders have an appropriate opportunity to make a decision as to whether to tender their shares in the Tender Offer, while also securing an opportunity for persons other than the Tender Offeror who may make a competing offer for the Target Company Shares (hereinafter, “Competing Acquisition Offerors”) to conduct competing purchases or similar transactions, thereby seeking to ensure the fairness of the Tender Offer.

In addition, the Tender Offeror and the Target Company have not entered into any agreement containing a deal protection clause that would prohibit the Target Company from contacting a Competing Acquisition Offeror, or any other agreement that would restrict the Competing Acquisition Offeror from making contact with the Target Company (M&A Guidelines 3.4.2, Note 63). As such, consideration has been given to conducting so-called indirect market checks and ensuring the fairness of the Tender Offer by securing opportunities for competing tender offers, together with setting the tender offer period.

Although no so-called active market checks to investigate and examine whether there are any potential acquiring parties in the market have been conducted in the Transactions (including an auction process prior to the public announcement of the Transactions), in light of the various measures taken to ensure the fairness of the Transactions, including the Tender Offer, as well as the other specific circumstances of the Transactions, it is considered that the absence of active market checks in the Transactions would not, per se, impair the fairness of the Transactions.

(8) Majority of Minority (M&A Guidelines 3.5)

According to the draft of the Tender Offer Registration Statement, the Tender Offeror owns 31,853,485 Target Company Shares (Ownership Ratio: 52.40%). The Tender Offeror therefore believes that, if it were to set a minimum number of shares to be purchased in the Tender Offer based on the so-called “majority of the minority” requirement, this could make the completion of the Tender Offer unstable and, conversely, might not serve the interests of the Target Company’s minority shareholders who wish to tender their shares in the Tender Offer. For this reason, the Tender Offeror has not set a minimum number of shares to be purchased based on the so-called “majority of the minority” requirement in the Tender Offer.

The M&A Guidelines point out concerns about the possible deterrence of value-creating M&A transactions in cases where an acquiring party holds a high percentage of the shares of the target company, such as an acquisition of a controlled company by the controlling shareholder, and that it is difficult to go so far as to say that it is advisable to impose the “majority of minority” requirement at all times, and that it is advisable that the board of directors of a target company and the special committee comprehensively evaluate the effectiveness and possible adverse effects of the “majority of minority” requirement based on the specific circumstances of the relevant M&A transaction, and then decide whether the “majority of minority” requirement should be imposed (M&A Guidelines 3.5.2).

Taking the foregoing into account, the Special Committee considers that the “majority of minority” requirement is not indispensable in the Tender Offer, and that the mere fact that the “majority of minority” requirement has not been adopted does not immediately lead to the conclusion that the fairness of the procedures for the Transactions is insufficient.

(9) Enhancement of the provision of information to general shareholders and improvement of process transparency (M&A Guidelines 3.6)

The M&A Guidelines recommend providing material information for general shareholders to decide the reasonableness of transaction terms (M&A Guidelines 3.6.1). In particular, enhanced disclosure of information with respect to the special committee and information with respect to the share valuation reports is expected (M&A Guidelines 3.6.2).

In the Transactions, the draft of the Target Company Press Release provides for enhanced disclosure of information regarding the scope of the authority granted to the Special Committee, information regarding the chronology of Special Committee deliberations and the status of its involvement in the negotiating process, the content of this Report and the structure of remuneration for members of the Special Committee (M&A Guidelines 3.6.2.1), the summary of the Share Valuation Report (Daiwa Securities) and the Share Valuation Report (Plutus Consulting) (M&A Guidelines 3.6.2.2), and the process leading up to the execution of the Transactions and the chronology of negotiations, etc. (M&A Guidelines 3.6.2.3). Accordingly, it is deemed that material information that would assist the general shareholders of the Target Company in deciding the reasonableness of terms and conditions of the Transaction is to be provided.

(10) Elimination of Coercive Effect (M&A Guidelines 3.7)

According to the draft of the Tender Offer Registration Statement, after the Tender Offer is successfully completed, the Tender Offeror is to conduct the Squeeze-Out Procedures through a scheme using either a share consolidation or a share cash-out demand. In either case, shareholders will be entitled to file a petition asking the court to determine the fair price, and this fact is expressly disclosed in the draft of the Tender Offer Registration Statement. The draft of the Tender Offer Registration Statement also discloses that the Squeeze-Out Procedures are expected to be carried out promptly after the completion of the Tender Offer, and that the cash consideration to be received by general shareholders in the Squeeze-Out Procedures is designed to be at the same price as the Tender Offer Price.

Furthermore, in light of the fact that the Target Company's shareholders are each ensured share purchase demand rights and the corresponding right to file a petition asking the court to determine the fair price, it is deemed that due consideration has been given to avoid coercive effect in connection with the Tender Offer.

(11) Review and Determination by the Special Committee

As stated in (2) to (10) above, in the Transactions, (i) a situation substantially equivalent to an arm's length transaction in the process of formulating the transaction terms is ensured, and (ii) an opportunity for general shareholders to make an appropriate decision based on sufficient information is also ensured (M&A Guidelines 2.4). Moreover, the Special Committee, rather than merely listing the individual measures to ensure fairness as a matter of formality, comprehensively examined the Transactions from the perspective of whether those measures mutually complement one another and thereby substantively ensure the fairness of the process for forming the transaction terms and secure an opportunity for general shareholders to make an informed decision. As a result, the Special Committee determined that such requirements have been satisfied in the Transactions.

(12) Summary

Accordingly, the Special Committee considers that the fairness of the procedures regarding the Transactions is ensured.

5. Consultation Matter (iv)

(1) The Special Committee's understanding of, and approach to, its examination of Consultation Matter (iv)

Consultation Matter (iv) asks whether the Transactions can be considered fair to the general shareholders, and the Special Committee shall provide its opinion based on the analysis of Consultation Matters (i) to (iii).

(2) The Special Committee's opinion on Consultation Matter (iv)

The Special Committee considers that the factors to be taken into account in examining Consultation Matter (iv) have been fully covered by the matters required to be examined under Consultation Matters (i) to (iii). As a result of its examination, and as stated above, the Special Committee has found no issues with respect to Consultation Matters (i) to (iii) from the perspective of the interests of general shareholders, including minority shareholders.

Accordingly, the Special Committee submits the opinion that, based on (i) through (iii) above, the Transactions are fair to the Target Company's general shareholders.

6. Consultation Matter (v)

Consultation Matter (v) asks, in light of Consultation Matters (i) to (iv), whether it is appropriate for the Target Company's Board of Directors to decide to implement the Transactions (i.e., to express an opinion in favor of the Tender Offer, to recommend that the Target Company's shareholders tender their shares in the Tender Offer, and, if the Squeeze-Out Procedures are implemented after the Tender Offer is successfully completed, to carry out the necessary procedures).

The Special Committee considers that, as stated in its opinion on Consultation Matters (i) to (iv), the Transactions will contribute to enhancing the Target Company's corporate value, and that the fairness and reasonableness of the terms and conditions of the Transaction as well as the fairness of the procedures have been ensured, such that the Transactions are fair to the general shareholders. Accordingly, the Special Committee submits the opinion that it is appropriate for the Target Company's Board of Directors to make a decision to conduct the Transactions (to express its opinion in favor of the Tender Offer and recommend that the Target Company's shareholders tender their shares in the Tender Offer, and to carry out the necessary procedures if the Squeeze-Out Procedures are implemented after the completion of the Tender Offer).

(d) Advice Obtained by Special Committee from Independent Legal Advisor

According to the Target Company Press Release, as described in “(c) Establishment of Independent Special Committee by Target Company and Acquisition of Report from Special Committee” above, the Special Committee appointed Anderson Mori & Tomotsune as a legal advisor independent from the Tender Offeror Group and the Target Company Group, as well as from the success or failure of the Transaction. The Special Committee has received legal advice on measures to be taken to ensure the fairness of the procedures in the Transaction, and on the consideration and deliberation regarding the Advisory Matters by the Special Committee. Anderson Mori & Tomotsune does not fall under related parties of the Tender Offeror Group or the Target Company Group, and has no material interest concerning the Transaction, including the Tender Offer. The remuneration for Anderson Mori & Tomotsune is calculated by multiplying hours worked by an hourly rate, regardless of the success or failure of the Transaction, and does not include a contingency fee payable subject to the completion of the Transaction.

(e) Acquisition of Stock Valuation Report and Fairness Opinion by Special Committee from Independent Financial Advisor and Third-Party Valuation Organization

(i) Name of the Valuation Organization and its Relationship with the Target Company and the Tender Offeror

According to the Target Company Press Release, in considering the Advisory Matters, in order to ensure the appropriateness of the terms and conditions of the Transaction including the Tender Offer Price, the Special Committee requested Plutus Consulting, a financial advisor and third-party valuation organization independent from the Tender Offeror Group and the Target Company Group, to value the Target Company's share value and to express an opinion on the fairness of the terms and conditions in the Transaction including the Tender Offer Price from a financial perspective for the general shareholders of the Target Company. The Special Committee obtained the Stock Valuation Report (Plutus Consulting) and the Fairness Opinion (Plutus Consulting) dated May 8, 2026.

Plutus Consulting does not fall under related parties of the Tender Offeror Group or the Target Company Group, and has no material interest required to be disclosed concerning the Transaction, including the Tender Offer. The remuneration for Plutus Consulting regarding the Transaction consists only of a fixed fee payable regardless of the success or failure of the Transaction, and does not include a contingency fee payable subject to the completion, etc. of the Transaction including the Tender Offer.

(ii) Outline of Valuation Regarding the Target Company Shares

According to the Target Company Press Release, after considering multiple valuation methods and examining which valuation methods should be adopted for the valuation of the Target Company's share value, Plutus Consulting analyzed the share value per Company Share based on the idea that it is appropriate to evaluate the value of the Target Company Shares from multiple perspectives under the premise that the Target Company is a going concern, using: the market price method to take into account the trends of the Target Company's market share price; the comparable peer company analysis method because there are multiple listed companies comparable to the Target Company, allowing for an estimation of the share value of the Target Company Shares through comparison with similar companies; and the DCF Method to reflect the content of the Target Company's performance and forecasts, etc., in the valuation. The Special Committee obtained the Stock Valuation Report (Plutus Consulting) from Plutus Consulting dated May 8, 2026.

The ranges of the share value per Company Share calculated using each of the above methods are as follows.

Market price method: 4,659 yen to 4,791 yen

Comparable peer company analysis method: 4,293 yen to 5,476 yen

DCF Method: 4,962 yen to 6,765 yen

Under the market price method, using May 8, 2026 as the base date, the range of share value per Company Share was calculated to be from 4,659 yen to 4,791 yen based on the closing price of the Target Company Shares on the Prime Market of the TSE on the base date of 4,659 yen, the simple average closing price for the past one month up to the same day of 4,679 yen, the simple average closing price for the past three months up to the same day of 4,786 yen, and the simple average closing price for the past six months up to the same day of 4,791 yen.

Under the comparable peer company analysis method, MEDIPAL HOLDINGS CORPORATION, Alfresa Holdings Corporation, SUZUKEN CO., LTD., TOHO HOLDINGS CO., LTD., ARATA CORPORATION, VITAL KSK HOLDINGS, INC., OHKI HEALTHCARE HOLDINGS CO., LTD., and DOSHISHA CO., LTD., were selected as a listed peer companies determined to be similar to the Target Company. Then, the value was calculated using the multiples of EBITDA to corporate value, and the range of share value per Company Share was calculated to be from 4,293 yen to 5,476 yen.

Under the DCF Method, based on the Business Plan formulated by the Target Company, the Target Company's corporate value and share value were analyzed by discounting the free cash flow expected to be generated by the Target Company from the fourth quarter of the fiscal year ended March 2026 onward to present value at a certain discount rate, based on the Business Plan and the premise of various factors such as earning forecasts and investment plans in the Business Plan for the four fiscal years from the fiscal year ending March 2027 to the fiscal year ending March 2030, as well as publicly available information. The range of share value per Company Share was calculated to be from 4,962 yen to 6,765 yen. A discount rate (weighted average cost of capital) of 6.5% to 8.7% was adopted. For the calculation

of the going concern value, after deducting one-time expenses for the new logistics center scheduled to commence operation in the fiscal year ending March 2030, the value was calculated to be 249,347 million yen to 356,948 million yen based on the perpetual growth rate method and the multiple method. In the perpetual growth rate method, the perpetual growth rate was set at 0%, taking into account the theoretically expected long-term economic environment, etc. In the multiple method, EBITDA multiple was adopted, and based on the levels of companies in the industry, the EBITDA multiple was set at 5.9 times to 8.0 times.

As non-business assets, surplus cash and deposits obtained by deducting necessary working capital (calculated by comprehensively considering the Target Company's past cash flow records, etc.), as well as investment securities, etc. were added.

The financial forecasts based on the Business Plan used by Plutus Consulting for the DCF Method do not include fiscal years in which significant increases or decreases in profits are expected, but includes fiscal years in which significant increases or decreases in free cash flow are expected.

Specifically, for the fiscal year ending March 2028, a significant decrease in free cash flow is expected due to substantial capital expenditures associated with the construction of a new logistics center scheduled to commence operations in the fiscal year ending March 2030. For the fiscal year ending March 2029, a significant increase in free cash flow is expected following the completion of the concentrated investment phase in the new logistics center.

Because it is difficult at this time to specifically estimate the synergetic effects expected to be realized by the execution of the Transaction, they are not taken into account in the above valuation.

The figures of the financial forecasts based on the Business Plan used as a premise for the calculation under the DCF Method are as follows.

(Note) In evaluating the value of the Target Company Shares, in principle, Plutus Consulting used the information provided by the Target Company and publicly available information as they were, assuming that all such materials and information, etc., were accurate and complete, and has not conducted any independent verification of their accuracy and completeness. Furthermore, Plutus Consulting has not conducted any independent valuation or assessment of the Target Company's assets and liabilities (including off-balance-sheet assets and liabilities, and other contingent liabilities), nor has it requested an appraisal or assessment from a third-party organization. In addition, it is assumed that information on the Target Company's financial forecasts was reasonably prepared based on the best estimates and judgments currently available by the Target Company's officers and employees (limited to those independent of the Tender Offeror). However, Plutus Consulting conducted interviews multiple times regarding the Business Plan used as the basis for the valuation and analyzed and examined its content. Also, as described in "(c) Establishment of Independent Special Committee by Target Company and Acquisition of Report from Special Committee" above, the Special Committee confirmed the reasonableness of the contents, material assumptions, and process of preparation of the Business Plan.

(Millions of yen)

	Fiscal Year Ending March 2027	Fiscal Year Ending March 2028	Fiscal Year Ending March 2029	Fiscal Year Ending March 2030
Sales revenue	1,281,987	1,327,235	1,374,686	1,423,124
Operating profit	25,303	27,160	29,774	30,698
EBITDA	31,903	33,560	36,174	39,098
Free cash flow	13,773	5,051	17,955	19,170

(iii) Outline of the Fairness Opinion (Plutus Consulting)

According to the Target Company Press Release, the Special Committee obtained the Fairness Opinion (Plutus Consulting) from Plutus Consulting dated May 8, 2026, stating that the Tender Offer Price of 6,650 yen per share is fair from a financial perspective to the general shareholders of the Target Company (Note). The Fairness Opinion (Plutus Consulting) expresses the opinion that the Tender Offer Price of 6,650 yen per share is fair from a financial perspective to the general shareholders of the Target Company in light of the valuation results of the Target Company's share value based on the Business Plan, etc. The Fairness Opinion (Plutus Consulting) was issued after Plutus Consulting conducted a valuation of the Target Company's share value based on disclosure of the Target Company's current business status, future business plan, etc., and explanations thereof received from the Target Company. It was also issued following question-and-answer sessions with the Target Company regarding the overview, background, and purpose of the Tender Offer, examination of the business environment, economic, market, and financial conditions, etc. within the scope deemed necessary by Plutus Consulting, and review procedures by a review committee independent from the engagement team at Plutus Consulting.

(Note) Plutus Consulting assumed that the basic materials and publicly available materials provided by the Target Company, and the information obtained through hearings from the Target Company used to prepare the Fairness Opinion (Plutus Consulting) are accurate and complete. Plutus Consulting has not conducted any independent investigation or verification of their accuracy and completeness, nor does it bear the obligation to do so. Therefore, Plutus Consulting bears no responsibility arising from defects in these materials or the non-disclosure of material facts.

Plutus Consulting assumes that the Business Plan and other materials used as basic materials for the Fairness Opinion (Plutus Consulting) were reasonably prepared based on the best projections and judgments as of the time such materials were prepared. Plutus Consulting does not guarantee their feasibility and expresses no opinion regarding the analysis or projections upon which they were prepared, or the assumptions underlying them. Plutus Consulting is not an expert organization in law, accounting, or taxation. Therefore, Plutus Consulting does not express any views, nor does it have any obligation to do so, regarding legal, accounting, or tax issues concerning the Tender Offer.

Plutus Consulting has not made any independent valuation or appraisal of the assets and liabilities (including off-balance-sheet assets and liabilities, and other contingent liabilities) of the Target Company and its related companies, including the analysis and valuation of individual assets and liabilities, nor has it received the submission of any valuation reports or appraisal reports concerning these. Accordingly, Plutus Consulting has also not evaluated the solvency of the Target Company and its related companies.

The Fairness Opinion (Plutus Consulting) expresses an opinion on the fairness of the Tender Offer Price from a financial perspective for the purpose of submitting it to the Target Company for its consideration in expressing its opinion regarding the Tender Offer. Therefore, the Fairness Opinion (Plutus Consulting) does not express any opinion on the superiority or inferiority of the Tender Offer to any alternative transaction, the benefits brought about by the implementation of the Tender Offer, or the pros and cons of executing the Tender Offer.

The Fairness Opinion (Plutus Consulting) does not express any opinion to the holders of securities issued by the Target Company, creditors, or other related parties. Therefore, Plutus Consulting bears no responsibility to shareholders or third parties who rely on the Fairness Opinion (Plutus Consulting).

Plutus Consulting does not solicit investments, etc. in the Target Company, nor does it have the authority to do so. Accordingly, the Fairness Opinion (Plutus Consulting) does not recommend any action to shareholders, such as tendering shares in the Tender Offer.

The Fairness Opinion (Plutus Consulting) states an opinion as of the submission date of the Fairness Opinion (Plutus Consulting) on whether the Tender Offer Price is fair from a financial perspective to the general shareholders of the Target Company, based on the financial and capital markets, economic conditions, and other circumstances as of the date of submission, and based on the information provided to or obtained by Plutus Consulting up to that date. Even if these assumptions change due to future changes in circumstances, Plutus Consulting bears no obligation to correct, change, or supplement its opinion.

The Fairness Opinion (Plutus Consulting) does not allow any inferences or suggestions to be drawn regarding any opinion other than the matters expressly stated in the Fairness Opinion (Plutus Consulting) or regarding any matters on or after the submission date of the Fairness Opinion (Plutus Consulting).

(f) Advice Obtained by Target Company from Independent Legal Advisor

According to the Target Company Press Release, as stated in “(c) Details of, Basis, and Reasons for the Target Company’s Opinion Regarding the Tender Offer” under “(2) Background, Purpose, and Decision-making Process Leading to Implementation of the Tender Offer, and Management Policy After Purchase” above, the Target Company appointed Oh-Ebashi as a legal advisor independent from the Tender Offeror Group and the Target Company Group, as well as from the success or failure of the Transaction, and received legal advice regarding measures to be taken to ensure the fairness of the procedures in the Transaction, various procedures for the Transaction, methods and processes of the Target Company’s decision-making relating to the Transaction, and other points to be noted in making decisions.

Furthermore, as described in “(c) Establishment of Independent Special Committee by Target Company and Acquisition of Report from Special Committee” above, the Special Committee approved the appointment of Oh-Ebashi after confirming that there were no issues regarding its independence, expertise, experience, etc.

Oh-Ebashi does not fall under related parties of the Tender Offeror Group or the Target Company Group, and has no material interest required to be disclosed concerning the Transaction, including the Tender Offer. The remuneration for Oh-Ebashi is calculated by multiplying hours worked by an hourly rate, regardless of the success or failure of the Transaction, and does not include a contingency fee payable subject to the completion of the Transaction.

(g) Establishment of Independent Internal Framework by Target Company

According to the Target Company Press Release, as stated in “(c) Details of, Basis, and Reasons for the Target Company’s Opinion Regarding the Tender Offer” under “(2) Background, Purpose, and Decision-making Process Leading to Implementation of the Tender Offer, and Management Policy After

Purchase” above, the Target Company has established an internal framework to consider, negotiate, and make judgments regarding the Transaction from a standpoint independent of the Tender Offeror Group. Specifically, after receiving notice from the Tender Offeror on October 21, 2025, that it had commenced consideration of implementing the Transaction, the Target Company, with legal advice from Oh-Ebashi, considered and established a project team to conduct consideration regarding the Transaction (including the preparation of the business plan, which is the basis for valuating the Target Company’s share value) and discussions and negotiations with the Tender Offeror. The project team was composed only of officers and employees of the Target Company who do not concurrently serve as officers or employees of the Tender Offeror Group (excluding the Target Company Group) (specifically, it is composed of a total of 10 members, consisting of one director of the Target Company (Mr. Masaharu Shimada), three executive officers, and six other employees), and this practice has been maintained. In addition, regarding the Target Company’s consideration framework (including the scope and duties of the Target Company’s officers and employees involved in considering, negotiating, and making decisions regarding the Transaction), including this practice, the Target Company obtained approval from the Special Committee that there are no issues from the perspective of independence and fairness.

(h) Approval of All Disinterested Directors of Target Company and No Objection Opinion of All Disinterested Audit and Supervisory Board Members of Target Company

According to the Target Company Press Release, the Target Company carefully discussed and considered whether the Transaction including the Tender Offer by the Tender Offeror contributes to enhancing the Target Company’s corporate value and whether the terms and conditions of the Transaction including the Tender Offer Price are fair and appropriate, based on the legal advice received from Oh-Ebashi, advice from a financial perspective received from Daiwa Securities, the contents of the Stock Valuation Report (Daiwa Securities), the Stock Valuation Report (Plutus Consulting) and Fairness Opinion (Plutus Consulting) received through the Special Committee, the Report obtained from the Special Committee, details of the ongoing discussions held multiple times with the Tender Offeror, and other relevant materials. As a result, as described in as stated in “(c) Details of, Basis, and Reasons for the Target Company’s Opinion Regarding the Tender Offer” under “(2) Background, Purpose, and Decision-making Process Leading to Implementation of the Tender Offer, and Management Policy After Purchase” above, the Target Company resolved at its board of directors’ meeting held today to express an opinion in support of the Tender Offer and to recommend that the shareholders of the Target Company tender their shares in the Tender Offer.

At the Target Company’s Board of Directors’ meeting mentioned above, in light of the facts including that, out of the 13 directors of the Target Company, Mr. Takuya Yoshida and Mr. Yuji Sakon currently concurrently serve as directors of the Tender Offeror, and Mr. Seiichi Kasuya previously served as a director of the Tender Offeror. In order to eliminate the possibility that the deliberations and resolutions at the Target Company’s Board of Directors’ meeting would be affected by the structural conflict of interest issue and the information asymmetry issue in the Transaction, the 10 directors excluding Mr. Takuya Yoshida, Mr. Yuji Sakon, and Mr. Seiichi Kasuya deliberated and unanimously passed the above resolution.

Also, at the above board of directors’ meeting of the Target Company, all 5 audit and supervisory board members of the Target Company (including 3 outside audit and supervisory board members) attended, and all of them stated their opinion that they had no objection to the above resolution.

Among the Target Company’s directors, Mr. Takuya Yoshida, Mr. Yuji Sakon, and Mr. Seiichi Kasuya have not participated in the deliberations and resolutions of the board of directors concerning the

Transaction, including the above board of directors' meeting, nor have they participated in discussions and negotiations regarding the Transaction on behalf of the Target Company. This is to eliminate the possibility of being affected by these issues, given that the Transaction typically involves structural conflicts of interest and information asymmetry.

(i) Non-existence of Deal Protection Provisions

The Tender Offeror and the Target Company have not entered into any agreement containing deal protection provisions that would prohibit the Target Company from contacting any competing acquisition offeror, nor have they entered into any agreement that would restrict competing acquisition offerors from contacting the Target Company. By not impeding opportunities for competing purchases, etc., the Tender Offeror and the Target Company have given due consideration to ensuring the fairness of the Tender Offer.

(j) Measures for Securing Opportunities for Target Company's Shareholders to Appropriately Decide Whether to Tender Shares in the Tender Offer

As stated in "(4) Policy for Reorganization After the Tender Offer" below, in the Squeeze-out Procedures, the Tender Offeror plans to adopt a method whereby money will ultimately be delivered to the Target Company's shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Target Company). In such case, the amount of money to be delivered to such shareholders will be calculated so as to be equal to a price obtained by multiplying the Tender Offer Price by the number of Target Company Shares held by such shareholders. Accordingly, the Tender Offeror has secured opportunities for the Target Company's shareholders to appropriately decide whether to tender their shares in the Tender Offer, and has given due consideration so as to avoid any coercive effect. In addition, while the minimum purchase period for a tender offer prescribed by laws and regulations is 20 business days, the Tender Offeror has set the tender offer period at 41 business days. By setting the tender offer period longer than the statutory minimum period, the Tender Offeror has secured opportunities for the Target Company's shareholders to carefully consider the merits and demerits of the Transaction and the appropriateness of the Tender Offer Price, and to appropriately decide whether to tender their shares in the Tender Offer. In addition, the tender offer period has also been set taking into consideration that the Target Company intends to file an annual securities report and attached documents with the Director-General of the Kanto Local Finance Bureau on June 19, 2026, and that the Tender Offeror intends to file an annual securities report and attached documents with the Director-General of the Kanto Local Finance Bureau on June 23, 2026.

(4) Policy for Reorganization After the Tender Offer

As stated in "(1) Outline of Purpose of the Tender Offer" above, if the Tender Offeror fails to acquire the Shares Subject to the Tender Offer through the Tender Offer, the Tender Offeror plans to implement the Squeeze-out Procedures described below after completion of the Tender Offer.

(a) Demand for Share Cash-out

If, after completion of the Tender Offer, the Tender Offeror comes to hold a total of 90% or more of the voting rights of all shareholders of the Target Company and becomes a special controlling shareholder

as defined in Article 179, paragraph (1) of the Companies Act, the Tender Offeror plans to demand, promptly after completion of settlement for the Tender Offer, that all of the Target Company's shareholders (excluding the Tender Offeror and the Target Company) (the "Selling Shareholders") sell all of the Target Company Shares held by them to the Tender Offeror pursuant to the provisions of Section 4-2 of Chapter 2 of Part II of the Companies Act (the "Demand for Share Cash-out"). In the Demand for Share Cash-out, it is planned to provide that the same amount of money as the Tender Offer Price will be delivered to the Selling Shareholders in exchange for one Target Company Share. In this case, the Tender Offeror will give the Target Company a notice to that effect, and will seek approval for the Demand for Share Cash-out from the Target Company. If the Target Company approves the Demand for Share Cash-out through a resolution by its board of directors, the Tender Offeror will acquire all of the Target Company Shares held by the Selling Shareholders on the acquisition date specified in the Demand for Share Cash-out, without obtaining individual approval from each Selling Shareholder, in accordance with the procedures provided by the relevant laws and regulations. The Tender Offeror will deliver the same amount of money as the Tender Offer Price to the Selling Shareholders in exchange for one Target Company Share held by the Selling Shareholders.

According to the Target Company Press Release, if the Target Company receives a notice from the Tender Offeror on its intention to make the Demand for Share Cash-out and the matters set forth in the items of paragraph (1) of Article 179-2 of the Companies Act, the Target Company will approve the Demand for Share Cash-out at a board of directors' meeting.

As a procedure under the Companies Act aiming to protect minority shareholders' rights related to the aforementioned procedures, it is provided that if the Demand for Share Cash-out is made, the Selling Shareholders may file a petition with a court to determine the purchase price of the Target Company Shares held by them pursuant to the provisions of Article 179-8 of the Companies Act and other relevant laws and regulations. If the petition is filed, the purchase price of the Target Company Shares will ultimately be determined by the court.

(b) Share Consolidation

If, after completion of the Tender Offer, the Tender Offeror fails to hold a total of 90% or more of the voting rights of all shareholders of the Target Company, the Tender Offeror plans to request, promptly after completion of settlement for the Tender Offer, that the Target Company hold an extraordinary shareholders' meeting around September 2026, whose agenda items will include implementation of a share consolidation of the Target Company Shares pursuant to Article 180 of the Companies Act (the "Share Consolidation") and a partial amendment of the articles of incorporation to abolish the provisions on the number of shares constituting one unit subject to the Share Consolidation taking effect (the "Extraordinary Shareholders' Meeting"). According to the Target Company Press Release, if the Tender Offeror makes this request, the Target Company will accept it. Furthermore, the Tender Offeror plans to support each of the agenda items described above at the Extraordinary Shareholders' Meeting.

If the Share Consolidation agenda is approved at the Extraordinary Shareholders' Meeting, the Target Company's shareholders will each, as of the date on which the Share Consolidation is to take effect, hold the Target Company Shares in a number equivalent to the Share Consolidation ratio approved at the Extraordinary Shareholders' Meeting. If the Share Consolidation results in fractional shares less than one share, the money to be obtained by selling the Target Company Shares equivalent to the total number

of such fractional shares (if the total number contains fractions less than one share, the fractions will be rounded down; hereinafter the same applies) to the Target Company or the Tender Offeror will be delivered to the Target Company's shareholders to whom fractional shares resulted, in accordance with the provisions of Article 235 of the Companies Act and other relevant laws and regulations. With respect to the sale price of the Target Company Shares equivalent to the total number of the fractional shares, the Tender Offeror plans to request that the Target Company file a petition for voluntary sale permission with a court, after calculating the amount of money to be delivered, as a result of the sale, to the Target Company's shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Target Company) so that such amount will be equal to a price obtained by multiplying the Tender Offer Price by the number of the Target Company Shares held by each shareholder. Although the Share Consolidation ratio is undetermined as of today, the Tender Offeror plans to request that the Target Company determine the ratio so that the number of the Target Company Shares held by the Target Company's shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Target Company) will be fractional shares less than one share, intending to make the Tender Offeror hold all of the Target Company Shares (excluding treasury shares held by the Target Company). According to the Target Company Press Release, if the Tender Offeror makes this request, the Target Company will accept it.

Furthermore, as regards provisions aiming to protect minority shareholders' rights related to the Share Consolidation, the Companies Act provides that if the Share Consolidation is implemented and the Share Consolidation results in fractional shares less than one share, the Target Company's shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Target Company) may demand that the Target Company purchase all of the fractional shares less than one share held by them at a fair price and may file a petition with a court to determine the price of the Target Company Shares, in accordance with the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations. If such a petition is filed, the purchase price will ultimately be determined by the court.

The procedures described in (a) and (b) above may require a certain amount of time to be implemented or may be subject to change in the implementation methods, depending on amendments to the relevant laws and regulations, their implementation, and their interpretation by the relevant authorities. However, even in such cases, if the Tender Offer is completed, a method whereby money will ultimately be delivered to the Target Company's shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offeror and the Target Company) will be adopted, and the amount of money to be delivered to those shareholders in such case will be calculated so that it will be equal to a price obtained by multiplying the Tender Offer Price by the number of the Target Company Shares held by those shareholders. The specific procedures and timeline of implementation in the aforementioned cases will be announced by the Target Company promptly after they are determined after discussions with the Target Company.

The Tender Offer is not intended to solicit the support of the Target Company's shareholders at the Extraordinary Shareholders' Meeting. The Target Company's shareholders are requested to consult with experts such as tax accountants at their own responsibility concerning the handling of tax affairs in tendering their shares in the Tender Offer or the aforementioned procedures.

(5) Possibility of Delisting, etc. and Reasons Therefor

As of today, the Target Company Shares are listed on the Prime Market of the TSE. Since the Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer, depending on the results of the Tender Offer, the Target Company Shares may be delisted following the designated procedures pursuant to the delisting standards established by the TSE. Even if the delisting standards do not apply to the Target Company Shares at the time of completion of the Tender Offer, the Tender Offeror plans to implement the Squeeze-out Procedures as described in “(4) Policy for Reorganization After the Tender Offer” above after completion of the Tender Offer. Therefore, if the procedures are implemented, the Target Company Shares will be delisted following the designated procedures pursuant to the delisting standards established by the TSE. The Target Company Shares cannot be traded on the Prime Market of the TSE after they are delisted.

(6) Material Agreements Related to the Tender Offer

Not applicable

(7) Other Material Matters Related to the Tender Offer

Not applicable

3. Outline of the Target Company and Conditions of the Purchase, etc.

(1) Outline of the Target Company

(a) Name	PALTAC CORPORATION	
(b) Location	2-46 Honmachibashi, Chuo-ku, Osaka-shi, Osaka	
(c) Name and Title of Representative	Takuya Yoshida, President and Representative Director	
(d) Description of Business Activities	Wholesale of Cosmetics, Daily necessities, and OTC pharmaceuticals	
(e) Capital	15,869 million yen (as of March 31, 2026)	
(f) Date of Establishment	December 22, 1928	
(g) Major Shareholders and Ownership Ratios (as of September 30, 2025)	MEDIPAL HOLDINGS CORPORATION	51.82%
	The Master Trust Bank of Japan, Ltd. (Trust Account)	7.74%
	Custody Bank of Japan, Ltd. (Trust Account)	2.69%
	PALTAC Employees Shareholders' Association	2.02%
	JP MORGAN CHASE BANK 385632 (Standing Proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	2.01%
	NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS (Standing Proxy: The Hongkong & Shanghai Banking Corporation Limited, Tokyo Branch)	1.91%
	STATE STREET BANK AND TRUST COMPANY 505001	1.45%

	(Standing Proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	
	STATE STREET BANK AND TRUST COMPANY 505103 (Standing Proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	1.44%
	BNYM AS AGT/CLTS 10 PERCENT (Standing Proxy: MUFG Bank, Ltd.)	1.40%
	BBH FOR FIDELITY LOW-PRICED STOCK FUND (Standing Proxy: MUFG Bank, Ltd.)	1.24%
(h) Relationship Between the Listed Companies and the Target Company		
Capital Relationship	As of today, the Tender Offeror owns 31,853,485 Target Company Shares (ownership ratio: 52.40%). The Target Company is a consolidated subsidiary of the Tender Offeror.	
Personnel Relationship	As of today, among the 13 directors of the Target Company, the President and Representative Director thereof concurrently serves as a director of the Tender Offeror, and one director thereof concurrently serves as a director of the Tender Offeror.	
Business Relationship	The Target Company sells and purchases products as ordinary business transactions with the companies belonging to the Tender Offeror Group. In addition, the Target Company bears the burden of the cost of group insurance managed collectively by the Tender Offeror Group, and receives insurance premiums and other payments under that insurance contract.	
Status as Related Parties	The Target Company is a consolidated subsidiary of the Tender Offeror, and is a related party of the Tender Offeror.	

(Note) Information in the section “(g) Major Shareholders and Ownership Ratios (as of September 30, 2025)” above has been cited from “Major Shareholders” in the semi-annual report for the 98th term submitted by the Target Company on November 13, 2025.

(2) Schedule, etc.

(a) Schedule

Date of Resolution of the Board of Directors	May 11, 2026 (Monday)
Date of Public Notice for Commencement of Tender Offer	May 12, 2026 (Tuesday) An electronic public notice is issued and a notice to that effect is posted in the <i>Nikkei</i> . (URL of electronic public notice: https://disclosure2.edinet-fsa.go.jp/)
Submission Date of Tender Offer Registration Statement	May 12, 2026 (Tuesday)

(b) Period of Purchase

From May 12, 2026 (Tuesday) to July 7, 2026 (Tuesday) (41 business days)

(c) Possibility of Extension Upon Request of the Target Company

Not applicable

(3) Price of Purchase

6,650 yen per common share

Please see “(b) Background to and Basis for Valuation of Price of Purchase” in “(2) Background, Purpose, and Decision-making Process Leading to Implementation of the Tender Offer, and Management Policy After Purchase” above.

(4) Number of Shares Scheduled to Be Purchased

Type of Shares	Number of Shares to Be Purchased	Minimum Number of Shares to Be Purchased	Maximum Number of Shares to Be Purchased
Common stock	28,940,739 shares	8,676,100 shares	– shares

(Note 1) If the total number of Tendered Shares is below the minimum number of shares to be purchased (8,676,100 shares), the Tender Offeror will not purchase any of the Tendered Shares. If the total number of Tendered Shares is equal to or exceeds the minimum number of shares to be purchased, the Tender Offeror will purchase all the Tendered Shares.

(Note 2) Since no maximum number of shares to be purchased is set for the Tender Offer, the maximum number of shares of the Target Company that can be acquired by the Tender Offeror through the Tender Offer is indicated as the number of shares to be purchased. Such maximum number is the number of shares (28,940,739 shares) obtained by deducting, from the total number of the Target Company’s issued shares as of March 31, 2026, as stated in the Target Company’s Financial Results (62,000,000 shares), the number of treasury shares owned by the Target Company as of March 31, 2026 as stated in the Target Company’s Financial Results (1,205,776 shares) and the number of the Target Company Shares owned by the Tender Offeror as of today (31,853,485 shares).

(Note 3) Shares of less than one unit are also subject to the Tender Offer. If shareholders exercise their right to request that the Target Company repurchase its shares of less than one unit in accordance with the Companies Act, the Target Company may purchase such shares during the Tender Offer Period pursuant to the procedures under the laws and regulations.

(Note 4) The treasury shares held by the Target Company will not be purchased through the Tender Offer.

(5) Changes in the Ownership Ratio of Shares as a Result of the Purchase

Number of Voting Rights Pertaining to Shares Owned by the Tender Offeror Before the Purchase	318,534 voting rights	(Ownership Ratio of Shares Before the Purchase: 52.40%)
Number of Voting Rights Pertaining to Shares Owned by Specially Related Parties Before the Purchase	0 voting rights	(Ownership Ratio of Shares Before the Purchase: 0.00%)
Number of Voting Rights Pertaining to Shares Owned by the Tender Offeror After the Purchase	607,942 voting rights	(Ownership Ratio of Shares After the Purchase: 100%)
Number of Voting Rights Pertaining to Shares Owned by Specially Related Parties After the Purchase	0 voting rights	(Ownership Ratio of Shares After the Purchase: 0.00%)
Number of Voting Rights of All Target Company Shareholders	614,178 voting rights	

(Note 1) “Number of Voting Rights Pertaining to Shares Owned by the Tender Offeror Before the Purchase” (318,534 voting rights) is the number of voting rights pertaining to the number of shares owned by the Tender Offeror as of today (31,853,485 shares).

(Note 2) “Number of Voting Rights Pertaining to Shares Owned by Specially Related Parties Before the Purchase” is the total number of voting rights pertaining to shares owned by each specially related party (however, among specially related parties, those who will be excluded from the specially related parties pursuant to Article 3, paragraph (2), item (i)(a) of the Cabinet Office Order in calculation of the ownership ratio of shares in each item of Article 27-2, paragraph (1) of the Act shall be excluded). Since shares owned by specially related parties (excluding treasury shares owned by the Target Company) are also subject to the Tender Offer, “Number of Voting Rights Pertaining to Shares Owned by Specially Related Parties After the Purchase” is zero voting rights. In addition, the Tender Offeror will confirm the number of shares of the Target Company owned by specially related parties, and if any revision is required, promptly disclose the revision.

(Note 3) “Number of Voting Rights of All Target Company’s Shareholders” is the total number of voting rights of all the Target Company’s Shareholders as of September 30, 2025, as stated in the Target Company’s semi-annual report for the 98th term submitted on November 13, 2025 (one share unit is stated to consist of 100 shares). However, since shares in quantities of less than one unit are subject to the Tender Offer, for the purpose of calculating “Ownership Ratio of Shares Before the Purchase” and “Ownership Ratio of Shares After the Purchase” the number of voting rights (607,942 voting rights) pertaining to the number of shares (60,794,224 shares) obtained by deducting (a) from (b) was used as the numerator, wherein (a) is the number of treasury shares owned by the Target Company as of March

31, 2026, as stated in the Target Company's Financial Results (1,205,776 shares), and (b) is the total number of issued shares of the Target Company as of the same date, as stated in the Target Company's Financial Results (62,000,000 shares).

(Note 4) With regard to "Ownership Ratio of Shares Before the Purchase" and "Ownership Ratio of Shares After the Purchase" any fraction is rounded off to two decimal places.

(6) Funds Required for Purchase

Purchase price 192,455,914,350 yen

(Note) The "purchase price" represents the amount obtained by multiplying the number of shares to be purchased (28,940,739 shares) by the purchase price per share (6,650 yen).

(7) Method of Settlement

(a) Name and Location of the Head Office of the Financial Instruments Business Operator, Bank, etc., That Settles the Purchase

Nomura Securities Co., Ltd. 1-13-1, Nihonbashi, Chuo-ku, Tokyo

(b) Commencement Date of Settlement

July 14, 2026 (Tuesday)

(c) Method of Settlement

After expiration of the Tender Offer Period, a notice of purchase through the Tender Offer is mailed to the address of any person who accepts an offer to purchase or offers to sell shares related to the Tender Offer (a "Tendering Shareholder" or "Tendering Shareholders") (or the standing proxy in the case of shareholders (including corporate shareholders) who reside in foreign countries and do not have a tradable account with a tender offer agent) without delay.

The purchase will be made for cash. After the commencement date of settlement, the Tendering Shareholders may receive the purchase price for the Tender Offer without delay in a manner that they designate, such as by wire transfer. (Wire transfer fees may be charged.)

(d) Method of Return of Shares

If it is decided that none of the Tendered Shares will be purchased pursuant to the conditions stated in "(a) Conditions Set Forth in Each Item of Article 27-13, Paragraph (4) of the Act and Details Thereof" and "(b) Conditions of Withdrawal, etc. of Tender Offer, Details Thereof, and Method of Disclosure of Withdrawal, etc." in "(8) Other Conditions and Method of the Purchase, etc." below, the shares to be returned will be returned promptly on or after the business day following the last day of the Tender Offer Period (where the Tender Offer has been withdrawn, the day when the withdrawal was made) by restoring the record to the state immediately before the tender was made on the Tendering Shareholders'

accounts at the tender offer agent (if a Tendering Shareholder wishes to transfer its shares to the account of the Tendering Shareholder opened at another financial instruments business operator, etc., please contact the head office or the domestic branch of the tender offer agent where your tender was accepted).

(8) Other Conditions and Method of the Purchase

(a) Conditions Set Forth in Each Item of Article 27-13, Paragraph (4) of the Act and Details Thereof

If the total number of Tendered Shares is below the minimum number of shares to be purchased (8,676,100 shares), the Tender Offeror will not purchase any of the Tendered Shares. If the total number of Tendered Shares is equal to or exceeds the minimum number of shares to be purchased (8,676,100 shares), the Tender Offeror will purchase all the Tendered Shares.

(b) Existence of Conditions of Withdrawal of Tender Offer, Details Thereof, and Method of Disclosure of Withdrawal

If any event listed in Article 14, paragraph (1), items (i)(a) through (i)(j) and items (i)(m) through (i)(s), items (iii)(a) through (iii)(h) and item (iii)(j), item (v), and Article 14, paragraph (2), items (iii) through (vi) of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; the “Order”) (however, the events specified in Article 14, paragraph (1), item (v) of the Order are limited to those specified in Article 26, paragraph (4), item (vii) of the Cabinet Office Order) occurs with respect to the Target Company, the Tender Offer may be withdrawn.

“Facts equivalent to those set forth in sub-items (a) through (i)” set forth in Article 14, paragraph (1), item (iii)(j) of the Order means cases where statutory disclosure documents submitted by the Target Company in the past are found to contain false statements regarding material matters or to omit statements regarding material matters to be stated, provided that the Tender Offeror did not know that the statements were false or had been omitted and, in the exercise of reasonable care, could not have known them.

In order to withdraw the Tender Offer, the Tender Offeror will issue an electronic public notice and publish a notice to that effect in the *Nikkei*. However, if it is difficult to issue such a public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method stipulated in Article 20 of the Cabinet Office Order and subsequently issue a public notice as soon as possible.

(c) Conditions to Reduce Price of Purchase, Details Thereof, and Method of Disclosure of Reduction

In accordance with Article 27-6, paragraph (1), item (i) of the Act, if the Target Company conducts any act listed in Article 13, paragraph (1) of the Order during the Tender Offer Period, the purchase price may be reduced pursuant to the standards set forth in Article 19, paragraph (1) of the Cabinet Office Order. In order to reduce the purchase price, the Tender Offeror will issue an electronic public notice and publish a notice to that effect in the *Nikkei*. However, if it is difficult to issue such a public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method stipulated in Article 20 of the Cabinet Office Order and subsequently issue a public notice as

soon as possible. If the purchase price is reduced, Tendered Shares that were tendered on or before the date of the public notice are also purchased at the reduced purchase price.

(d) Matters Concerning Tendering Shareholders' Rights to Cancel Their Agreements

The Tendering Shareholders may cancel an agreement related to the Tender Offer at any time during the Tender Offer Period. When canceling an agreement, please deliver or send a document indicating the intention to cancel the agreement regarding the Tender Offer (the "Cancellation Document") to the head office or the domestic branch of the person designated below where your tender was accepted no later than 3:30 PM on the last day of the Tender Offer Period. In the case of sending the Cancellation Document, the document must arrive by 3:30 PM on the last day of the Tender Offer Period.

When canceling an agreement regarding your tender made through the online service, please cancel the agreement via the online service (<https://hometrade.nomura.co.jp/>), or by delivering or sending the Cancellation Document. If canceling the agreement via the online service, please follow the instructions provided on the online service screen, and complete cancellation procedures no later than 3:30 PM on the last day of the Tender Offer Period. Any agreement regarding your tender made at a transaction branch cannot be cancelled via the online service. When delivering or sending the Cancellation Document, please first request a Cancellation Document form from your transaction branch and then deliver or send the Cancellation Document to the same transaction branch no later than 3:30 PM on the last day of the Tender Offer Period. However, if sending the Cancellation Document, the document must arrive by 3:30 PM on the last day of the Tender Offer Period.

Person authorized to receive the Cancellation Document

Nomura Securities Co., Ltd. 1-13-1 Nihonbashi, Chuo-ku, Tokyo
(Other domestic branches of Nomura Securities Co., Ltd.)

The Tender Offeror will not make any claim for damages or a penalty payment to the Tendering Shareholders due to cancellation of their agreements. In addition, the Tender Offeror will bear the cost of returning the Tendered Shares to the Tendering Shareholders. If a Tendering Shareholder applies for cancellation, the Tendered Shares shall be returned promptly after completion of procedures related to an application for cancellation in accordance with the method stated in "(d) Method of Return of Shares" in "(7) Method of Settlement" above.

(e) Method of Disclosure in Case of Change in the Purchase Terms

The Tender Offeror may, during the Tender Offer Period, change the purchase terms, except in cases where it is prohibited by Article 27-6, paragraph (1) of the Act or Article 13, paragraph (2) of the Order. If the Tender Offeror wishes to change the purchase terms, it will issue an electronic public notice regarding details of the change and publish a notice to that effect in the *Nikkei*. However, if it is difficult to issue such a public notice by the last day of the Tender Offer Period, the Tender Offeror will make a public announcement by the method stipulated in Article 20 of the Cabinet Office Order and subsequently issue a public notice as soon as possible. If the purchase terms have been changed, Tendered Shares that were tendered on or before the date of the public notice are also purchased based on the changed purchase terms.

(f) Method of Disclosure in Case of Filing of Amendment Statement

If the Tender Offeror files an amendment statement with the Director-General of the Kanto Local Finance Bureau (excluding cases set forth in the proviso to Article 27-8, paragraph (11) of the Act), the Tender Offeror will immediately make a public announcement on details relating to those described in the public notice of commencement of the Tender Offer among the matters stated in the amendment statement, by the method stipulated in Article 20 of the Cabinet Office Order. Except for the cases specified in Article 24, paragraph (6), item (i) or item (iii) of the Cabinet Office Order as having a minor impact on investment decisions by investors, the Tender Offeror will also immediately amend the explanatory statement of the Tender Offer and deliver the amended explanatory statement of the Tender Offer to the Tendering Shareholders to whom the explanatory statement of the Tender Offer has already been delivered. However, if the scope of the amendment is limited, the amendment may be made by preparing a document stating the reason for the amendment and the subject matters before and after the amendment, and delivering the document to the Tendering Shareholders.

(g) Method of Disclosure of Results of Tender Offer

The results of the Tender Offer will be publicly announced on the day following the last day of the Tender Offer Period using the method stipulated in Article 9-4 of the Order and Article 30-2 of the Cabinet Office Order.

(9) Tender Offer Agent

Nomura Securities Co., Ltd. 1-13-1, Nihonbashi, Chuo-ku, Tokyo

4. Future Outlook

The impact of the Transaction on the Tender Offeror's business performance for the current fiscal year and thereafter is currently under review. If any matters requiring disclosure arise in the future, the Tender Offeror will promptly make such disclosure.

For policies after the Tender Offer, please see "(2) Background, Purpose, and Decision-making Process Leading to Implementation of the Tender Offer, and Management Policy After Purchase," "(4) Policy for Reorganization After the Tender Offer," and "(5) Possibility of Delisting, etc. and Reasons Therefor" in "2. Purpose of Purchase" above.

5. Other Information

(1) Details of the Provision of Benefits by the Tender Offeror or its Specially Related Parties

Not applicable

(2) Other Information Deemed Necessary for Investors to Determine Whether to Tender Their Shares in the Tender Offer

(a) Announcement of the “Notice Concerning Dividends of Surplus (No Dividend)”

According to the “Notice Concerning Dividends of Surplus (No Dividend)” announced by the Target Company as of today, the Target Company resolved at the board of directors’ meeting held on the same day, that it would not pay dividends of surplus for the terms ending September 30, 2026 (second quarter end) and March 31, 2027 (fiscal year end) as record dates. For details, please see that announcement of the Target Company.

(b) Announcement of “Notice Concerning Discontinuation of Acquisition of Treasury Shares and Status of Acquisition of Treasury Shares (Acquisition of Treasury Shares Under the Provisions of the Articles of Incorporation Pursuant to the Provisions of Article 459, Paragraph (1) of the Companies Act)”

The Target Company issued the “Notice Concerning Discontinuation of Acquisition of Treasury Shares and Status of Acquisition of Treasury Shares (Acquisition of Treasury Shares Under the Provisions of the Articles of Incorporation Pursuant to the Provisions of Article 459, Paragraph (1) of the Companies Act).” For details, please refer to that announcement by the Target Company.

(c) Announcement of “Non-consolidated Financial Statements for the Fiscal Year Ended March 31, 2026 [Japanese GAAP]”

The Target Company announced the Target Company’s Financial Results as of today. The Target Company’s profit and loss for the same period according to that announcement is as below. According to the Target Company, the content thereof has not been audited by an auditing firm pursuant to Article 193-2, paragraph (1) of the Act. The outline of the announcement below is a partial extract of the content announced by the Target Company, and the Tender Offeror is not in a position to independently verify the accuracy and truth thereof and has not actually conducted such verification. For details, please see the content of the announcement.

(i) Profit and Loss (Non-consolidated)

Fiscal Year	Fiscal Year Ending March 31, 2026 (from April 1, 2025 to March 31, 2026)
Net sales	1,237,846 million yen
Operating profit	26,430 million yen
Ordinary profit	29,807 million yen
Net profit	22,031 million yen

(ii) Per Share (Non-consolidated)

Fiscal Year	Fiscal Year Ending March 31, 2026 (from April 1, 2025 to March 31, 2026)
Earnings per share	358.99 yen

Dividends per share	120 yen
Net assets per share	4,963.27 yen

[Soliciting Regulations]

This press release is intended to announce the Tender Offer to the general public and is not intended to solicit an offer to sell any shares. If a shareholder wishes to tender his or her shares, each shareholder is requested to exercise his/her own judgment after carefully reading the tender offer explanatory statement concerning the Tender Offer. This press release is not, and does not constitute any part of, an offer or solicitation of sales, or a solicitation of purchase offer, of securities. This press release (or any part of it) or the fact of its distribution does not provide a basis for any agreement pertaining to the Tender Offer, and it may not be relied upon when executing any such agreement.

[Regulations of the United States]

The Tender Offer is to be conducted in accordance with the procedures and information disclosure standards prescribed in the Financial Instruments and Exchange Act of Japan. However, such procedures and information disclosure standards are not necessarily the same as the procedures and information disclosure standards in the U.S. In particular, Section 13(e) and Section 14(d) of the U.S. Securities Exchange Act of 1934, as amended (hereinafter the same), and the rules prescribed thereunder do not apply to the Tender Offer, and the Tender Offer does not conform to those procedures and standards.

Unless otherwise provided, all procedures for the Tender Offer shall be conducted entirely in the Japanese language. Some or all portion of the documents relating to the Tender Offer are or will be prepared in the English language. However, should there be any inconsistency between the document in English and that in Japanese, the Japanese document shall prevail.

This press release and its reference materials contain “forward-looking statements” as defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934. Due to any known or unknown risks, uncertainties, or any other factors, it is possible that actual results may substantially differ from the projections, etc. as expressly or implicitly indicated in any “forward-looking statements.” Neither the Tender Offeror, the Target Company, nor their affiliates gives any assurance that such projections, etc. expressly or implicitly indicated in any “forward-looking statements” will result in being correct. The “forward-looking statements” in this press release and its reference materials have been prepared based on information held by the Tender Offeror and the Target Company as of the date of this press release and its reference materials, and unless otherwise required by applicable laws and regulations or financial instruments exchange rules, neither the Tender Offeror, the Target Company, nor their affiliates is obligated to update or modify such statements in order to reflect any events or circumstances in the future. The financial information included in this press release and its reference materials does not conform to the U.S. accounting standards and may not be equivalent to the financial information of a company in the United States. Also, since the Tender Offeror and the Target Company are corporations incorporated outside the United States and some or all of their officers are non-U.S. residents, it may be difficult to exercise rights or demands against them under the U.S. securities laws. In addition, it may not be possible to commence any legal procedures in courts outside the United States against a non-U.S. corporation or its officers based on a breach of U.S. securities laws. Furthermore, U.S. courts are not necessarily granted jurisdiction over a non-U.S. corporation or its officers.

Before the commencement of the Tender Offer or during the Tender Offer Period, the Tender Offeror and its affiliates, the financial advisors to the Tender Offeror or the Target Company, and the tender offer agent (including their affiliates) may, in the ordinary course of their business and to the extent permitted by Japanese laws and regulations related to financial instruments transactions and other applicable laws and regulations and in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934, purchase Target Company Shares other than as part of the Tender Offer, or take actions aimed at such a purchase, on their own account or the account of their clients. If information regarding such a purchase is disclosed in Japan, that information will also be disclosed in the English language on the website of the person that conducted that purchase. In accordance with the Companies Act, if a shareholder exercises the right to request the purchase of shares constituting less than one unit, the Target Company may, in accordance with the procedures prescribed

by laws and regulations, purchase its own shares either before the commencement of the Tender Offer or during the Tender Offer Period.

[Other Countries]

In certain countries or regions, the announcement, issue, or distribution of this press release may be restricted by laws or regulations. In such cases, please note and comply with such restrictions. The announcement, issuance, or distribution of this press release does not constitute any solicitation of an offer to sell or offer to purchase shares concerning the Tender Offer, and is being distributed merely as informational material.