May 13, 2026

To whom it may concern:


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| Company Name | Akatsuki Inc. |
| Representative | Tetsuro Koda, President and CEO<br>(Code number: 3932, Tokyo Stock Exchange, Prime Market) |
| Contact | Director, Executive Vice President, CFO and CSO<br>Kazuhiko Ishikura<br>(TEL 03-5422-7757) |


# Announcement of Tender Offer for Shares of SUNNY SIDE UP GROUP Inc. (Securities Code: 2180) and Execution of Memorandum of Understanding for Share Exchange

Akatsuki Inc. (“**Akatsuki**” or “**Offeror**”) resolved at its meeting of the Board of Directors held on May 13, 2026, to acquire all shares of common stock and the Share Acquisition Rights (defined in “(3) The Tender Offer Price” in “2. Outline of the Tender Offer”; hereinafter the same) in SUNNY SIDE UP GROUP Inc. (Securities Code: 2180, listed on the Tokyo Stock Exchange, Inc. (“**TSE**”), Standard Market, “**SSUG**” or “**Target Company**”) (such shares, the “**Target Company Shares**”) through a tender offer under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “**Act**”) (the “**Tender Offer**”), as part of the transactions for the management integration of the Target Company and the Offeror (the “**Transactions**”).

In addition, as a part of the Transactions, after the completion of the Squeeze Out Process (defined in “(1) Outline of the purpose of the Tender Offer” in “1. Purpose of the Tender Offer” below; hereinafter the same), Akatsuki is scheduled to execute a share exchange, in which Akatsuki will become the wholly-owning parent company in the share exchange, and SSUG will become the wholly-owned subsidiary in the share exchange (the “**Share Exchange**”) as set forth below. As of today, Akatsuki has entered into a Memorandum of Understanding (“**Memorandum of Understanding**”) with Etsuko Tsugihara (“**Ms. Tsugihara**”), the Representative Director of the Target Company, and Next field Co., Ltd. (“**NF**”, and Ms. Tsugihara and NF collectively, the “**Shareholders**”), Ms. Tsugihara’s asset management company in which Ms. Tsugihara owns all of the voting rights, and agreed, among others, on the method of calculation of the share exchange rate of the Share Exchange.

I. About the Tender Offer

1. Purpose of the Tender Offer

(1) Outline of the purpose of the Tender Offer

The Offeror was incorporated in June 2010 with the purpose of planning, developing, and operating social games (Note 1), started offering social games in September 2010, and started offering mobile games through smartphone native applications (Note 2) in 2013. In March 2016, the Offeror was listed on the Tokyo Stock Exchange, Mothers Market, moved its market listing to the Tokyo Stock Exchange, 1st Section in September 2017, moved its market listing to the Tokyo Stock Exchange, Prime Market in accordance with the reorganization of the market segments by the Tokyo Stock Exchange in April 2022, and, as of today, is listed on the Tokyo Stock Exchange, Prime Market.

(Note 1) "Social game " is the collective reference to games that use social networking services as their platforms, capitalizing on the connection and interaction between users.

(Note 2) "Native application" refers to an application that is used by downloading the application on the device from the application store.

The Offeror resolved at its meeting of the board of directors held on May 13, 2026 to acquire all of the Target Company Shares listed on the Tokyo Stock Exchange, Standard Market (excluding treasury shares owned by the Target Company and the Non-Tendered Shares (defined below); hereinafter the same), and the Share Acquisition Rights with a view of management integration with the Target Company, and to conduct the Tender Offer as a part of the Transactions. As of today, the Offeror does not own the Target Company Shares or the Share Acquisition Rights.

In connection with the Tender Offer, on May 13, 2026, the Offeror has entered into tender agreements with (i) Mr. Norihito Watanabe, Representative Director of the Target Company ("**Mr. Watanabe**") (shares held: 761,100 shares, shareholding ratio (Note 3): 5.14%; shareholder ranking: 3rd), (ii) Mr. Hidetoshi Nakata, Executive Officer of the Target Company ("**Mr. Nakata**") (shares held: 700,000 shares, shareholding ratio: 4.73%; shareholder ranking: 4th), (iii) Ms. Rie Matsumoto, Director of SUNNY SIDE UP Inc., a wholly-owned subsidiary of the Target Company ("**Ms. Matsumoto**")(shares held: 215,000 shares, shareholding ratio: 1.45%; shareholder ranking: 8th), (iv) NGK LLC ("**NGK**"), the asset management company of Mr. Shigeru Ota, Representative Director of BILCOM, Inc., a consolidated subsidiary of the Target Company ("**BILCOM**") (shares held: 165,000 shares; shareholding ratio: 1.11%), and (v) Ms. Kurara Hayakawa, Director of BILCOM ("**Ms. Hayakawa**") (shares held: 6,800 shares; shareholding ratio: 0.05%), Mr. Watanabe, Mr. Nakata, Ms. Matsumoto, NGK, and Ms. Hayakawa collectively referred to as the "**Tendering Shareholders**"), respectively (such Tender Agreement executed with Mr. Watanabe, the "**Tender Agreement (Mr. Watanabe**)"; such Tender Agreement executed with Mr. Nakata, the "**Tender Agreement (Mr. Nakata**)"; such Tender Agreement executed with Ms. Matsumoto, the "**Tender Agreement (Ms. Matsumoto**)"; such Tender Agreement executed with NGK, the "**Tender Agreement (NGK**)"; such Tender Agreement executed with Ms. Hayakawa, the "**Tender Agreement (Ms. Hayakawa**)"; the Tender Agreement (Mr. Watanabe), the Tender Agreement (Mr. Nakata), the Tender Agreement (Ms. Matsumoto), the Tender Agreement (NGK), and the Tender Agreement (Ms. Hayakawa) hereinafter collectively referred to as the "Tender Agreements"), and the Tendering Shareholders have agreed to tender 1,847,900 shares in the Target Company held by them (shareholding ratio: 12.48%; hereinafter, all 761,100 Target Company Shares (shareholding ratio: 5.14%) held by Mr. Watanabe referred to as the "**Tendered Shares (Mr. Watanabe)**", all 700,000 Target Company Shares (shareholding ratio: 4.73%) held by Mr. Nakata referred to as the "**Tendered Shares (Mr. Nakata)**", all 215,000 Target Company Shares (shareholding ratio: 1.45%) held by Ms. Matsumoto referred to as the "**Tendered Shares (Ms. Matsumoto**)", all 165,000 Target Company Shares (shareholding ratio: 1.11%) held by NGK referred to as the "**Tendered Shares (NGK)**", all 6,800 Target Company Shares (shareholding ratio: 0.05%) held by Ms. Hayakawa referred to as the "**Tendered Shares (Ms. Hayakawa)**", and the Tendered Shares (Mr. Watanabe), the Tendered Shares (Mr. Nakata), the Tendered Shares (Ms. Matsumoto), the Tendered Shares (NGK), and the Tendered Shares (Ms. Hayakawa) collectively referred to as the "**Tendered Shares**") in the Tender Offer.

(Note 3) The "shareholding ratio" refers to the ratio (rounded to the second decimal place) of shares of the Target Company held, calculated based on the total number of issued shares as of March 31, 2026 (15,197,600 shares), as stated in the "Consolidated Financial Results for the Nine Months Ended March 31, 2026 (under Japanese GAAP)" published by the Target Company on May 13, 2026 after deducting the number of treasury shares held by the Target Company as of the same date (386,256 shares) (resulting in a total of 14,811,344 shares; the "**Base Number of Shares**"). The same applies hereinafter to the calculation of the shareholding ratio. As of May 13, 2026, the number of Share Acquisition Rights outstanding is 1,061 units, and the number of the Target Company Shares underlying the Share Acquisition Rights is 106,100. The exercise period of the Share Acquisition Rights is from October 1, 2026, to September 30, 2029, and the Offeror does not expect the Share Acquisition Rights to be exercised and the Target Company Shares to be issued or transferred to the Share Acquisition Right Holders during the period of purchase under the Tender Offer ("**Tender Offer Period**"). Accordingly, the number of shares underlying the Share Acquisition Rights (106,100 shares) is not added to the Base Number of Shares.

Furthermore, as of May 13, 2026, the Offeror has entered into a Tender Offer Tender/Non-Tender Agreement ("**Tender/Non-Tender Agreement**") with (i) Ms. Tsugihara (shares held: 1,172,400 shares, shareholding ratio: 7.92%; shareholder ranking: 2nd), and (ii) NF (shares held: 5,472,000 shares, shareholding ratio: 36.94%; shareholder ranking: 1st), under which (i) Ms. Tsugihara has agreed to tender all of the Target Company Shares she holds of 1,172,400 shares ("**Tender Shares (Ms. Tsugihara)**") (shareholding ratio: 7.92%) in the Tender Offer, and (ii) NF has agreed to tender 1,149,120 shares of the

Target Shares it holds ("**Tender Shares (NF)**"; the Tender Shares (Ms. Tsugihara) and the Tender Shares (NF) collectively, the "**Tender Shares (Shareholders)**" (Note 4)) (shareholding ratio: 7.76%) in the Tender Offer, and to not tender the remaining 4,322,880 shares ("**Non-Tendered Shares**"; the Tender Shares (Shareholders) and the Non-Tendered Shares collectively, the "**Shareholder Shares**") (shareholding ratio: 29.19%) in the Tender Offer. As described below, the Offeror intends, following the completion of the Squeeze Out Process (defined below), to implement a share exchange, in which the Offeror will become the wholly-owning parent company in the share exchange and the Target Company will become the wholly-owned subsidiary, with shares of the Offeror to be delivered as consideration. Ms. Tsugihara, who will serve as the joint representative of the Offeror, is expected to indirectly hold the shares of the Offeror after the share exchange through NF, in which she holds all the voting rights, in order to maintain appropriate incentives to remain committed to the growth of the integrated group and from the perspective of the governance of the Offeror Group (defined in "(A) Background, purpose, and decision-making process that led to the Offeror's implementation of the Tender Offer" under "(2) Background, purpose, and decision-making process that led to the Offeror's implementation of the Tender Offer, and management policy after the Tender Offer, etc." below; the same hereinafter), which seeks to align the interests of shareholders and management. However, for cash realization purposes, a portion of the Shareholder Shares will be tendered in the Tender Offer, while the remaining shares will not be tendered and will instead be made subject to the share exchange in which shares of the Offeror will be delivered as consideration.

(Note 4) The number of the Tender Shares (Shareholders) is 2,321,520 shares, with a shareholding ratio of 15.67%.

In addition, the Offeror has entered into a tender offer agreement with the Target Company (the "**Tender Offer Agreement**") on May 13, 2026, and the Target Company has agreed to express its opinion in support of the Tender Offer and to recommend that the shareholders and the holders of share acquisition rights of the Target Company tender their shares in the Tender Offer.

For the outline of the Tender/Non-Tender Agreement and the Tender Offer Agreement, please refer to "(6) Material agreements pertaining to the Tender Offer" below.

The Offeror has set the minimum number of shares to be purchased in the Tender Offer to be 5,551,400 shares (shareholding ratio: 37.48%), and if the total number of share certificates, etc. tendered in the Tender Offer ("**Tendered Shares**") is less than the minimum number of shares to be purchased (5,551,400 shares), none of the Tendered Shares shall be purchased. On the other hand, since the Offeror aims to integrate management between the Target Company and the Offeror by acquiring all of the Target Company Shares and the Share Acquisition Rights, the Offeror has not set a maximum number of shares to be purchased in the Tender Offer, and if the total number of Tendered Shares is greater than the minimum number of shares to be purchased (5,551,400 shares), the Offeror will purchase all of the Tendered Shares. Although the acquisition of Share Acquisition Rights by transfer requires the approval of the Board of Directors of the Target Company under the terms of issuance of the share acquisition rights, the Target Company has resolved at the meeting of the Board of Directors held on May 13, 2026 that, conditional upon the successful completion of the Tender Offer, a blanket approval will be granted for the transfer by the Share Acquisition Right Holders of the Share Acquisition Rights held by them through the tendering of the Share Acquisition Rights in the Tender Offer, to the extent of the Share Acquisition Rights actually tendered in the Tender Offer by the Share Acquisition Right Holders. The minimum number of shares to be purchased in the Tender Offer (5,551,400 shares) is the product of (A) the number obtained by subtracting the number of voting rights (43,228 units) pertaining to the Non-Tendered Shares (4,322,880 shares) from the number of voting rights pertaining to the Base Number of Shares (148,113 units) multiplied by two-thirds (98,742 units, rounded up to the nearest whole number), and (B) the number of shares constituting one unit of the Target Company Shares (100 shares). This is due to the consideration that, although the Offeror aims to make the Target Company its wholly-owned subsidiary and integrate the management of the two companies (meaning leveraging the know-how, human resources, customer bases, sales capabilities, business development capabilities, and growth strategy expertise, including M&A-related expertise, of both parties on a reciprocal basis, and organically combining their respective strengths in order to expand their business foundations and enhance their corporate value over the medium to long term), a special resolution of the general meeting of shareholders stipulated in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended; the "**Companies Act**") is required for the share consolidation described in "(4) Policy for organizational restructuring after the Tender Offer", the minimum number of shares to be purchased in the Tender Offer is set as described above so that such requirement could be met by the Offeror and NF will hold not less than two-thirds of the total voting rights of the total shareholders of the Target Company immediately following the Tender Offer, to ensure that the Transactions will be executed.

In addition, if the Offeror is unable to acquire all of the Target Company Shares and the Share Acquisition Rights in the Tender Offer, the Offeror plans to implement the procedures described in "(4) Policy for organizational restructuring after the Tender Offer" below so that the only shareholders of the Target Company will be the Offeror and NF, and to have the Target Company become a wholly-owned subsidiary (the "**Squeeze Out Process**").

In addition, if, following the Share Consolidation, there are shareholders of the Target Company other than the Offeror and NF (such shareholders, the "**Remaining Shareholders**"), and it is possible to make the Target Company Shares held by the Remaining Shareholders to be less than one share by having the Offeror borrowing the Target Company Shares from NF and consolidating the Target Company Shares, after the Target Company obtains an exemption from the obligation to submit a securities report, the Offeror and NF intend, as part of the Squeeze Out Process, to carry out a transaction whereby NF, as the lender, lends all of its Target Company Shares to the Offeror, as the borrower, followed by a consolidation of the Target Company Shares (the "**2nd Share Consolidation**"), and after the 2nd Share Consolidation comes into effect, the Offeror returns the borrowed Target Company Shares to NF (such lending and returning transaction, the "**Stock Lending Transaction**"), in order to make the Offeror and NF the only shareholders of the Target Company. The lending fee and other terms of the Stock Lending Transaction have not been determined as of this date.

Furthermore, the Offeror intends that, ultimately, (i) the Offeror will become the sole shareholder of the Target Company, and (ii) Ms. Tsugihara who is intended to be the joint representative of the Offeror will maintain an appropriate level of motivation to commit to the growth of the entire group after the management integration, and to hold the shares of the Offeror from a viewpoint of governance of the Offeror Group to align the interests of the shareholders and the management, and as a means to accomplish such purpose, intends to execute the Share Exchange after the completion of the Squeeze Out Process. The Offeror has entered into the Memorandum of Understanding with the Shareholders and has agreed on the method of calculation of the share exchange ratio of the Share Exchange (Note 5). For the method of calculation of the share exchange ratio in the Share Exchange, please refer to "(6) Material agreements pertaining to the Tender Offer" below. The ratio of voting rights of the shares of the Offeror to be acquired by NF through the Share Exchange is expected to be above 10%; however, the ratio has not been determined as of this date, and should be fixed by December 31, 2026.

(Note 5) Such a ratio has been calculated using the purchase price under the Tender Offer as the value of the Target Company Shares, and the Share Consolidation is carried out so that such a ratio does not conflict with the gist of the uniform price regulations of the tender offer price (Article 27-2, Paragraph 3 of the Act). In addition, although NF will acquire the shares of the Offeror through the Share Exchange, the purpose of such acquisition is to enable Ms. Tsugihara, who holds all voting rights in NF, to indirectly own shares of the Offeror and, in her capacity as the joint representative of the Offeror, to take responsibility for the growth of both the Offeror Group and the Target Company Group following the management integration. The opportunity to acquire such shares is therefore considered to be distinguishable from, and different in nature from, the substantive consideration offered in connection with the Tender Offer.

For the outline of the Memorandum of Understanding, please refer to "(6) Material agreements pertaining to the Tender Offer" below.

The Offeror intends to acquire treasury shares of up to 2,600,000 shares between May 14 and May 15, 2026 through ToSTNeT-3 (off-auction own share repurchase trading) at the closing price of the Offeror's shares as of the day immediately preceding the date of acquisition of the treasury shares, for the purpose of flexible execution of capital policies meeting the changes to the management environment, and may use a part of the acquired treasury shares as a consideration for the Share Exchange.

The Offeror is scheduled to cover the funds required for the Transactions, including the Tender Offer, through self-funding and a loan from Mizuho Bank, Ltd. (“**Mizuho Bank**”) of up to 15,442 million yen (the “**Bank Loan**”), and is scheduled to receive the Bank Loan by the business day immediately preceding the date of commencement of the settlement pertaining to the Tender Offer. The details of the loan terms pertaining to the Bank Loan shall be separately discussed with Mizuho Bank and stipulated in the loan agreement pertaining to the Bank Loan.

According to the “Notice Regarding Expression of Opinion in Support of the Tender Offer for the Company Share Certificates, etc. by Akatsuki Inc. in Connection with the Management Integration with the Company, and Recommendation to Tender Shares” announced by SUNNY SIDE UP GROUP Inc. on May 13, 2026 (the “**Target Company’s Press Release**”), the Target Company has resolved at the meeting of the Board of Directors of the Target Company held on May 13, 2026, to express its opinion in support of the Tender Offer, as well as to recommend the shareholders of the Target Company and the owners of the Share Acquisition Rights (the “**Share Acquisition Right Holders**”) to tender their shares in the Tender Offer. Please refer to the Target Company’s Press Release and “(E) Approval of all directors (including directors who are audit and supervisory committee members) of the Target Company with no conflict of interest” in “(3) Measures to ensure the fairness of the Tender Offer” below for details regarding the decision-making process of the Target Company’s Board of Directors.

(2) Background, purpose, and decision-making process that led to the Offeror’s implementation of the Tender Offer, and management policy after the Tender Offer, etc.

The background, purpose, and decision-making process that led to the Offeror’s implementation of the Tender Offer, and the management policy after the Tender Offer are as set forth below. The statements below regarding the Target Company are based on information publicly announced by the Target Company, the Target Company’s Press Release, and explanations received from the Target Company.

(A) Background, purpose, and decision-making process that led to the Offeror’s implementation of the Tender Offer

As stated in “(1) Outline of the purpose of the Tender Offer”, the Offeror was incorporated in June 2010 for the purpose of planning, developing, and operating social games, and, as of today, is listed on the Tokyo Stock Exchange, Prime Market.

As of today, the Offeror’s group is composed of 13 consolidated subsidiaries (Akatsuki Games Inc., Akatsuki Taiwan Inc., HykeComic Inc., Akatsuki Ventures Inc., Dawn Capital No.1 Investment Limited Partnership, EMOOTE PTE. LTD., CRAYON Inc., PAPABUBBLE Inc., WOWs Inc., Natee Inc., Akatsuki AI Technologies Inc., GROOVE HOLDINGS, INC., GROOVE DIRECTION INC.) and 17 unconsolidated subsidiaries and affiliated companies not accounted for by the equity method (Akatsuki

Entertainment USA, Inc., and 16 other companies, totaling 31 companies (the "**Offeror Group**").

The Offeror Group has set as its mission "Transforming the world into a more joyful and enriched place through sensitivity and technology", and has consistently pursued the creation of value through the fusion of creativity and technology since its founding, across the games & comics business, entertainment & lifestyle business, and AI/DX solutions business. The Offeror not only grows capitalizing on its own assets, such as talent, assets, and technology, but has taken active corporate actions, including partnerships with other companies. In December 2023, it entered into a capital and business alliance with Sony Group Corporation, which operates game and network services businesses, and KOEI TECMO HOLDINGS CO., LTD., which operates mainly in the planning, development, and sale of game console software, and in December 2025, it announced its capital and business alliance with yutori, Inc., which operates an apparel brand planning and management business, and GPS HOLDINGS Co., Ltd., which engages in the production and sale of merchandise such as miscellaneous goods, promoting enhancement of existing business and pursuit of new business domains in the IP sector with its strategic partners.

In August 2025, the group welcomed Natee.inc, an advertising agency business with strengths in digital and social media, WOWs Inc., an influencer management company, AI Talent Force Inc. (currently Akatsuki AI Technologies Inc.) which specializes in AI systems development, and Kabushiki Kaisha PAPABUBBLE, a sweets manufacture and sale business, through M&A. Together with the Offeror's management foundation, sales ability, and IP management ability, the Group is advancing its business growth, and continues to expand its operations in parallel with its existing business.

Meanwhile, according to the Target Company's Press Release, the Target Company was incorporated in July 1985, became listed on the Osaka Securities Exchange Hercules in September 2008, moved its market listing to the Tokyo Stock Exchange, 2nd Section in September 2018, moved its market listing to the Tokyo Stock Exchange, 1st Section in December 2018, moved its market listing to the Tokyo Stock Exchange, Prime Market in accordance with the reorganization of the market segments by the Tokyo Stock Exchange in April 2022, moved to the Tokyo Stock Exchange, Standard Market in October 2023, and has been listed thereon up to the present.

The Target Company was established in July 1985 as a public relations company providing support for corporate public relations (under the original trade name of SUNNY SIDE UP Inc.), and subsequently expanded its service scope beyond PR through initiatives such as managing athletes, including Mr. Hidetoshi Nakata. In July 2006, by making Wise Integration Co., Ltd. a wholly-owned subsidiary, the Target Company commenced its sales promotion business (Note 1) and merchandising business (Note 2). Furthermore, in November 2008, the Target Company incorporated FLYPAN, Inc. as a joint venture with Transit General Office Co., Ltd., and by acquiring 51% of its shares and making it a subsidiary, commenced the direct operation of the all-day dining brand "bills" (Note 3), originating in Sydney, Australia. Subsequently, in January 2020, the Target Company transferred its PR business and other related businesses to SUNNY SIDE UP PREPARATION Inc. (currently SUNNY SIDE UP Inc.) to transition to a holding company structure, as well as changed its trade name to SUNNY SIDE UP GROUP, Inc. In May 2023, the Target Company announced its mid- to long-term management policy "A Bold Strategy for Unleashing Growth", and in order to strengthen its core brand communication business, carried out an absorption-type merger with SUNNY SIDE UP Inc., the Target Company's consolidated subsidiary, as the surviving company and Kabushiki Kaisha Scramble, the Target Company's consolidated subsidiary, as the absorbed company in July 2023, and an absorption-type merger with SUNNY SIDE UP Inc., the Target Company's consolidated subsidiary, as the surviving company and Y's Integration Inc., the Target Company's consolidated subsidiary, as the absorbed company in September 2023.

(Note 1) "Sales promotion business" refers to business activities related to sales promotion initiatives designed to stimulate consumers' purchasing motivation and distributors'/retailers' willingness to sell, through campaigns conducted in stores and on the street.

(Note 2) "Merchandising business" refers to strategic activities undertaken to promote product purchases, including product planning, development and procurement, determination of product composition, planning of sales methods and services, and pricing.

(Note 3) "bills" refers to a globally operated restaurant brand that has expanded internationally since renowned restaurateur Bill Granger opened its first location in Sydney, Australia.

As of today, the Target Company's group is composed of the Target Company, 9 consolidated subsidiaries (SUNNY SIDE UP Inc., FLYPAN, INC., Kumnamu Entertainment, Inc., SUNNY SIDE UP KOREA, INC, AIRSIDE INC., Good & Co., Inc., TKG Consulting Inc., steady study Ltd., BILCOM, Inc.) and 2 affiliated companies (AnyUp Inc., KEI CONCEPT Japan, Inc.) (the "**Target Company Group**"), and is operating three businesses: brand communication business, food branding business, and business development business. The brand communication business is the core business of the Target Company Group, and is responsible for formulating strategies and planning/supporting initiatives to broadly communicate the activities and value of products and services of client companies, organizations, and other entities, while helping them build strong relationships with various stakeholders. In the food branding business, the Target Company Group engages in branding for "bills", licensing business, and the management and operation of overseas stores. In the business development business, the Target Company Group develops and creates new businesses in order to expand its business domains and establish new revenue foundations.

Under the management philosophy of "Let's Have Fun!", the Target Company is committed to creating new values for a new era as a group of communication professionals who solve a wide range of challenges utilizing all forms of communication methods centered around ideas rooted in its PR business. The business environment surrounding the Target Company is undergoing significant transformation, with the boundaries between PR, advertising, sales promotion, and related fields increasingly blurring, while the importance of technology continues to grow, as exemplified by the rapid spread of AI, fundamentally changing the nature of communication. The Target Company views its business domain as extending beyond the narrowly defined PR market to redefine it as targeting the consulting market and the advertising market with a large market scale. Although communication methods continue to evolve significantly over time, the Target Company believes in the universal power of PR that promotes behavior change through awareness—the Target Company's philosophy that "when people's hearts are moved, their actions change, and eventually society as a whole changes"—and aims to enhance corporate value while addressing social issues through its business activities.

The Offeror Group has determined a policy in early January 2024 to accelerate M&A activities with the aim of achieving discontinuous growth, established a dedicated in-house team to examine growth strategies focused on M&A, and commenced consideration of potential collaboration and alliance partners in the IP field with whom synergies could be expected.

From before, the Offeror Group has engaged the Target Company group's SUNNY SIDE UP Inc. for PR services since 2019, when it first commissioned PR activities from the Target Company Group in connection with the launch of Yokohama ASOBUILD, a project undertaken by the Offeror Group, and has continued to do so either directly or through start-up companies invested in by the Offeror Group's Investment Department. In addition, since late July 2024, the parties have commenced collaboration in online lottery services – an area in which the Offeror Group has particular strengths – within the "Happy Lottery" (Note 4) business of the Target Company's brand communication business, and such collaboration continues as of the date hereof.

(Note 4) The name of a product planning initiative in which customers are guaranteed to receive original merchandise, under which SUNNY SIDE UP Inc., as the planning originator, identifies IP content, jointly plans products with the relevant rights holders, proposes such products to sales channels, and handles merchandise production.

Under these circumstances, Mr. Tetsuro Koda ("**Mr. Koda**"), President and CEO of the Offeror, came to believe that, through the requests for PR activities and the collaboration through the "Happy Lottery" described above, in addition to the high degree of compatibility between the parties' flat organizational cultures that emphasize individual autonomy, there exists a complementary relationship between the Offeror Group's capabilities in content planning and operational management in the digital domain and its expertise in global expansion, on the one hand, and the Target Company Group's capabilities in PR and branding in the real-world domain, on the other hand.

Specifically, the Offeror possessed strengths in content planning and operations in the digital domain, as well as in global expansion; however, although it had certain needs with respect to creating customer touchpoints and implementing PR and branding initiatives in the real-world domain, it lacked sufficient capabilities in these areas and therefore faced a business challenge in that it had not achieved sufficient offline awareness for the content it provides. On the other hand, while the Target Company Group had strengths in PR and branding in the real-world domain, it believed there were challenges with respect to content planning and operational capabilities in the digital domain, expertise in global expansion, and the financial resources necessary to make growth investments. In light of these respective strengths and challenges, Mr. Koda believed that by mutually leveraging the management resources of the Offeror Group and the Target Company Group and jointly promoting business development across both the digital and real-world domains, the parties could create growth opportunities that would be difficult for each group to realize independently. Furthermore, through the collaboration described above, the parties were able to confirm the compatibility of their corporate cultures and organizational styles. As a result, in late August 2025, Mr. Koda concluded that a transition to an integrated management structure could be achieved smoothly and came to believe that partnering with the Target Company Group would contribute to the expansion of the Offeror's business. In order to further strengthen the partnership between the Offeror Group and the Target Company Group, and to pursue the possibility of further deepening the relationship between the two companies through the enhancement of capital relationships, Mr. Koda exchanged opinions with Ms. Etsuko Tsugihara, the founder of the Target Company, who was an old acquaintance, regarding the possibility of an alliance between the Offeror Group and the Target Company Group multiple times between early September 2025 and early November 2025. Through such discussions, Mr. Koda has come to believe that, in addition to the high degree of compatibility between the parties' visions of delivering experience value that brings joy and excitement to society and their organizational cultures and enhancing people's lives, both of which emphasize flat structures and individual autonomy, the Offeror's capabilities in the digital domain are complementary to the Target Company's capabilities in PR and branding in the real-world domain, as described above. Accordingly, the Offeror concluded that combining the parties' respective strengths would enable the creation of new entertainment experiences integrating digital and real-world elements.

Subsequently, the Offeror and the Target Company entered into a Non-Disclosure Agreement on November 28, 2025, and have repeatedly engaged in preliminary discussions regarding the significance of the Transactions and the synergies with the Target Company between early November 2025 and mid-January 2026. Through such discussions, similarly with Mr. Koda's thinking described above, the parties came to recognize once again that while the Offeror possessed strengths in content planning and operations in the digital domain, as well as in global expansion, it had challenges with respect to creating customer touchpoints and implementing PR and branding initiatives in the real-world domain, and while the Target Company Group had strengths in PR and branding in the real-world domain, it faced challenges with respect to content planning and operational capabilities in the digital domain, expertise in global expansion, and the financial resources necessary to make growth investments. The Offeror believed that by further deepening its collaboration with the Target Company Group and operating the businesses of both groups in an integrated manner, combining its capabilities in digital deployment with the provision of real-world experiential value, it would be possible not only to develop IP as digital content through games, comics, and e-commerce, but also to expand touchpoints between content and users/customers across both digital and real-world channels through real events, merchandising and goods development, promotions at retail locations and facilities, corporate tie-ups, fan community building, and domestic and international expansion. The Offeror believed that this would enhance IP awareness, broaden the fan base, strengthen fan engagement (Note 5), diversify monetization opportunities through products and services, expand domestic and international distribution channels, and extend the lifecycle of IP, thereby increasing the economic and brand value generated by IP over the medium to long term. The Offeror further concluded that, in the case of a capital and business alliance involving the acquisition of only a portion of the Target Company's shares, or the acquisition of the Target Company as a consolidated subsidiary while maintaining its listed status, there would be certain constraints on the establishment of a collaborative framework between the parties and on the management resources and know-how that could be shared, including impediments to prompt and flexible decision-making and limitations on the sharing of highly confidential information. Accordingly, the Offeror came to believe that, in order to realize the above initiatives and synergies listed in (a) to (d) below promptly and steadily and to fully capture their benefits, it would be desirable for the Offeror to acquire all shares of the Target Company and subsequently carry out a business integration. Accordingly, the Offeror commenced its consideration of the Transactions in mid-January 2026.

(Note 5) Refers to the building of relationships with customers and fans, or activities aimed at building such relationships, through the attachment to and affinity for companies, brands, sports teams, artists, and other entities that provide content to them.

Following the implementation of the Transactions, the Offeror believes that it will be possible to expand global revenues and strengthen the organization through the integration of the corporate functions of both groups, including personnel exchanges and operational optimization, by combining the strengths of each party. These strengths include, on the part of the Offeror Group, capabilities in content planning, digital development, and expertise in global expansion; relationships with IP holders; human resources and know-how in AI, IT, data analytics, and cybersecurity; and financial resources, and, on the part of the Target Company Group, planning capabilities in the PR and branding domain, production capabilities in the real-world domain, customer base and human networks, and business in the sales promotion and merchandising domains. On top of that, the Offeror believes that, in order to enhance the Target Company Group's corporate value over the medium to long term, it will be necessary to continuously and flexibly make upfront investments in development, promotional initiatives, overseas expansion, organizational and human capital investments, DX and AI investments, and M&A, even though such investments may not immediately contribute to short-term earnings. However, if the Target Company were to remain a listed company, management would be required to exercise caution in light of quarterly earnings fluctuations, potential impacts on the share price, and accountability to minority shareholders. As a result, the Offeror believes that it would not necessarily be easy to make bold and agile investment decisions that prioritize the enhancement of corporate value over the medium to long term. Accordingly, the Offeror believes that it would be difficult to fully realize the anticipated synergies below ("**Synergies**") through a limited collaboration based on a business alliance or capital alliance alone. Instead, the Offeror believes that it is necessary to take the Target Company private and make it a wholly-owned subsidiary of the Offeror in order to align the interests of the Offeror Group and the Target Company Group and establish a structure that enables prompt and agile decision-making and the execution of medium- to long-term growth investments from the perspective of optimizing the group as a whole.

(a) Growth into one of Japan's leading companies in the broader IP and brand production space

By cross-functionally combining for each project the human networks, planning capabilities, PR expertise, digital deployment capabilities, knowledge relating to global expansion, and financing capabilities held by both groups as well as the Offeror Group's capabilities in the digital domain and the PR and branding capabilities in the real world domain of each company of the Target Company Group as described above, and structuring an integrated framework capable of executing end-to-end initiatives across both digital and real-world channels, including planning and concept development, content production, PR and branding, digital content deployment, real-world event and experience design, corporate tie-ups, merchandising and goods development, overseas expansion, and fundraising and growth investment, the parties believe that they will be able to develop production businesses that deliver the appeal and value of Japan-originated broad IP (Note 6), brands, and creators to domestic and international markets. Through this, the Offeror Group and the Target Company Group believe they will be able to attract domestic and international business opportunities and talented creators, and grow into a corporate group with social significance.

(Note 6) "Broad IP" is defined as encompassing not only IP in the narrow sense, such as copyrights in manga, anime, and other content, but also content, brands, and talent—including food, sports, artists, and creators—that generate people's empathy, support, and enthusiasm.

The Offeror believes that the core initiatives underlying this Synergy (a) consist of: (i) the bidirectional sharing and utilization between the two groups of the trust-based relationships that each party has cultivated over many years with IP holders and creators, as well as unpublished information regarding IP and creators, planning information, and business know-how that each party has obtained through such relationships; and (ii) the integrated production and development of IP, brands, and creators by combining the two groups' human networks, planning capabilities, PR capabilities, digital development capabilities, expertise in global expansion, and financing capabilities. However, under the current structure in which the Offeror and the Target Company each operate independently as listed companies, the Offeror believes that, from the perspective of preserving the Target Company's independence and protecting the interests of its general shareholders, there are inherent constraints (such as the restriction on sharing highly-confidential information) on the mutual sharing of unpublished information and business know-how based on trusted relationships with IP holders and creators, as well as on the integrated use of the management resources of both groups. Accordingly, although the two groups have already advanced a certain level of collaboration through business alliances, including their cooperation in connection with Happy Lottery, the Offeror believes that it would be difficult to fully and promptly achieve these core initiatives of this Synergy (a) within the framework of a business alliance or capital alliance. The Offeror further believes that only by acquiring the Target Company as a wholly-owned subsidiary through the Transactions can these structural issues and constraints be resolved, thereby enabling the integrated use of the two groups' human networks, planning capabilities, PR capabilities, digital development capabilities, expertise in global expansion, and financing capabilities, and as a result, the combined group will be able to achieve growth into one of Japan's leading companies in the production and development of broad IP and brands—an outcome that would be difficult to realize by the Target Company Group on a standalone basis or through a business alliance or capital alliance alone.

(b) Strengthening and growth in the sales promotion and merchandising sectors

In the areas of the "Happy Lottery" business operated by the Target Company and merchandise production and promotional services for sales promotion, the Offeror believes that further growth can be achieved by leveraging the Offeror Group's digital development capabilities, human network with anime and character IP holders, and assets such as global e-commerce and other trade practice or relationship of trust with sales channels an business partners, thereby enhancing and expanding its business. Specifically, the parties envision that, in the short term, the Target Company Group will expand the range of IP handled in the Happy Lottery business by leveraging the Offeror Group's human network with IP holders; in the medium term, it will promote digitalization expansion in the merchandising domain by utilizing the Offeror Group's digital development capabilities; and in the medium to long term, it will advance the overseas expansion of the Target Company Group's products by leveraging the Offeror Group's expertise, sales channels, and know-how in global e-commerce operations and overseas marketing. In addition, by utilizing the Offeror Group's financial strength to make growth investments through the provision of capital loans from the Offeror Group to the Target Company Group, the parties believe they will be able to strengthen the service delivery framework, enhance production management sophistication, expand sales channels, and further strengthen and expand the scale of business in this area.

In order to effectively achieve the core initiatives underlying this Synergy (b)—namely, (i) a fundamental expansion of the IP handled, centered on Happy Lottery, (ii) the digitalization of the merchandising domain as a whole, (iii) the full-scale expansion of the Target Company Group's products into overseas markets, and (iv) the agile provision of growth capital to strengthen the service delivery structure and expand production management and sales channels—it is essential to operate, in an integrated manner, the two groups' management resources relating to product planning, production management, order processing, sales channels, and financing and investment, and to enable the flexible transfer of functions, placement of orders, and provision of growth capital between the two groups. However, under the current structure in which the Offeror and the Target Company each operate independently as listed companies, the Offeror believes that, from the perspective of preserving the Target Company's independence and protecting the interests of its general shareholders, there are certain constraints, such as the restriction on continuous and detailed information-sharing, on discussions regarding collaboration, including the mutual utilization of management resources and know-how between the two groups. In addition, transactions between the two groups are required to be reviewed on a case-by-case basis to confirm that the terms comply with the arm's-length principle, making it difficult to conduct business operations and provide funding in an agile manner and on flexible terms and at flexible scales in response to the operational needs of the two groups. Accordingly, although the two groups have already commenced collaboration in connection with Happy Lottery, the Offeror believes that it would be difficult, within the framework of a business alliance or capital alliance, to proactively promote the expansion of IP by leveraging the Offeror Group's relationships with IP holders, which constitutes a core element of this Synergy (b). The Offeror further believes that only by acquiring the Target Company as a wholly-owned subsidiary through the Transactions can these constraints be eliminated, thereby enabling the integrated and agile operation of the two groups' management resources relating to product planning, production management, sales channels, and financing and investment, and the Target Company Group will be able to strengthen and expand its business in the sales promotion and merchandising domains, centered on Happy Lottery—an outcome that would be difficult to achieve by the Target Company Group on a standalone basis or through a business alliance or capital alliance alone.

(c) Implementation of stable and flexible growth investments

The Offeror Group believes it has the financial base to support necessary investments in the growth of the Target Company Group's business. In addition, the Offeror Group has an organizational structure in which management maintains close proximity to frontline operations, and believes that, following the execution of the Transactions, it will be able to establish a framework that enables more agile execution of the upfront investments necessary to maximize the business potential of each company within the Target Company Group. Specifically, the Offeror believes that this will make it possible to carry out growth investments in areas such as development, sales promotion, organizational enhancement, and M&A, not merely as one-off measures but with a view toward medium- to long-term business expansion.

(d) Promoting DX and AI, strengthening the organizational foundation, and enhancing the operational platform

By leveraging the Offeror Group's personnel and know-how in IT services, data analytics, security, and AI development, the Offeror aims to promote digital transformation (DX) and the utilization of AI in the Target Company Group's business operations and administrative functions, thereby achieving enhanced customer experience of the Target Company Group, improved operational efficiency, and accurate and prompt data-driven decision-making based on data and results of AI analysis. Specifically, in promoting DX, the Offeror Group expects to utilize its personnel and expertise in IT services, data analytics, and security to redesign the Target Company Group's core business processes, establish integrated platforms for customer, project, sales, and implementation data integration and analysis, and strengthen information security frameworks. This will make it possible to centrally capture and analyze each customer's transaction history, project details, proposal history, campaign performance, sales results, and customer responses. By leveraging customer needs and historical response patterns to develop proposals, implement PR and branding initiatives, provide products and services, and respond to customers, the parties believe that they will be able to deliver more timely and appropriate value to customers and thereby enhance the customer experience. In addition, in promoting AI utilization, the Offeror Group intends to leverage its personnel and expertise in AI development, including through Akatsuki AI Technologies Inc., to enable support for the preparation of materials and proposal documents, analysis of the effectiveness of PR initiatives, planning and ideation for creative deliverables, more efficient handling of inquiries, and refinement of proposal content based on historical project and customer data, thereby improving both the quality of proposals made to customers and the speed of customer response. Furthermore, by integrating, visualizing, and analyzing customer, project, sales, and campaign data, sales pipeline progress, production workload, and project-level profitability, the parties believe that they will be able to make decisions regarding sales strategies, project selection, pricing, personnel allocation, production resource allocation, and investment decisions based on data, rather than relying solely on experience or subjective judgment.

In addition, the Offeror recognizes that the Target Company Group's current organizational foundation requires the enhancement of sufficient personnel with the specialized expertise to undertake proactive corporate actions. The Offeror believes that the Target Company Group's organizational foundation can be further strengthened by sharing the Offeror Group's expertise in recruitment and talent development, as well as the resources of its specialized corporate departments in areas such as finance, legal, and IT.

The Offeror believes that the core initiatives underlying this Synergy (d) consist of: (i) consolidating customer information, sales information, and operational data dispersed across the two groups into a common data integration and analytics platform and utilizing such data on a cross-functional basis throughout both groups; (ii) the agile and continuous deployment to the Target Company Group, through secondments, dual appointments, and similar arrangements, of specialized personnel belonging to the Offeror Group in the fields of IT services, data analytics, cybersecurity, and AI development, as well as specialized personnel within the Offeror Group's corporate functions; (iii) upfront investments in common systems infrastructure necessary to promote DX and AI initiatives and enhance the operational infrastructure of both groups; and (iv) the integrated operation of the organizational foundation of both groups through the harmonization of recruitment and personnel systems and the implementation of shared services for corporate functions. However, under the current structure in which the Offeror and the Target Company each operate independently as listed companies and are accountable to their respective general shareholders, the Offeror believes that, in light of the information management requirements applicable to listed companies, there are certain constraints, such as the restriction on sharing of highly-confidential information, on the consolidation of customer information, sales information, and operational data into a common platform, as well as on the agile sharing of information relating to undisclosed system development plans and organizational restructuring plans. In addition, the Offeror believes that it would be difficult for the Target Company, which has limited financial resources, to independently undertake large-scale upfront investments in systems infrastructure. Accordingly, the Offeror believes that it would be difficult to achieve these core initiatives, which form the basis of this Synergy (d), promptly and flexibly within the framework of a business alliance or capital alliance. The Offeror further believes that only by acquiring the Target Company as a wholly-owned subsidiary through the Transactions can these constraints be eliminated, thereby enabling the two groups to mutually leverage their specialized personnel, data, and corporate functions and to implement, in an integrated and agile manner, initiatives aimed at promoting DX and AI, enhancing operational infrastructure, and strengthening the organizational foundation, and that these synergies—whose realization would be difficult for the Target Company Group to achieve on a standalone basis or through a business alliance or capital alliance alone—will become achievable.

On January 22, 2026, the Offeror proposed and explained to the Target Company its preliminary contemplated acquisition structure for the Transactions, including conducting a tender offer, making the Target Company a wholly-owned subsidiary through a share exchange, and a subsequent management integration, together with multiple implementation schedule proposals aimed at execution during 2026, and obtained the Target Company's understanding. Subsequently, at a meeting between the Target Company and the Offeror held on February 6, 2026, the Target Company responded with its intent to consider the proposal regarding the preliminary contemplated acquisition structure for the Transactions, including conducting a tender offer, making the Target Company a wholly-owned subsidiary through a share exchange, and a subsequent management integration, together with multiple implementation schedule proposals aimed at execution during 2026 that was explained by the Offeror on January 22, 2026, and both parties discussed the timing of execution of a non-binding letter of intent and the matters to be stated thereon. Thereafter, on February 27, 2026, the Offeror submitted a non-legally binding letter of intent (the "**Proposal**") concerning the Transactions, and proposed, among others, the contemplated structure of the Transactions including the conducting of the Tender Offer, making the Target Company a wholly-owned subsidiary through the Share Exchange, and the management integration, the management structure following the Transactions (change of trade name of the Offeror as part of the Transactions, Ms. Tsugihara and Mr. Koda jointly serving as the Representative Directors, etc. of the Offeror), and the anticipated schedule of the Transactions. Subsequently, on March 2, 2026, the Offeror received a response from the Target Company, to the effect that it will consider the Offeror's proposal after building the necessary structure for considering the Transactions. In addition, in early March 2026, the Offeror appointed Houlihan Lokey in Japan ("**Houlihan Lokey**") as its financial advisor, and in early March 2026, the Offeror appointed So & Sato Law Offices as its legal advisor, each of whom are independent from the Offeror, the Target Company, the Shareholders, and the Tendering Shareholders, and conducted a due diligence review of the Target Company's business, finance/accounting, tax affairs, legal affairs, and labor affairs between early March to late March 2026 to review the feasibility of the Transactions in detail, and conducted further analysis and review on the significance of the Transactions, the structure, and governance and management policy after the Transactions based on the information obtained in such processes.

As a result of such review, in late March 2026, the Offeror came to believe that, by transitioning the Offeror's representative to a joint representative system of Ms. Tsugihara and Mr. Koda through the Transactions and maximizing the use of management resources of the Offeror Group and the Target Company Group for collaboration as well as respecting the mutual business strategies and corporate culture to the maximum extent, the synergy effect above will be maximized, and would enable the enhancement of medium and long-term corporate value both companies beyond business performance and corporate value as independent companies.

Delisting the Target Company Shares may have the following disadvantages considered as arising from privatization: (i) the inability to raise funds through equity finance from capital markets, and/or (ii) the risk of losing the recognition and social credibility from the viewpoint of personnel recruitment. However, for financing, the Target Company will be able to receive financial support from financial institutions, etc., that have business relationships with the Offeror Group, and in consideration of the financial conditions of the Target Company as of the present, the necessity of equity finance is not high for the time being, so it would be sufficiently possible to secure the funds necessary for the Target Company's business. For personnel recruitment, as the Offeror is recognized in the industry, and after the Transactions, the Target Company will be able to engage in hiring activities together with the Offeror. Therefore, the Target Company believes that there are no disadvantages arising from the delisting of the Target Company.

(B) Background and foundation of the calculation of the Tender Offer Price

(i) Background of the calculation

As a result of the review described in "(A) Background, purpose, and decision-making process that led to the Offeror's implementation of the Tender Offer" above, in late March 2026, the Offeror came to believe it is possible to realize the synergy above through the deepening of collaborations with the Target Company, and submitted an initial price proposal to the Target Company with a purchase price per one Target Company Share ("**Tender Offer Price**") of 1,200 yen ("**Initial Offer Price**") (which adds a premium of 38.73%

relative to the closing price of 865 yen for the Target Company Shares on the Tokyo Stock Exchange, Standard Market on March 31, 2026, the business day prior to the date of the proposal (rounded to two decimal places; the same applies to the calculation of premiums hereinafter), a premium of 26.32% relative to the simple average closing price for the one-month period ending on the same date of 950 yen (rounded to the nearest whole number; the same applies to the calculation of the simple average closing price hereinafter), a premium of 28.62% relative to the simple average closing price for the three-month period ending on the same date of 933 yen, and a premium of 38.89% relative to the simple average closing price for the six-month period ending on the same date of 864 yen, respectively)m on the assumption that no year-end dividend will be paid for the fiscal year ending June 2026, and the purchase price per one unit of the Share Acquisition Rights (the "**Share Acquisition Right Purchase Price**") being under consideration. With respect to the Initial Offer Price, on April 6, 2026, the Special Committee (defined in "(i) Structuring of a deliberation system" in "(C) Target Company's opinion concerning the Tender Offer, and basis and reason" below), taking into account the advice provided by the Target Company's legal advisor, Nagashima Ohno & Tsunematsu ("**NO&T**"), and its financial advisor, EY Strategy & Consulting Co., Ltd. ("**EYSC**"), after conducting a comprehensive review based on EYSC's analysis of the value of the Target Company Shares and the premium levels observed in past similar transactions, concluded that the price did not sufficiently reflect the intrinsic value of the common shares of the Target Company. The Special Committee believed that the Initial Offer Price is not at a sufficient level as a distribution of the increased corporate value expected to result from the execution of the Transactions to the general shareholders of the Target Company, and requested to resubmit a proposal for the Tender Offer Price. In addition, on April 7, 2026, the Offeror received from the Target Company and the Special Committee, in writing, additional questions and requests regarding: (i) a price proposal taking into account synergies expected from the Transactions; (ii) policies for the organizational structure of the Target Company and the Offeror after the Transactions; and (iii) the business and management policies of the Target Company after the Transactions.

Upon receiving such request from the Target Company and the Special Committee, along with additional questions and requests, on April 9, 2026, the Offeror sent a written response to the additional questions and requests from the Target Company dated April 7, 2026, as well as submitted to the Target Company a second proposal for a Tender Offer Price of 1,260 yen (which adds a premium of 32.77% relative to the closing price of 949 yen for the Target Company Shares on the Tokyo Stock Exchange, Standard Market on April 8, 2026, the business day prior to April 9, 2026, the date of such proposal, a premium of 35.34% relative to the simple average closing price for the one-month period ending on the same date of 931 yen, a premium of 34.90% relative to the simple average closing price for the three-month period ending on the same date of 934 yen, and a premium of 44.50% relative to the simple average closing price for the six-month period ending on the same date of 872 yen, respectively), and the Share Acquisition Right Purchase Price still being under consideration. To this proposal, the Offeror received a request from the Target Company and the Special Committee to re-submit a proposal for the Tender Offer Price, as such proposed price does not appropriately reflect the value expected to be realized through the execution of the Transactions, and could not be seen as a price level that reflects an appropriate distribution of a reasonable portion of such value to the general shareholders of the Target Company. In addition, on the same day, the Offeror received from the Target Company and the Special Committee questions confirming the Offeror's thinking regarding the valuation of the price, taking synergies into consideration ("**Questions**").

Based on such request from the Target Company, on April 14, 2026, the Offeror submitted to the Target Company a third proposal for a Tender Offer Price of 1,290 yen (which adds a premium of 40.98% relative to the closing price of 915 yen for the Target Company Shares on the Tokyo Stock Exchange, Standard Market on April 13, 2026, the business day prior to April 14, 2026, the date of such proposal, a premium of 39.76% relative to the simple average closing price for the one-month period ending on the same date of 923 yen, a premium of 37.82% relative to the simple average closing price for the three-month period ending on the same date of 936 yen, and a premium of 47.43% relative to the simple average closing price for the six-month period ending on the same date of 875 yen, respectively), and the Share Acquisition Right Purchase Price is still being under consideration. In addition, the Offeror responded to the Questions, saying that although it expects a certain level of synergy through the execution of the Transactions, it would depend on the timing of execution and the feasibility of each of the measures following the integration, making it difficult to provide a specific and reasonable estimate at that point. To this, on April 17, 2026, the Target Company and the Special Committee commented that the price level of the proposed price still does not appropriately distribute a reasonable portion of the value expected to be realized through the Transactions to the general shareholders of the Target Company, and requested a resubmission of the Tender Offer Price that sufficiently takes the interests of the general shareholders of the Target Company into consideration.

In response to such request from the Target Company, on April 21, 2026, the Offeror submitted to the Target Company a fourth proposal for a Tender Offer Price of 1,295 yen (which adds a premium of 38.21% relative to the closing price of 937 yen for the Target Company Shares on the Tokyo Stock Exchange, Standard Market on April 20, 2026, the business day prior to April 21, 2026, the date of such proposal, a premium of 41.38% relative to the simple average closing price for the one-month period ending on the same date of 916 yen, a premium of 37.91% relative to the simple average closing price for the three-month period ending on the same date of 939 yen, and a premium of 46.66% relative to the simple average closing price for the six-month period ending on the same date of 883 yen, respectively), and a Share Acquisition Right Purchase Price of 63,400 yen per one unit of Share Acquisition Right, which is the product of the difference between the Tender Offer Price under the proposal dated April 21, 2026 (1,295 yen) and the exercise price per Share Acquisition Right (661 yen), and the number of the Target Company Shares underlying one unit of the Share Acquisition Right (100 shares). To this, on April 22, 2026, the Target Company and the Special Committee commented that the price level of the proposed price still does not appropriately distribute a reasonable portion of the value expected to be realized through the

Transactions to the general shareholders of the Target Company, and requested a resubmission of the Tender Offer Price that sufficiently takes the interests of the general shareholders of the Target Company into consideration.

In response to such request from the Target Company, on April 24, 2026, the Offeror determined, after deliberation, that the Tender Offer Price under the proposal dated April 21, 2026 already gave maximum consideration to the interests of the general shareholders of the Target Company, and accordingly submitted to the Target Company a fifth proposal for a Tender Offer Price of 1,295 yen (which adds a premium of 40.76% relative to the closing price of 920 yen for the Target Company Shares on the Tokyo Stock Exchange, Standard Market on April 23, 2026, the business day prior to April 24, 2026, the date of such proposal, a premium of 40.91% relative to the simple average closing price for the one-month period ending on the same date of 919 yen, a premium of 37.47% relative to the simple average closing price for the three-month period ending on the same date of 942 yen, and a premium of 45.83% relative to the simple average closing price for the six-month period ending on the same date of 888 yen, respectively), and a Share Acquisition Right Purchase Price of 63,400 yen per one unit of Share Acquisition Right, which is the product of the difference between the Tender Offer Price under the proposal dated April 24, 2026 (1,295) yen and the exercise price per Share Acquisition Right (661 yen), and the number of the Target Company Shares underlying one unit of the Share Acquisition Right (100 shares). To this, on April 28, 2026, the Target Company and the Special Committee commented that the price level of the proposed price still does not appropriately distribute a reasonable portion of the value expected to be realized through the Transactions to the general shareholders of the Target Company, and requested a resubmission of the Tender Offer Price that sufficiently takes the interests of the general shareholders of the Target Company into consideration.

Thereafter, on May 1, 2026, the Offeror had a discussion with the Special Committee and explained that the proposed price in the fifth proposal is above the Target Company’s all-time-high of 1,276 yen (January 23, 2020, intraday), and considers the interests of the general shareholders of the Target Company to the maximum extent. In addition, with respect to the management policy following the Transactions, the Offeror explained that, with the aim of realizing the synergies described in “(A) Background, purpose, and decision-making process that led to the Offeror’s implementation of the Tender Offer” above, the parties intend to work cooperatively as partners to jointly pursue the enhancement of corporate value over the medium to long term through a business integration, while respecting each other’s business strategies and corporate cultures to the fullest extent possible.

Furthermore, on May 6, 2026, the Offeror once again had a discussion with the Special Committee. The Special Committee commented that the proposed price under the fifth proposal still cannot be considered as a price level that appropriately distributes a reasonable portion of the value expected to be realized through the Transactions to the general shareholders of the Target Company, and requested a resubmission of the Tender Offer Price.

In response to such a request from the Target Company, on May 7, 2026, the Offeror submitted to the

Target Company a sixth proposal for a Tender Offer Price of 1,320 yen (which adds a premium of 33.33% relative to the closing price of 990 yen for the Target Company Shares on the Tokyo Stock Exchange, Standard Market on May 1, 2026, the business day prior to May 7, 2026, the date of such proposal, a premium of 41.48% relative to the simple average closing price for the one-month period ending on the same date of 933 yen, a premium of 39.39% relative to the simple average closing price for the three-month period ending on the same date of 947 yen, and a premium of 46.99% relative to the simple average closing price for the six-month period ending on the same date of 898 yen, respectively), and a Share Acquisition Right Purchase Price of 65,900 yen per one unit of Share Acquisition Right, which is the product of the difference between the Tender Offer Price under the proposal dated May 7, 2026 (1,320 yen) and the exercise price per Share Acquisition Right (661 yen), and the number of the Target Company Shares underlying one unit of the Share Acquisition Right (100 shares). To this, the Offeror was requested by the Target Company and the Special Committee, from a viewpoint of fully distributing a reasonable portion of the value expected to be realized by the execution of the Transactions to the general shareholders of the Target Company, to resubmit a proposal for the Tender Offer Price that fully takes the interests of the general shareholders of the Target Company into consideration.

In response to such a request from the Target Company, on May 7, 2026, the Offeror, having determined that, after further consideration to fully take the interests of the general shareholders of the Target Company into consideration, the Tender Offer Price under the proposal dated May 7, 2026 has given maximum value to the Target Company Shares and it would be difficult to further raise the proposed price, and made a final and second proposal of the day to the Target Company at the same price of 1,320 yen (which adds a premium of 33.33% relative to the closing price of 990 yen for the Target Company Shares on the Tokyo Stock Exchange, Standard Market on May 1, 2026, the business day prior to May 7, 2026, the date of such proposal, a premium of 41.48% relative to the simple average closing price for the one-month period ending on the same date of 933 yen, a premium of 39.39% relative to the simple average closing price for the three-month period ending on the same date of 947 yen, and a premium of 46.99% relative to the simple average closing price for the six-month period ending on the same date of 898 yen, respectively), and a Share Acquisition Right Purchase Price of 65,900 yen per one unit of Share Acquisition Right, which is the product of the difference between the Tender Offer Price under the proposal dated May 7, 2026 (1,320 yen) and the exercise price per Share Acquisition Right (661 yen), and the number of the Target Company Shares underlying one unit of the Share Acquisition Right (100 shares). Subsequently, the Offeror was informed by the Target Company and the Special Committee on May 12, 2026, that they would accept the Tender Offer Price and the Share Acquisition Right Purchase Price under the final proposal.

Furthermore, alongside the discussions regarding the Tender Offer Price above, the Offeror also held discussions with the Target Company on the contents of the Tender Offer Agreement. Specifically, on April 1, 2026, the Offeror requested the execution of the Tender Offer Agreement with the Target Company, held discussions regarding the contents of the transaction protection clause between mid-April 2026 and early

May 2026, and entered into the Tender Offer Agreement on May 13, 2026. For the details of the Tender Offer Agreement, please refer to "(C) Tender Offer Agreement" under "(6) Material agreements pertaining to the Tender Offer" below.

In addition, with the purpose of increasing the possibility of the successful completion of the Tender Offer, the Offeror proposed to Ms. Matsumoto, NGK, and Ms. Hayakawa on May 3, 2026, and to Mr. Watanabe and Mr. Nakata on May 4, 2026, to enter into a Tender Agreement, respectively, and entered into the Tender Agreements on May 13, 2026. Upon entering into the Tender Agreements, the Offeror, on the date it proposed to enter into the Tender Agreements respectively, presented to the Tendering Shareholders the tender offer price anticipated at such time, but did not receive any request for discussion or negotiation regarding the Tender Offer Price from the Tendering Shareholders, and has not held any discussions or negotiations regarding the Tender Offer Price with the Tendering Shareholders. Furthermore, on April 25, 2026, the Offeror proposed to the Shareholders to enter into a Tender/Non-Tender Agreement and a Memorandum of Understanding, and entered into the Tender/Non-Tender Agreement on May 13, 2026. For the details of the Tender/Non-Tender Agreement and the Memorandum of Understanding, please see "(B) Tender/Non-Tender Agreement" and "(D) Memorandum of Understanding" under "(6) Material agreements pertaining to the Tender Offer" below.

(ii) Basis of calculation

(a) Common shares

Upon determining the Tender Offer Price, the Offeror, in order to ensure the fairness of the Tender Offer Price, requested Houlihan Lokey, a financial advisor that is a third-party valuation agent who is independent from the Offeror, the Target Company, the Shareholders, and the Tendering Shareholders, to calculate the value of the Target Company Shares. Houlihan Lokey, after considering which valuation methods should be adopted from among multiple equity valuation methods in valuing the Target Company Shares, conducted a valuation of the share value per share of the Target Company Shares using the market price average method, comparable company analysis, and the DCF (discounted cash flow) method. The Offeror obtained a share valuation report ("**Share Valuation Report (HL)**") from Houlihan Lokey as of May 12, 2026. In addition, Houlihan Lokey does not fall under a related party of the Offeror, the Target Company, the Shareholders, or the Tendering Shareholders, and does not have an important conflict of interest regarding the Tender Offer. Furthermore, as the Offeror will take the measures described in "(3) Measures to ensure the fairness of the Tender Offer" under "1. Purpose of the Tender Offer", it believes that sufficient consideration is given to the interests of the general shareholders of the Company, and thus has not obtained an opinion regarding the fairness of the Tender Offer Price (fairness opinion) from Houlihan Lokey.

The ranges of the value per share of the Target Company Shares valued using the methods above are as set forth below:

Market price average method: 913 yen to 1,057 yen

Comparable company analysis: 640 yen to 967 yen

DCF method: 1,111 yen to 1,395 yen

Under the market price average method, with May 12, 2026 as the valuation date, the share value per share of the Target Company Shares were calculated to be in the range of 913 yen to 1,057 yen, based on the closing price of the Target Company Shares on the Tokyo Stock Exchange Standard Market on the valuation date of 1,057 yen, the simple average of the closing prices over the one-month period ending on the valuation date of 957 yen, the simple average of the closing prices over three-month period ending on the valuation date of 954 yen, and the simple average of the closing prices over the six-month period ending on the valuation date of 913 yen.

With the comparative company analysis, VECTOR Inc., PRAP Japan, Inc., Kyodo Public Relations Co., Ltd., MATERIAL GROUP INC., and SOCIALWIRE CO., LTD. were selected as companies with similar profitability and growth potential among listed companies engaged in a business with certain similarities to that of the Target Company, and the enterprise value of the Target Company was calculated using multiples of EBITDA and EBIT to enterprise value. After adjusting for non-operating assets, interest-bearing debt, and other relevant items, the per-share value of the Target Company Shares was calculated to be in the range of 640 yen to 967 yen.

Under the DCF method, Houlihan Lokey has analyzed the value of the Target Company Shares is analyzed to be 1,111 yen to 1,395 yen, by calculating the value of the Target Company Shares by discounting the free cash flow expected to be generated by the Target Company in and after the fiscal year ending June 2026 to its present value at a specific discount rate, based on the Target Company's revenue forecast for the period from the fiscal year ending June 2026 to the fiscal year ending June 2030 as adjusted by the Offeror, based on revenue forecasts and investment plans in the Target Company's 5-year business plan for the period from the fiscal year ending June 2026 to the fiscal year ending June 2030 (the "**Business Plan**"; the Business Plan does not assume the execution of the Tender Offer, and since the synergy effects expected to be realized through the Transactions are difficult to estimate specifically at this point, they have not been added to the financial forecasts), the results of the due diligence review of the Target Company conducted by the Offeror between early March 2026 and early April 2026, the securities report and summary of financial results of the Target Company, and the financial information published on its website, and other factors. The financial forecasts under the Business Plan of the Target Company used as assumptions under the DCF method include fiscal years during which profits and cash flows are expected to fluctuate substantially. Specifically, in the fiscal year ending June 2026, operating profit is expected to increase significantly through the increase in sales and improvement of profit margins, but with an even greater increase in working capital, the free cash flow is expected to decrease significantly. In the fiscal year ending June 2027, the amount of increase in the working capital balance is expected to decline year on year, and the free cash flow is expected to increase significantly as a result. Furthermore, the financial forecast of the Target Company includes the business of BILCOM, Inc., which the Target Company acquired on March 2, 2026, from the 4$^{th}$ quarter of the year ending June 2026.

The Offeror, upon comprehensive consideration of the fact that the Tender Offer Price is higher than the range of the valuation results under the market price average method and the comparable company analysis, it is within the range of the valuation results under the DCF method as indicated in the Share Valuation Report (HL)obtained from Houlihan Lokey, as well as the results of the due diligence review on the Target Company conducted by the Offeror between early March 2026 to early April 2026, the support or opposition to the Tender Offer by the Board of Directors of the Target Company, and the outlook for the number of tenders in the Tender Offer, and in consideration of the results of discussions and negotiations with the Target Company, ultimately determined to set the Tender Offer Price at 1,320 yen by a resolution of the meeting of the Board of Directors held on May 13, 2026.

The Tender Offer Price of 1,320 yen, which adds a premium of 24.88% relative to the closing price of 1,057 yen for the Target Company Shares on the Tokyo Stock Exchange, Standard Market on May 12, 2026, the business day prior to the date of disclosure of the Tender Offer, a premium of 37.93% relative to the simple average closing price for the one-month period ending on the same date of 957 yen, a premium of 38.36% relative to the simple average closing price for the three-month period ending on the same date of 954 yen, and a premium of 44.58% relative to the simple average closing price for the six-month period ending on the same date of 913 yen, respectively.

(Note) Houlihan Lokey assumed that public information and all information provided by the Target Company to Houlihan Lokey were accurate and complete when calculating the value of the Target Company Shares, and has not independently verified the accuracy and completeness of such information. It has not conducted its own valuation, appraisal, or assessment of the assets or liabilities (including financial derivatives, off-book assets and liabilities, and other contingent liabilities) of the Target Company, including analysis and valuation of individual assets and liabilities, nor has it requested a third-party agent to conduct such an appraisal or assessment. In addition, the Share Valuation Report (HL) has been prepared on the assumption that there are no material undisclosed facts, litigations, disputes, environment, tax, or other contingent liabilities, or off-book liabilities regarding the Target Company. Houlihan Lokey assumes that the Target Company’s financial forecast (including the profit plan and other information), taken from the Business Report provided by the Target Company with certain adjustments made by the Offeror, and approved by the Target Company for use by Houlihan Lokey, has been reasonably prepared based on the best forecasts and decisions of the management of the Offeror available as of now. Houlihan Lokey’s calculation reflects information and economic conditions obtained by Houlihan Lokey as of May 12, 2026. The sole purpose of Houlihan Lokey’s calculation is to serve as a reference for the Target Company’s Board of Directors in examining the value of the Target Company Shares.

(b) Share Acquisition Rights

With respect to the Share Acquisition Rights, as of the date hereof, the exercise price per Target Company

Share (661 yen) falls below the Tender Offer Price (1,320 yen). Accordingly, the Offeror has determined the Share Acquisition Right Purchase Price to be the product of the Tender Offer Price of 1,320 yen and the number of the Target Company Shares underlying the Share Acquisition Rights (100 shares). Specifically, the Share Acquisition Right Purchase Price is determined as the product of the difference between the exercise price per Target Company Share of 661 yen (659 yen), and 100.

In addition, under the terms of issuance of the share acquisition rights and the share acquisition right third-party allotment agreement, the acquisition of the Share Acquisition Rights by transfer requires the approval of the Board of Directors of the Company. The Target Company has resolved at the meeting of the Board of Directors held on May 13, 2026, that, conditional upon the successful completion of the Tender Offer, a blanket approval will be granted for the transfer by the Share Acquisition Right Holders of the Share Acquisition Rights held by them through the tendering of the Share Acquisition Rights in the Tender Offer.

As the Offeror has determined the Share Acquisition Right Purchase Price as described above, it has not obtained any valuation statement or opinion (fairness opinion) from a third-party valuation agent.

(C) Target Company's opinion concerning the Tender Offer, and basis and reason

(i) Structuring of a deliberation system

As described in "(A) Background, purpose, and decision-making process that led to the Offeror's implementation of the Tender Offer" above, on January 22, 2026, the Target Company received from the Offeror a preliminary contemplated acquisition structure for the Transactions, including conducting a tender offer, making the Target Company a wholly-owned subsidiary through a share exchange, and a subsequent management integration, together with multiple implementation schedule proposals aimed at execution during 2026. Subsequently, at a meeting between the Target Company and the Offeror held on February 6, 2026, the Target Company responded with its intent to consider the proposal above on the preliminary contemplated acquisition structure for the Transactions, including conducting a tender offer, making the Target Company a wholly-owned subsidiary through a share exchange, and a subsequent management integration, together with multiple implementation schedules, received on January 22, 2026, and both parties discussed the timing of execution of a non-binding letter of intent and the matters to be stated thereon. Thereafter, on February 27, 2026, the Target Company received the Proposal from the Offeror. Upon receiving the Proposal, on March 2, 2026, the Target Company appointed EYSC as a financial advisor and third-party valuation agency independent from the Offeror Group, the Target Company Group, the Shareholders, and the Tendering Shareholders, and NO&T as a legal advisor independent from the Offeror Group, the Target Company Group, the Shareholders, and the Tendering Shareholders, respectively, in order to commence deliberations including whether or not the Transactions should be executed, and informed the Offeror that it will deliberate on the proposed details after structuring a system necessary for deliberating on the Transactions.

In addition, as of this date, the Offeror does not own the Target Company Shares or the Share Acquisition Rights, and the Tender Offer does not fall under a tender offer by a controlling shareholder, other affiliated companies, or other persons stipulated in the Enforcement Rules for Securities Listing Regulations (Tokyo Stock Exchange). Furthermore, although NF in which Ms. Tsugihara holds all of the voting rights will acquire the shares of the Offeror through the Share Exchange, the Offeror will not receive a contribution of all or a part of the funds for acquisition, or any or all of the management of the Target Company other than Ms. Tsugihara is expected to directly or indirectly contribute to the Offeror, and accordingly, the Transactions including the Tender Offer do not fall under the so-called MBO (management buy-out). However, considering that (A) the Transactions aim to delist the Target Company Shares and have a significant effect on the general shareholders of the Target Company, and (B)(a) since NF, the Target Company's other affiliated company, will indirectly hold the Target Company Shares through the continued holding of the shares of the Offeror after the Transactions, and Ms. Tsugihara, who is the Representative Director of the Target Company and the Representative Director of NF, is expected to continue participating in the management of the Offeror and the Target Company, the Tender Offer may fall under an act that is equivalent to an MBO, etc., and (b) since the Offeror is expected to enter into a Tender Agreement (Mr. Watanabe) with Mr. Watanabe, the Representative Director of the Target Company, the interests of the Shareholders and Mr. Watanabe on the one hand, and the interest of the general shareholders of the Target Company may not necessarily align, in order to appropriately ensure the interests of the general shareholders of the Target Company, eliminating the risk of arbitrariness and conflict-of-interest in the Target Company's decision-making process concerning the decision to execute the Transactions including the Tender Offer, thereby securing the fairness and transparency of the Transactions, as described in "(C) Establishment of an independent Special Committee at the Target Company and receipt of an advisory report from the Special Committee" in "(3) Measures to secure the fairness of the Tender Offer" below, upon a resolution of the Board of Directors of the Target Company held on March 2, 2026, a special committee ("**Special Committee**") was established, comprising Mr. Toru Nagai (External Director of the Target Company, independent officer), Ms. Mari Fujii (External Director (Audit and Supervisory Committee Member), independent officer), and Ms. Keiko Hattori (External Director (Audit and Supervisory Committee Member), independent officer), all of whom are independent from the Offeror Group, the Target Company Group, the Shareholders, and the Tendering Shareholders, or from the success or failure of the Transactions. The Special Committee was consulted on: (i) the legitimacy and reasonableness of the purpose of the Transactions (including whether or not the Transactions will contribute to the enhancement of the Target Company's corporate value), (ii) the fairness of the terms of the Transactions (including the fairness of the level of the purchase price, the method of purchase, and the types of consideration for the purchase), (iii) the fairness of the procedures pertaining to the Transactions (including whether or not sufficient measures to ensure the fairness of the terms of transactions have been taken), (iv) whether or not the Board of Directors of the Target Company should support the Tender Offer which will be implemented as a part of the Transactions, and whether or not a recommendation should be made to the shareholders of the Target Company and the Share Acquisition Right Holders to tender their shares and share acquisition rights in the Tender Offer, and (v) whether or not the Transactions including the Tender Offer are fair to the general shareholders of the Target Company (the matters in (i) to (v) above collectively, the "**Consulted Matters**").

(Note) "MBO (Management buyout)" is a transaction in which the tender offeror is the Target Company's officers (including a tender offer conducted by the tender offeror at the request of the officers of the target company, and in which the interests of the target company's officers and the tender offeror are aligned) (see Article 441 of the Securities Listing Regulations (Tokyo Stock Exchange) (the "**Securities Listing Regulations**")).

Furthermore, as described in "(F) Structuring of an independent deliberation system at the Target Company" in "(3) Measures to ensure the fairness of the Tender Offer" below, the Target Company, taking into account advice from NO&T, structured a system internally to deliberate, negotiate, and make decisions regarding the Transactions (including the scope and job duties of officers and employees involved in the deliberation, negotiation, and making of decisions regarding the Transactions) from a position independent from the Offeror Group, the Shareholders, or the Tendering Shareholders, and has obtained approval of the Special Committee that such deliberation system has no issues from the viewpoint of independence and fairness.

(ii) Background of deliberations and negotiations

The Target Company has received from EYSC reporting on the results of valuation of the Target Company Shares, advice on the policy for negotiations with the Offeror, and other advice from a financial standpoint, and from NO&T advice on measures to ensure the fairness of procedures under the Transactions and other legal advice. Based on such reporting and advice, the Target Company has held multiple discussions and negotiations with the Offeror on the Transactions and the reasonableness of the transaction terms and performed careful deliberations, while fully respecting the opinion of the Special Committee.

In addition, after the Target Company received the Proposal from the Offeror on February 27, 2026, and established a Special Committee pursuant to the resolution of the meeting of the Board of Directors held on March 2, 2026, the Target Company and the Special Committee have been continuously engaging in discussions and negotiations with the Offeror regarding the execution of the Transactions.

Specifically, the Special Committee interviewed the Offeror online on March 19, 2026, and received an explanation on the background and purpose of the Tender Offer from the Offeror, and had a question and answer session on: (i) the reasons for deciding to pursue the Transactions with the Target Company, (ii) the structure of the Transactions and the scope of management integration and the reasons thereof, (iii) the specific method of management integration, (iv) the method for creating synergies, (v) the governance structure and organizational design following the Transactions, (vi) the management structure following the Transactions, and (vii) talent exchange. Subsequently, on March 25, 2026, the Target Company and the Special Committee sent additional questions to the Offeror in writing regarding the matters set forth in (i) to (vii) above, and received a written response from the Offeror on April 5, 2026. Based on such response, among other materials, the Target Company deliberated on whether or not the Transactions will contribute to the enhancement of the corporate value of the Target Company, and whether the transaction structure and governance arrangements contemplated as part of the Transaction—namely, that the Offeror would change its trade name to "SUNNYS HOLDINGS Inc. (tentative name)", that the Shareholders would participate as shareholders of the Offeror, and that Ms. Tsugihara and Mr. Koda would jointly serve as Representative Directors of the Offeror, thereby establishing a structure to drive the growth of both the Offeror Group and the Target Company Group—constitute an appropriate structure and management framework for pursuing the intended management integration.

With respect to the Tender Offer Price, the Target Company received a proposal from the Offeror on April 1, 2026, setting the Tender Offer Price at 1,200 yen (which adds a premium of 38.73% relative to the closing price of 865 yen for the Target Company Shares on the Tokyo Stock Exchange, Standard Market on March 31, 2026, the business day prior to the date of the proposal, a premium of 26.32% relative to the simple average closing price for the one-month period ending on the same date of 950 yen, a premium of 28.62% relative to the simple average closing price for the three-month period ending on the same date of 933 yen, and a premium of 38.89% relative to the simple average closing price for the six-month period ending on the same date of 864 yen, respectively). There was no proposal on the Share Acquisition Right Purchase Price in the proposal, as the Offeror was still considering the Share Acquisition Right Purchase Price based on the Tender Offer Price and the exercise price per one unit of the share acquisition right. To this, on April 6, 2026, the Target Company and the Special Committee requested the Offeror to resubmit a proposal for the Tender Offer Price on the grounds that the Initial Offer Price is not at a sufficient level as a distribution of the increased corporate value expected to result from the execution of the Transactions to the general shareholders of the Target Company. Furthermore, on April 7, 2026, the Target Company and the Special Committee sent additional questions and requests to the Offeror in writing regarding: (i) the proposal of a price taking into consideration the synergies expected from the Transactions, (ii) the policy on the organizational design of the Target Company and the Offeror following the Transactions, and (iii) the business policy and management policy of the Target Company following the Transactions.

Thereafter, the Target Company received from the Offeror on April 9, 2026 a written response to the additional questions and requests by the Target Company dated April 7, 2026, which stated that: (i) with respect to the Target Company's corporate governance structure, the Offeror intends, as a general matter, to maintain the current structure of a company with an audit and supervisory committee even after the Target Company is taken private; (ii) with respect to the composition of the Offeror's management following the management integration, the Offeror contemplates a joint representative structure involving Mr. Koda and Ms. Tsugihara, and intends to determine the optimal management structure through future discussions between the Offeror and the Target Company; and (iii) in principle, the Offeror intends to maintain the employment and working conditions of the Target Company Group's employees for a certain period following the management integration. In addition, together with such response, on April 9, 2026, the Target Company received from the Offeror a second proposal of the Tender Offer Price of 1,260 yen (which adds a premium of 32.77% relative to the closing price of 949 yen for the Target Company Shares on the Tokyo Stock Exchange, Standard Market on April 8, 2026, the business day prior to April 9, 2026, the date of such proposal, a premium of 35.34% relative to the simple average closing price for the one-month period ending on the same date of 931 yen, a premium of 34.90% relative to the simple average closing price for the three-month period ending on the same date of 934 yen, and a premium of 44.50% relative to the simple average closing price for the six-month period ending on the same date of 872 yen, respectively). There was no proposal on the Share Acquisition Right Purchase Price in the 2nd proposal, as the Offeror was still considering the Share Acquisition Right Purchase Price based on the Tender Offer Price and the exercise price per one unit of the share acquisition right. To this proposal, the Target Company and the Special Committee determined on April 10, 2026, that the proposed price does not appropriately reflect the value expected to be realized through the execution of the Transactions, and could not be seen as a price level that reflects an appropriate distribution of a reasonable portion of such value to the general shareholders of the Target Company, and requested the Offeror to resubmit a proposal for the Tender Offer Price. In addition, it sent the Questions to the Offeror.

Subsequently, the Target Company received from the Offeror on April 14, 2026 a third proposal of the Tender Offer Price of 1,290 yen (which adds a premium of 40.98% relative to the closing price of 915 yen for the Target Company Shares on the Tokyo Stock Exchange, Standard Market on April 13, 2026, the business day prior to April 14, 2026, the date of such proposal, a premium of 39.76% relative to the simple average closing price for the one-month period ending on the same date of 923 yen, a premium of 37.82% relative to the simple average closing price for the three-month period ending on the same date of 936 yen, and a premium of 47.43% relative to the simple average closing price for the six-month period ending on the same date of 875 yen, respectively). In addition, on the same day, the Offeror responded to the Questions from the Target Company dated April 10, 2026, that although it expects a certain level of synergy through the execution of the Transactions, it would depend on the timing of execution and the feasibility of each of the measures following the integration, making it difficult to provide a specific and reasonable estimate at that point. There was no proposal on the Share Acquisition Right Purchase Price in the 3rd proposal, as the Offeror was still considering the Share Acquisition Price Purchase Price based on the Tender Offer Price and the exercise price per one unit of the share acquisition right. To this proposal, the Target Company and the Special Committee determined on April 17, 2026, that the proposed price does not appropriately reflect the value expected to be realized through the execution of the Transactions, and could not be seen as a price level that reflects an appropriate distribution of a reasonable portion of such value to the general shareholders of the Target Company, and requested the Offeror to re-submit a proposal for the Tender Offer Price.

Thereafter, the Target Company received from the Offeror on April 21, 2026 a fourth proposal of the Tender Offer Price of 1,295 yen (which adds a premium of 38.21% relative to the closing price of 937 yen for the Target Company Shares on the Tokyo Stock Exchange, Standard Market on April 20, 2026, the business day prior to April 21, 2026, the date of such proposal, a premium of 41.38% relative to the simple average closing price for the one-month period ending on the same date of 916 yen, a premium of 37.91% relative to the simple average closing price for the three-month period ending on the same date of 939 yen, and a premium of 46.66% relative to the simple average closing price for the six-month period ending on the same date of 883 yen, respectively). At the same time, it received a proposal for the Share Acquisition Right Purchase Price of 63,400 yen, which is the product of the difference between the Tender Offer Price and the exercise price per Target Company Share of the Share Acquisition Right of 661 yen, and the number of the Target Company Shares underlying one unit of the Share Acquisition Right (100 shares).

To this proposal, the Target Company and the Special Committee determined on April 22, 2026, that the proposed price does not appropriately reflect the value expected to be realized through the execution of the Transactions, and could not be seen as a price level that reflects an appropriate distribution of a reasonable portion of such value to the general shareholders of the Target Company, and requested the Offeror to resubmit a proposal for the Tender Offer Price.

Thereafter, the Target Company received from the Offeror on April 24, 2026 a fifth proposal of the Tender Offer Price of 1,295 yen (which adds a premium of 40.76% relative to the closing price of 920 yen for the Target Company Shares on the Tokyo Stock Exchange, Standard Market on April 23, 2026, the business day prior to April 24, 2026, the date of such proposal, a premium of 40.91% relative to the simple average closing price for the one-month period ending on the same date of 919 yen, a premium of 37.47% relative to the simple average closing price for the three-month period ending on the same date of 942 yen, and a premium of 45.83% relative to the simple average closing price for the six-month period ending on the same date of 888 yen, respectively), and a Share Acquisition Right Purchase Price of 63,400 yen, which are the same prices as under the fourth proposal. To this, on April 28, 2026, the Target Company and the Special Committee commented that the price level of the proposed price still does not appropriately distribute a reasonable portion of the value expected to be realized through the Transactions to the general shareholders of the Target Company, and requested a resubmission of the Tender Offer Price that sufficiently takes the interests of the general shareholders of the Target Company into consideration.

Thereafter, on May 1, 2026, the Special Committee had a discussion with the Offeror and explained that the proposed price in the fifth proposal is above the Target Company's all-time-high of 1,276 yen (January 23, 2020, intraday), and considers the interests of the general shareholders of the Target Company to the maximum extent. In addition, with respect to the management policy following the Transactions, the Offeror explained that, with the aim of realizing the synergies described in "(A) Background, purpose, and decision-making process that led to the Offeror's implementation of the Tender Offer" above, the parties intend to work cooperatively as partners to jointly pursue the enhancement of corporate value over the medium to long term through a business integration, while respecting each other's business strategies and corporate cultures to the fullest extent possible.

Furthermore, on May 6, 2026, the Special Committee once again had a discussion with the Offeror. The Special Committee commented that the proposed price under the fifth proposal still cannot be considered as a price level that appropriately distributes a reasonable portion of the value expected to be realized through the Transactions to the general shareholders of the Target Company, and requested a resubmission of the Tender Offer Price.

On May 7, 2026, the Target Company received from the Offeror a sixth proposal for a Tender Offer Price of 1,320 yen (which adds a premium of 33.33% relative to the closing price of 990 yen for the Target Company Shares on the Tokyo Stock Exchange, Standard Market on May 1, 2026, the business day prior to May 7, 2026, the date of such proposal, a premium of 41.48% relative to the simple average closing price for the one-month period ending on the same date of 933 yen, a premium of 39.39% relative to the simple average closing price for the three-month period ending on the same date of 947 yen, and a premium of 46.99% relative to the simple average closing price for the six-month period ending on the same date of 898 yen, respectively), and a Share Acquisition Right Purchase Price of 65,900 yen. To this, the Target Company and the Special Committee requested that the Offeror, from a viewpoint of fully distributing a reasonable portion of the value expected to be realized by the execution of the Transactions to the general shareholders of the Target Company, resubmit a proposal for the Tender Offer Price that fully takes the interests of the general shareholders of the Target Company into consideration.

Subsequently, on May 7, 2026, the Target Company received from the Offeror, who, having determined that, after further consideration to fully take the interests of the general shareholders of the Target Company into consideration, the Tender Offer Price under the proposal dated May 7, 2026 has given maximum value to the Target Company Shares and it would be difficult to further raise the proposed price, a final and second proposal of the day at the same price of 1,320 yen (which adds a premium of 33.33% relative to the closing price of 990 yen for the Target Company Shares on the Tokyo Stock Exchange, Standard Market on May 1, 2026, the business day prior to May 7, 2026, the date of such proposal, a premium of 41.48% relative to the simple average closing price for the one-month period ending on the same date of 933 yen, a premium of 39.39% relative to the simple average closing price for the three-month period ending on the same date of 947 yen, and a premium of 46.99% relative to the simple average closing price for the six-month period ending on the same date of 898 yen, respectively), and a Share Acquisition Right Purchase Price of 65,900 yen. To this, although the Target Company and the Special Committee requested price increases on multiple occasions and engaged in sincere negotiations with the Offeror, the Offeror maintained a firm position that it would not raise the Tender Offer Price, and it was determined that obtaining any further price increase would be difficult. After careful discussion and consideration as described in "(iii) Decision details" below, the Target Company and the Special Committee determined that, in a business environment in which intensified competition in the IP business and the technology and digital domains makes it essential to undertake rapid and large-scale growth investments, share networks, and deploy highly specialized personnel, the Transactions will enable the integrated utilization of management resources and are expected to contribute to enhancing the Target Company's corporate value. In addition, there are precedent transactions in which premiums at levels comparable to the premium represented by the Tender Offer Price were offered, and the Tender Offer Price exceeds the Target Company's highest share price since its listing. Accordingly, the Target Company and the Special Committee concluded that the Transactions would provide the Target Company's shareholders with an opportunity to sell their shares at a reasonable premium and, on May 12, 2026, informed the Offeror that they accepted the Tender Offer Price and the Share Acquisition Right Purchase Price set forth in the final proposal.

(iii) Decision details

Under such circumstances, the Target Company, taking into account the legal advice from NO&T, its legal advisor, the advice from a financial perspective from EYSC, its third party valuation agency and financial advisor, and the contents of the share valuation report obtained from EYSC on May 12, 2026 (the "**Share Valuation Report (EYSC)**"), and respecting the decision of the Special Committee described in the written report submitted by the Special Committee on May 12, 2026 (the "**Written Report**") to the maximum extent, held careful discussions and deliberations, including from the viewpoint of whether it would be possible to enhance the corporate value of the Target Company through the Transactions, or whether the Tender Offer Price is reasonable. As a result, the Target Company concluded that the Transactions will contribute to the enhancement of the corporate value of the Target Company from the standpoints below.

(a) Increased acceleration of strategic investments aiming for growth

The Target Company Group has established a strategic investment framework covering the three-year period beginning with the fiscal year ending June 2024, focusing on investments in human resources, technology, and DX-related initiatives, and has actively promoted investments in talent that support business growth, particularly through enhanced recruiting and expanded training and development programs. These investments are thought to be essential to ensure the probability of medium and long term growth. However, under the current structure as a listed company, where consideration must be given to the interests of minority shareholders, including the maintenance of financial soundness and the maintenance and enhancement of dividends, the Target Company recognizes that investments in human resources and technology in particular involve certain risks, as they require a considerable period of time before generating returns and may, in the short term, affect operating profit and cause fluctuations in cash flow. The Target Company also believes that debt financing imposes constraints on agile investment due to interest burdens and financial covenants, and that there are limits to its ability to independently undertake large-scale and discontinuous investments in response to changes in the market environment. The Target Company believes that, through the Transactions, by becoming a wholly-owned subsidiary of the Offeror and being taken private, it will be able to receive direct funding backed by the Offeror's strong financial base from a long-term perspective, without being constrained by quarterly earnings fluctuations, short-term stock market evaluations, or the need to secure funds for dividends. The Target Company further believes that this will enable it to secure a level of investment scale and agility that would be difficult to achieve through borrowings or other forms of financing, and that the likelihood of successfully executing its investment plans will be enhanced by receiving capital from the Offeror Group, which possesses expertise and know-how relating to the business. As a result, the Target Company Group believes that it will be able to further accelerate the strategic investments it has pursued independently to date and achieve discontinuous growth beyond the limits of organic growth.

(b) Next-stage expansion of the IP business through the integration of know-how

The Target Company Group intends to achieve medium- to long-term growth in its IP business, building on the growth of "Happy Lottery," a merchandise planning business utilizing IP content, as well as its track record in branding and licensing of bills, a globally operated restaurant brand established by renowned restaurateur Bill Granger, who opened the first location in Sydney, Australia. However, under the current framework of the parties' business relationship, the Target Company Group and the Offeror Group remain separate and independent legal entities, and, from the standpoint of protecting confidential business information, the sharing of their respective networks relating to IP content and sales channels is expected to remain limited. In addition, because the IP business is characterized by extremely rapid changes in trends and requires immediate decision-making, the Target Company believes that maintaining the parties as separate entities would impede agile business development, as transaction terms would need to be negotiated on a case-by-case basis. The Target Company believes that, through the Transactions, by becoming a wholly-owned subsidiary of the Offeror and being taken private, the organizational boundaries between the two parties will be eliminated, allowing the Target Company Group to combine what it believes to be its strengths in discovering promising IP content, planning capabilities, and relationships and transaction experience with stakeholders involved in branding, with the Offeror Group's transaction experience with holders of anime, character, and other IP, as well as its expertise in global e-commerce. As a result, the Target Company believes that it will be able to discover IP content and develop global markets beyond its existing distribution network that could not have been achieved through the Target Company Group's network alone. By sharing the expertise of both parties at the operational level, the Target Company believes that it will be able to identify new IP content and expand sales channels, thereby transforming the IP business into a driver of discontinuous growth.

(c) Rebuilding competitive advantage in the digital and technology domains

The Target Company Group has stated that, for the purpose of complementing its capabilities in the technology domain, it acquired BILCOM, Inc. as a subsidiary in March 2026 and is focusing on the integrated provision of BILCOM's cloud-based PR effectiveness measurement tool, PR Analyzer, and advertising media database together with the PR support services offered through the Target Company Group's brand communication business. Under its current structure as an independent listed company, the Target Company has been building a sales organization to offer PR Analyzer and related services to its PR clients. However, it believes that its ability to secure the development personnel necessary to expand functionalities in response to customer needs is constrained by the limits of its own management resources. Also, if the relationship with the Offeror Group were limited to a business alliance or a capital relationship, there would be limitations on its ability to leverage the Offeror Group's personnel and know-how in IT services, data analytics, cybersecurity, and AI development due to concerns relating to confidentiality and conflicts of interest. Accordingly, the Target Company believes that expanding the functionality of PR Analyzer and implementing advanced AI-driven data analytics using only its own management resources would not be sufficient to rebuild a competitive advantage. The Target Company believes that, by choosing full ownership through the Transactions and transitioning to a structure in which management resources can be optimally allocated within a single organization, it will become possible to directly deploy the Offeror Group's highly specialized personnel in IT services, data analytics, and AI development to the Target Company Group's business. As a result, the Target Company believes that it will be able to deliver greater value to customers through enhanced analytical capabilities and improved usability, thereby rebuilding its competitive advantage in the market.

As a result of the Target Company Shares being taken private, the Target Company will no longer be able to raise funds through equity financing in the capital markets and will lose the benefits it has enjoyed as a listed company, including enhanced social credibility. However, the Target Company believes that, because its equity ratio for the fiscal year ending June 2025 was 43.7% and it has a sufficient level of shareholders' equity, there is no significant need for equity financing in the near term in light of its financial condition. In addition, because the Target Company will become a wholly owned subsidiary of the Offeror following the Transactions, it believes that it will be able to obtain financing, as necessary, from financial institutions and other lenders that have business relationships with the Offeror Group. Furthermore, after the Transactions, the Target Company will become a member of the Offeror Group, whose shares are listed on the Prime Market of the Tokyo Stock Exchange, and will be able to leverage the Offeror Group's name recognition and social credibility. Accordingly, the Target Company believes that ceasing to be a listed company will not adversely affect its business partners or employees. The Target Company has also stated that it does not have any existing shareholders on whom it depends in its business relationships, and therefore believes that the termination of capital relationships with existing shareholders as a result of the Transactions will have no adverse impact.

As described above, the Target Company believes that the Transactions, including the Tender Offer, will contribute to the enhancement of the corporate value of the Target Company Group. Meanwhile, the Target

Company has determined that the Tender Offer Price takes into consideration various circumstances, including the points below, and is a reasonable price that ensures the interests to be enjoyed by the general shareholders of the Target Company, and the Tender Offer is a reasonable opportunity for the general shareholders of the Target Company to sell the Target Company Shares at a price with an appropriate premium.

(i) The Tender Offer Price exceeds, among the results of the valuation of the Target Company Shares described in "(B) Obtaining by the Target Company of a share valuation report from an independent third-party valuation agent" under "(3) Measures to ensure the fairness of the Tender Offer", the upper end of the valuation ranges derived from the market price average method and the comparable company analysis, while remaining within the valuation range derived from the DCF method, as set forth in the Share Valuation Report (EYSC), and can be evaluated to be at a reasonable level in light of such valuation results.

(ii) The Tender Offer Price, which adds a premium of 24.88% relative to the closing price of 1,057 yen for the Target Company Shares on the Tokyo Stock Exchange, Standard Market on May 12, 2026, the business day prior to the date of disclosure of the Tender Offer, a premium of 37.93% relative to the simple average closing price for the one-month period ending on the same date of 957 yen, a premium of 38.36% relative to the simple average closing price for the three-month period ending on the same date of 954 yen, and a premium of 44.58% relative to the simple average closing price for the six-month period ending on the same date of 913 yen, respectively. Such premium, compared to the mean value of the level of premiums (a premium of 39.16% over the closing price on the business day immediately preceding the announcement date, 41.60% over the simple average of the daily closing prices during the one-month period ending on the business day immediately preceding the announcement date, 42.63% over the simple average of the daily closing prices during the three-month period ending on the business day immediately preceding the announcement date, and 43.37% over the simple average of the daily closing prices during the six-month period ending on the business day immediately preceding the announcement date) in 277 cases ("**Referenced Cases**") of tender offer bids announced and completed between June 28, 2019 and March 31, 2026 published in the "Fair M&A Guidelines" by the Ministry of Economy, Trade, and Industry, in which the ratio of the voting rights held by the offeror and its specially-related parties after the tender offer was two-thirds or more (excluding cases involving management buyouts (MBOs), issuer tender offers (self-tender offers), acquisitions at prices below the market price (so-called discount tender offers), as well as cases in which the target company is unlisted, listed on the TOKYO PRO Market, or is an investment corporation), (i) cannot necessarily be regarded as high when compared with the closing price on the business day immediately preceding the announcement date, the simple average of the daily closing prices during the one-month period ending on such date, and the simple average of the daily closing prices during the three-month period ending on such date, the distribution of premium rates in the reference transactions set forth in the table below indicates that there are multiple comparable cases in which premiums at similar levels were offered—specifically, 42 cases relative to the closing price on the business day immediately preceding the announcement date, 50 cases relative to the simple average of the daily closing prices during the one-month period ending on such date, and 64 cases relative to the simple average of the daily closing prices during the three-month period ending on such date, and each of these premium levels exceeds, at a minimum, the lowest premium bracket (20% or less); and (ii) because the Tender Offer Price exceeds the simple average of the daily closing prices during the six-month period ending on such date under the Referenced Transactions, and is also higher than the Target Company's all-time high share price of 1,276 yen (recorded intraday on January 23, 2020), the Tender Offer Price cannot be regarded as unreasonable from the perspective of the level of premium offered over the market price.

| Distribution of premium rates in the referenced cases | | | | |
|---|---|---|---|---|
| Premium rate | Closing price on the business day immediately preceding the announcement date (valuation date) | Simple average of the daily closing prices during the one-month ending on the valuation date | Simple average of the daily closing prices during the three-month ending on the valuation date | Simple average of the daily closing prices during the six-month ending on the valuation date |
| 20% or less | 51 cases | 29 cases | 20 cases | 19 cases |
| Over 20% to 30% or less | 42 cases | 49 cases | 40 cases | 42 cases |
| Over 30% to 40% or less | 48 cases | 50 cases | 64 cases | 58 cases |
| Over 40% to 50% or less | 52 cases | 55 cases | 62 cases | 53 cases |
| Over 50% | 84 cases | 94 cases | 91 cases | 105 cases |

(iii) As described in "(3) Measures to ensure the fairness of the Tender Offer" below, the Tender Offer Price was agreed after sufficient negotiations between the Target Company and the Offeror, after taking sufficient measures to ensure the fairness of the transaction terms relating to the Transactions, including the Tender Offer Price, and with the substantial involvement of the Special Committee.

(iv) As stated in "(C) Establishment of an independent Special Committee at the Target Company and receipt of an advisory report from the Special Committee" under "(3) Measures to ensure the fairness of the Tender Offer" below, the Advisory Report obtained from the Special Committee has also determined that the transaction terms relating to the Transactions, including the Tender Offer Price, are fair.

(v) As described in "(3) Measures to ensure the fairness of the Tender Offer" below, it is recognized that adequate measures have been implemented to ensure the fairness of the transaction terms relating to the Transactions, including the Tender Offer Price, and that consideration has been given to the interests of the Target Company's general shareholders.

In addition, the Share Acquisition Right Purchase Price, which is the product of the difference between the Tender Offer Price and the exercise price per Target Share of the Share Acquisition Right of 661 yen and the number of the Target Shares underlying one unit of Share Acquisition Right (100 shares), has been determined based on the Tender Offer Price, and based on (i) to (iv) above, the Tender Offer is considered to provide a reasonable opportunity to the Share Acquisition Right Holders to sell the Share Acquisition Rights.

Based on the above, the Target Company has resolved at the meeting of the Board of Directors held on May 13, 2026 to express its opinion in support of the Tender Offer, as well as to recommend the shareholders of the Target Company and the Share Acquisition Right Holders to tender their shares or share acquisition rights in the Tender Offer.
For details regarding the resolution of the meeting of the Board of Directors of the Target Company, please refer to "(E) Approval of all directors (including directors who are audit and supervisory committee members) of the Target Company who do not have a conflict-of-interest" in "(3) Measures to ensure the fairness of the Tender Offer" below.

(D) Management policy after the Tender Offer

The management policy after the Tender Offer will be discussed and determined between the Offeror Group and the Target Company Group, with the aim of creating synergies as described in "(A) Background, purpose, and decision-making process that led to the Offeror's implementation of the Tender Offer" above. Through the management integration, the parties intend to work collaboratively as partners aiming to enhance corporate value over the medium to long term, while fully respecting each other's business strategies and corporate cultures to the greatest extent possible.

Furthermore, as a part of the Transactions, the Offeror intends to change the trade name to "SUNNYS HOLDINGS Inc. (tentative name)". SUNNYS HOLDINGS Inc. (tentative name) will establish a management structure that aims to maximize the synergy of the group as a whole and to sophisticate strategy execution, and will be represented jointly by Ms. Tsugihara and Mr. Koda as the Representative Directors. Other details of management structure will be determined upon discussion with the Target Company following the conclusion of the Tender Offer, but in principle, respect will be paid to the independence and culture of each company, and the current management is expected to play a leading role in the business operations. Furthermore, for a certain period following the management integration, the employment/working conditions of the Target Company Group's employees are envisioned to be maintained in principle. In addition, upon discussion with the Target Company, the parties also contemplate promoting mutual personnel exchange where deemed beneficial to the Target Company's future growth and to the creation of synergies through collaboration between the Offeror Group and the Target Company.

In addition, as stated in "(4) Policy for organizational restructuring after the Tender Offer" below, if there are any fractions of less than one share as a result of the Share Consolidation in the Squeeze Out Process, the Offeror intends to purchase the Target Company Shares that correspond to the total number of such fractions. Furthermore, as stated in "(4) Policy for organizational restructuring after the Tender Offer" below, the Offeror intends that ultimately, the Offeror will become the sole shareholder of the Target Company, and as a means to accomplish such purpose, intends, after the completion of the Squeeze Out Process, to implement the Share Exchange by December 31, 2026, in which the Offeror will become the wholly-owning parent company in the share exchange and the Target Company will become the wholly-owned subsidiary in the share exchange, with the shares of the Offeror used as consideration, and to acquire the Non-Tendered Shares from NF through the Share Exchange.

(3) Measures to ensure the fairness of the Tender Offer

As of this date, the Offeror does not own the Target Company Shares or the Share Acquisition Rights, and the Tender Offer does not fall under a tender offer by a controlling shareholder. Furthermore, although NF, in which Ms. Tsugihara holds all of the voting rights, will acquire the shares of the Offeror through the Share Exchange, the Offeror will not receive a contribution of all or a part of the funds for acquisition from her, and any or all of the management of the Target Company other than Ms. Tsugihara is expected to directly or indirectly contribute to the Offeror, and accordingly, the Transactions including the Tender Offer does not fall under the so-called MBO (management buy-out). However, considering situations including that (A) the Transactions aim to make the Target Company a wholly-owned subsidiary and has a significant effect on the general shareholders of the Target Company, and (B)(a) since NF, the Target Company's other affiliated company, will indirectly hold the Target Company Shares after the Transactions through the holding of the shares of the Offeror under the Share Exchange, and Ms. Tsugihara, the Representative Director of the Target Company and the Representative Director of NF, is expected to continue participating in the management of the Offeror and the Target Company, the Tender Offer may fall under an act that is equivalent to an MBO, etc., and (b) since the Offeror expected to enter into a Tender Agreement (Mr. Watanabe) with Mr. Watanabe, the Representative Director of the Target Company, the interests of the Shareholders and Mr. Watanabe on the one hand, and the interest of the general shareholders of the Target Company on the other hand, may not necessarily align, the following measures have been implemented from the viewpoint of securing the interests of the general shareholders of the Target Company, eliminating arbitrariness in the Target Company's decision-making process concerning the decision to conduct the Tender Offer, and avoiding conflict-of-interest. Of the statements below, the measures implemented by the Target Company are based on the explanations by the Target Company.

(A) Obtaining by the Offeror of a share valuation report from an independent third-party valuation agent

In determining the Tender Offer Price, the Offeror, in order to ensure the fairness of the Tender Offer Price, requested Houlihan Lokey, its independent financial advisor and third-party valuation agent, to calculate the share value of the Target Company Shares, and obtained a Share Valuation Report (HL) on May 12, 2026. For the details of the Share Valuation Report (HL) obtained by the Offeror from Houlihan Lokey, please see "(B) Background and foundation of the calculation of the Tender Offer Price" in "(2) Background, purpose, and decision-making process that led to the Offeror's implementation of the Tender

Offer, and management policy after the Tender Offer, etc.” above.

(B) Obtaining by the Target Company of a share valuation report from an independent third-party valuation agent

(i) Name of the valuation agent and relationship with the Target Company and the Offeror

Upon expressing its opinion regarding the Transactions, the Target Company, in order to secure the transparency and reasonableness of the decision-making process of the Board of Directors of the Target Company, appointed EYSC as a financial advisor and third-party valuation agent independent from the Offeror Group, the Target Company Group, the Shareholders, and the Tendering Shareholders, and received advice and assistance from a financial standpoint including advice on the valuation of the Target Company Shares and the policy for negotiations with the Offeror, as well as obtained the Share Valuation Report (EYSC) on May 12, 2026. The Target Company, based on other measures to ensure the fairness of the Tender Offer Price taken in connection with the Transactions (for specific details, please see “(C) Establishment of an independent Special Committee at the Target Company and receipt of an advisory report from the Special Committee”, “(D) Obtaining of advice from an independent law firm by the Target Company”, “(E) Approval of all directors”, “(F) Structuring of an independent deliberation structure”, “(H) Measures to ensure the opportunity for the shareholders of the Target Company and the Share Acquisition Right Holders to appropriately determine whether or not to tender in the Tender Offer”), believes that sufficient consideration is given to the interests of the general shareholders of the Company, and has not obtained an opinion concerning the fairness of the price of the Tender Offer (fairness opinion).

EYSC does not fall under a related party of the Offeror Group, the Target Company Group, the Shareholders, or the Tendering Shareholders, and does not have an important conflict-of-interest regarding the Transactions, including the Tender Offer. EYSC’s fees pertaining to the Transactions include a success fee paid conditional upon the successful completion of the Tender Offer, among other milestones. However, the Target Company has determined that, in consideration of the general practices in similar transactions, the fact that the fee includes a success fee paid conditional upon the successful completion of the Tender Offer alone does not deny independence, and appointed EYSC as the Target Company’s financial advisor and third-party valuation agent with the fee structure above.

In addition, the Special Committee has confirmed at the first meeting of the Special Committee held on March 4, 2026, that there are no issues in the independence and expertise of EYSC, and approved EYSC’s appointment as the Target Company’s financial advisor and third-party valuation agent.

(ii) Outline of the valuation of the Target Company Shares

EYSC, after considering which valuation methods should be adopted from among multiple equity valuation methods in valuing the Target Company Shares, conducted a valuation of the

Target Company Shares using: (i) the market price average method since the Target Company Shares are listed on the Tokyo Stock Exchange Standard Market and has a market price, (ii) the comparable company analysis since there are several listed companies that are engaged in businesses with a certain similarity to the Target Company, allowing for the estimation of the share value of the Target Company Shares through comparisons with similar companies, and (iii) the DCF method to reflect the future status of business activities of the Target Company in the valuation.

The ranges of the value per share of the Target Company Shares valued using the methods above are as set forth below:

| | Range of the value of the Target Company Shares calculated by EYSC |
|---|---|
| Market price average method | 913 yen to 1,057 yen |
| Comparable company analysis | 1,074 yen to 1,142 yen |
| DCF method | 1,313 yen to 1,933 yen |

Under the market price average method, with May 12, 2026 as the valuation date, the value of the Target Company Shares were calculated to be in the range of 913 yen to 1,057 yen, based on the closing price of the Target Company Shares on the Tokyo Stock Exchange Standard Market on the valuation date of 1,057 yen, the simple average of the closing prices over the one-month period ending on the valuation date of 957 yen, the simple average of the closing prices over three-month period ending on the valuation date of 954 yen, and the simple average of the closing prices over the six-month period ending on the valuation date of 913 yen.

With the comparative company analysis, VECTOR Inc., PRAP Japan, Inc., Kyodo Public Relations Co., Ltd., MATERIAL GROUP INC., and SOCIALWIRE CO., LTD. were selected as listed companies engaged in a business with certain similarities to that of the Target Company, and the enterprise value of the Target Company was calculated using multiples of EBITDA and EBIT to enterprise value. After adjusting for non-operating assets, interest-bearing debt, and other relevant items, the per-share value of the Target Company Shares was calculated to be in the range of 1,074 yen to 1,142 yen.

With the DCF method, the per-share value of the Target Company Shares was calculated to be in the range of 1,313 yen to 1,933 yen, by discounting the free cash flow expected to be generated by the Target Company in and after the fiscal year ending June 2026 to its present value at a specific discount rate, based on the Target Company's revenue forecast under the Business Plan. For the discount rate, 9.7% to 12.5% was adopted as the weighted average capital cost. In estimating the discount rate, a size risk premium was incorporated after taking into account factors such as the Target Company's corporate scale. In calculating the terminal value, the perpetual growth rate method was adopted. Under the perpetual growth rate method, after comprehensively considering external environmental factors and other relevant circumstances, the perpetual growth rate was set at 1.5-2.0%, and the terminal value was calculated to be between 15,718 million yen and 24,664 million yen. It has taken into account as non-operating assets, surplus cash and cash equivalents and other similar assets, net of the amount of required on-hand cash and cash equivalents. The amount of required cash and cash equivalents is determined by establishing the level of cash and cash equivalents necessary for the Target Company's business operations, taking into account cash management needs and funding requirements.

Below is the financial forecast based on the Business Plan employed by EYSC for valuation using the comparative company analysis and DCF method. The Business Plan was prepared by the Target Company in connection with its consideration of the Tender Offer, taking into account the Target Company's recent earnings environment and business performance, as well as projected revenue growth driven by an increase in the number of customers and improvements in unit pricing, together with the associated increases in various costs, including personnel expenses. The plan covers a five-year period, which was determined based on the period over which the future business environment can be forecast with a reasonable degree of reliability. The financial forecasts used as assumptions under the DCF method include fiscal years during which profits and cash flows are expected to fluctuate substantially. Specifically, in the fiscal year ending June 2026, operating profit is expected to increase significantly through the increase in sales and improvement of profit margins, but with an even greater increase in working capital, the free cash flow is expected to decrease significantly. In the fiscal year ending June 2027, the increase in the working capital balance is expected to decline year on year, and the free cash flow is expected to increase significantly as a result. Furthermore, the financial forecast of the Target Company includes the business of BILCOM, Inc., which the Target Company acquired on March 2, 2026, from the 4$^{th}$ quarter of the year ending June 2026. Since it is difficult to specifically estimate the synergy effects expected to be realized through the execution of the Transactions at this point, they have not been added to the financial forecast. In addition, as non-operating assets, surplus cash and cash equivalents, etc., net of the amount of working capital required for the business, have been taken into account.

The Business Plan is based on a business plan that had been prepared independently of the Transactions, the preparation of which commenced around May 2025 for purposes unrelated to the Transactions, taking into account discussions between personnel of the Target Company and Ms. Tsugihara regarding the growth of the Target Company Group as a whole before consideration of the Transactions between the Target Company and the Offeror began. For the purpose of evaluating the fairness of the transaction terms of the Transactions, the Business Plan was prepared by the project team described in "(F) Structuring of an independent deliberation structure at the Target Company" below. However, at the time the underlying business plan was being prepared, consideration of the Transactions had not yet commenced, and the underlying business plan was prepared independently of the Transactions. In addition, after consideration of the Transactions began, neither the Shareholders, the Offeror Group, nor Mr. Watanabe was involved in the formulation of the Business Plan. Accordingly, the Business Plan was formulated under a framework in which the review, negotiations, and determinations relating to the Transactions were conducted from an independent standpoint from the Offeror Group, the Shareholders, and Mr. Watanabe. Thereafter, the Special Committee confirmed the reasonableness of the Business Plan, including its contents, material assumptions, and the process by which it was prepared.

(In millions of yen)

| | 3 months ending June 2026 | Fiscal year ending June 2027 | Fiscal year ending June 2028 | Fiscal year ending June 2029 | Fiscal year ending June 2030 |
|---|---|---|---|---|---|
| Sales | 3,800 | 26,762 | 29,454 | 32,429 | 35,676 |
| Operating profit | (160) | 2,389 | 2,798 | 3,345 | 4,074 |
| EBITDA | (97) | 2,748 | 3,201 | 3,810 | 4,601 |
| Free cash flow | 661 | 1,166 | 1,431 | 1,747 | 2,180 |

(Note) EYSC assumed that public information and all information provided by the Target Company to EYSC were accurate and complete when calculating the value of the Target Company Shares, and has not independently verified the accuracy and completeness of such information. It has not conducted its own valuation, appraisal, or assessment of the assets or liabilities (including financial derivatives, off-book assets and liabilities, and other contingent liabilities) of the Target Company, including analysis and valuation of individual assets and liabilities, nor has it requested a third-party agent to conduct such an appraisal or assessment. In addition, EYSC assumes that the Target Company's financial forecast has been reasonably prepared based on the best forecasts and decisions of the management of the Target Company available as of now. EYSC's valuation of the Target Company Shares reflects information and economic conditions obtained by EYSC as of May 12, 2026.

(iii) Outline of the valuation of the Share Acquisition Rights

The Share Acquisition Right Purchase Price is the product of the amount of difference between the Tender Offer Price and the exercise price of the Share Acquisition Rights, and the number of the Target Company Shares underlying one unit of Share Acquisition Right, and is determined based on the Tender Offer Price. Accordingly, the Target Company has not obtained a valuation report and opinion (fairness opinion) on the purchase price of the Share Acquisition Rights from a third-party valuation agent.

The acquisition of Share Acquisition Rights by transfer requires the approval of the Board of Directors of the Target Company under the terms of issuance of the share acquisition rights, the Target Company has resolved at the meeting of the Board of Directors held on May 13, 2026 that, conditional upon the successful completion of the Tender Offer, a blanket approval will be granted for the transfer by the Share Acquisition Right Holders of the Share Acquisition Rights held by them through the tendering of the Share Acquisition Rights in the Tender Offer, to the extent of the Share Acquisition Rights actually tendered in the Tender Offer by the Share Acquisition Right Holders.

(C) Establishment of an independent Special Committee at the Target Company and receipt of an advisory report from the Special Committee

(i) Background of the establishment of the Special Committee

Given that the interests of the Shareholders and Mr. Watanabe on the one hand, and the interests of the general shareholders of the Target Company on the other hand, may not necessarily align as described in "(3) Measures to ensure the fairness of the Tender Offer" above, in order to appropriately secure the interests of the general shareholders of the Target Company, eliminate the risk of arbitrariness and conflict-of-interest in the Target Company's decision-making process concerning the decision to execute the Transactions including the Tender Offer, and thereby secure the fairness and transparency of the Transactions, upon a resolution of the Board of Directors of the Target Company held on March 2, 2026, the Special Committee was established, comprising three members: Mr. Toru Nagai (External Director of the Target Company, independent officer), Ms. Mari Fujii (External Director (Audit and Supervisory Committee Member), independent officer), and Ms. Keiko Hattori (External Director (Audit and Supervisory Committee Member), independent officer), all of whom are independent from the Offeror Group, the Target Company Group, the Shareholders, and the Tendering Shareholders, or from the success or failure of the Transactions. The Special Committee was consulted on the Consulted Matters. The Special Committee has appointed Mr. Toru Nagai as the chairperson from among them, and the members of the Special Committee have not changed since its establishment. In addition, the compensation of the members of the Special Committee is a fixed amount provided regardless of the contents of the report, and no contingency-based compensation conditional upon the execution of the Transactions has been adopted.

Furthermore, the Board of Directors of the Target Company has resolved, in consulting the Special Committee, that, in making important decisions related to the Transactions, including the expression of opinions to the Tender Offer, it must respect the report of the Special Committee to the maximum extent. In addition, pursuant to the resolution of the Board of Directors above, the Target Company has authorized the Special Committee: (a) to confirm the policy on the discussions and negotiations concerning the Transactions in advance, to receive timely reporting of the status, to express opinions on the discussions and negotiations concerning the Transactions, to give instructions and requests to the Target Company's Representative Directors and other appropriate officers and employees, and to directly discuss and negotiate with third parties including the Offeror as necessary to the extent permitted under laws and regulations, (b) at the Target Company's expense, to appoint attorneys, certified public accountants, tax accountants, and other advisors, and third-party evaluation organizations ("**Advisors**") for itself to the extent necessary to perform its roles, or to evaluate, give opinions on the appointment of, or approve (including post-facto approval) the Target Company's Advisors, and (c) to the extent necessary for performing its role, to request the Target Company's officers and employees, Advisors, or other persons considered necessary by the Special Committee to attend the meetings of the Special Committee, and request explanation or opinion on necessary information.

(ii) Background to deliberations

The Special Committee held a total of 12 meetings between March 4, 2026, and May 12, 2026, as well as made reports, exchanged information, deliberated, and made decisions by e-mail during the period between the meetings as necessary to discuss and deliberate on the Consulted Matters.

Specifically, the Special Committee first confirmed that there were no issues regarding the independence and expertise of EYSC, appointed as the financial advisor and third-party valuation agent of the Target Company, and NO&T, appointed as the Target Company's legal advisor, and approved each appointment. The Special Committee also confirmed that the Special Committee itself could obtain expert advice from EYSC and NO&T as necessary. In addition, the Special Committee confirmed that there were no issues regarding the independence of the deliberation structure for the Transactions established internally by the Target Company as described in "(F) Structuring of an independent deliberation structure at the Target Company" below.

In addition, as described in "(B) Obtaining by the Target Company of a share valuation report from an independent third-party valuation agent" above, EYSC has calculated the value of the Target Company Shares based on the Business Plan, and the Special Committee has confirmed the reasonableness of such matters after receiving explanations on the valuation method concerning the valuation of the Target Company Shares conducted by EYSC, the reasons for adopting such valuation method, the details of the calculation under each valuation method, and material underlying assumptions including the basis for estimating the discount rate under the DCF method and the reasons for the selection of comparable companies under the comparable company analysis, conducting a Q&A session, and deliberation and review. Also, the Business Plan that is the basis of valuation of the Target Company Shares has been prepared under the deliberation structure described in "(F) Structuring of an independent deliberation structure at the Target Company", with the aim of deliberating on the reasonableness of the terms of the Transactions, and The Special Committee has confirmed the reasonableness of such matters after receiving explanations on the content, key assumptions and preparation process of the Business Plan.

Furthermore, the Special Committee has asked questions and received answers through interviews orally and in written format from the Offeror regarding the significance of the Transactions, the management policy following the Transactions, and matters expected of the Transactions, etc.

Furthermore, with respect to the negotiation policy between the Target Company and the Offeror, the Special Committee, based on financial advice received from EYSC, deliberated and considered the negotiation policy aimed at securing a higher offer price from the Offeror. Following receipt of the Offeror's initial proposal on April 1, 2026 setting the Tender Offer Price at 1,200 yen, each time the Special Committee received a proposal from the Offeror regarding the Tender Offer Price, it deliberated and considered its negotiation policy toward the Offeror in light of the financial advice received from EYSC, and substantively participated in discussions and negotiations with the Offeror regarding the Tender Offer Price, including through direct written communications with the Offeror. As a result, the Target Company ultimately received the Offeror's final proposal on May 7, 2026, setting the Tender Offer Price at 1,320 yen.

(iii) Decision

Under the circumstances described above, the Special Committee conducted repeated and careful deliberations on the Consulted Matters, while taking into consideration the advice from a financial perspective and the contents of the Share Valuation Report (EYSC) provided by EYSC, and the legal advice provided by NO&T. Consequently, the Special Committee submitted the Advisory Report to the Board of Directors of the Target Company on May 13, 2026, by a unanimous resolution of all members. The summary of the contents and the reasons for the report is as follows.

(A) Contents of the advisory report

(a) The Transactions are expected to contribute to enhancing the Target Company's corporate value and are recognized as legitimate and reasonable.

(b) The Tender Offer Price, the Share Acquisition Right Purchase Price, and the other terms and conditions of the Transactions are recognized as fair.

(c) Adequate measures have been implemented to ensure fairness in the procedures relating to the Transactions, and such procedures are recognized as fair.

(d) It is appropriate for the Target Company's Board of Directors to resolve to express its opinion in support of the Tender Offer and to recommend that the Target Company's shareholders and Share Acquisition Right Holders tender their shares and share options in the Tender Offer.

(e) The Transactions are recognized as fair to the Target Company's general shareholders.

(B) Reasons for the advisory report

(a) Approach to the Special Committee's examinations

(1) Considerations regarding measures to ensure fairness in the Transactions

Although the Transactions do not fall within the categories of transactions to which the "Fair M&A Guidelines" published by the Ministry of Economy, Trade and Industry on June 28, 2019 (the "**Fair M&A Guidelines**") or Article 441 of the Securities Listing Regulations of the Tokyo Stock Exchange (the "**Listing Regulations**") directly applies—namely, so-called management buyouts and acquisitions by controlling shareholders or other affiliated parties (collectively, "**MBO Transactions**")—following the Transactions, NF, which is currently an affiliated company of the Target Company, is expected to continue to hold the Target Company's shares indirectly by acquiring shares of the Offeror through the Share Exchange, and Ms. Tsugihara is expected to continue to participate in the management of both the Offeror and the Target Company. In light of these circumstances, the Transactions may be regarded as conduct analogous to an MBO Transaction, and it is therefore considered appropriate to implement the procedures set forth in Article 441 of the Listing Regulations (Requirements for Compliance in MBO Transactions). In addition, Mr. Watanabe, the Representative Director of the Target Company (number of shares held: 761,100 shares; shareholding ratio: 5.14%), is expected to enter into a tender agreement with the Offeror pursuant to which he will tender the Target Company shares he holds in the Tender Offer. Accordingly, it is considered that Mr. Watanabe may also have interests that differ from those of the Target Company's general shareholders.

In light of the foregoing, in order to eliminate any arbitrariness in the Target Company's decision-making with respect to the Transactions and to independently review and determine, from the standpoint of enhancing the Target Company's corporate value and protecting the interests of its general shareholders, matters including whether the Transactions should be undertaken, the appropriateness of the transaction terms, and the fairness of the procedures, the Target Company established the Special Committee and implemented other measures to ensure fairness.

In examining specifically whether measures to ensure fairness have been appropriately implemented in connection with the Transactions, it is effective to review how the measures identified as fairness-enhancing measures in the Fair M&A Guidelines have been adopted and operated in this case, and then assess whether appropriate measures have been selected in light of the circumstances of the Transactions. In addition, with respect to the transaction terms of the Transactions, the Special Committee considered the Consulted Matters from the perspective of whether, as noted in the "Guidelines for Corporate Takeovers" ("**Takeover Guidelines**") published by the Ministry of Economy, Trade and Industry on August 31, 2023, an environment was established in which reasonable efforts were made in the process of forming the transaction terms to enhance corporate value and achieve transaction terms that were as favorable as possible to the Target Company's general shareholders through arm's-length negotiations.

(2) Organization of the Consulted Matters and method of examination

Based on the foregoing, the Consulted Matters were organized as follows.

First, question (i) of the Consulted Matters asks whether the Transactions, including the Tender Offer, will contribute to enhancing the corporate value of the Target Company, as contemplated by Article 441 of the Listing Regulations and Article 436-3, Paragraph 2, Item 1 of the Enforcement Rules for the Securities Listing Regulations (the "**Enforcement Rules**"). Next, question (ii) of the Consulted Matters asks whether the transaction terms are fair, as contemplated by Article 436-3, Paragraph 2, Item 2 of the Enforcement Rules, and question (iii) of the Consulted Matters asks whether sufficient procedures have been implemented to ensure the fairness of the transaction terms, as contemplated by Item 3 of the same paragraph. These matters also address whether the interests of the Target Company's general shareholders have been protected through the assurance of fair transaction terms and fair procedures. In addition, questions (i) and (ii) of the Consulted Matters address whether, as noted in the Guidelines for Corporate Takeovers, the Transactions are structured so as to enhance the Target Company's corporate value and to distribute fairly the increase in such corporate value through the transaction terms. Question (iii) of the Consulted Matters also addresses whether reasonable efforts and fair procedures were employed to secure such transaction terms. Finally, questions (i) through (iii) of the Consulted Matters each constitute the basis for the determinations to be made with respect to questions (iv) and (v) of the Consulted Matters.

(b) Question (i) of the Consulted Matters (the legitimacy and reasonableness of the purpose of the Transactions (including whether the Transactions will contribute to enhancing the corporate value of the Target Company))

(1) Significance and purpose of the Transactions and overview of the expected synergies from the Transactions

According to the draft tender offer registration statement received by the Special Committee from the Offeror (the "**Draft Tender Offer Registration Statement**"), the explanations provided by the Offeror to the Special Committee and the supplementary materials thereto, and the explanations provided by the management of the Target Company to the Special Committee and the supplementary materials thereto, the significance and purpose of the Transactions and an overview of the synergies expected to result from the Transactions are as follows.

A Offeror's explanations on the significance and purpose of the Transactions and overview of the expected synergies from the Transactions

The Offeror Group stated that its relationship with the Target Company Group began in 2019, when the Offeror Group engaged SUNNY SIDE UP Inc., a member of the Target Company Group, to provide PR services in connection with the launch of Yokohama ASOBUILD. Since then, the Offeror Group has, on an intermittent basis, commissioned the Target Company Group to provide PR services either directly or through startup companies in which the Offeror Group's investment division has invested. In addition, beginning in late July 2024, the parties commenced a collaboration involving online lottery offerings, an area in which the Offeror Group has particular strengths, within the "Happy Lottery" merchandise planning business operated by the Target Company as part of its brand communication business, and such collaboration continues as of the date hereof.

Under these circumstances, Mr. Tetsuro Koda ("**Mr. Koda**"), President and CEO of the Offeror, came to believe that, through the requests for PR activities and the collaboration through the "Happy Lottery" described above, in addition to the high degree of compatibility between the parties' flat organizational cultures that emphasize individual autonomy, there exists a complementary relationship between the Offeror Group's capabilities in content planning and operational management in the digital domain and its expertise in global expansion, on the one hand, and the Target Company Group's capabilities in PR and branding in the real-world domain, on the other hand. Specifically, the Offeror possessed strengths in content planning and operations in the digital domain, as well as in global expansion; however, although it had certain needs with respect to creating customer touchpoints and implementing PR and branding initiatives in the real-world domain, it lacked sufficient capabilities in these areas and therefore faced a business challenge in that it had not achieved sufficient offline awareness for the content it provides. On the other hand, while the Target Company Group had strengths in PR and branding in the real-world domain, it believed there were challenges with respect to content planning and operational capabilities in the digital domain, expertise in global expansion, and the financial resources necessary to make growth investments. In light of these respective strengths and challenges, Mr. Koda believed that by mutually leveraging the management resources of the Offeror Group and the Target Company Group and jointly promoting business development across both the digital and real-world domains, the parties could create growth opportunities that would be difficult for each group to realize independently. Furthermore, through the collaboration described above, the parties were able to confirm the compatibility of their corporate cultures and organizational styles. As a result, in late August 2025, Mr. Koda concluded that a transition to an integrated management structure could be achieved smoothly and came to believe that partnering with the Target Company Group would contribute to the expansion of the Offeror's business. In order to further strengthen the partnership between the Offeror Group and the Target Company Group, and to pursue the possibility of further deepening the relationship between the two companies through the enhancement of capital relationships, Mr. Koda exchanged opinions with Ms. Etsuko Tsugihara, the founder of the Target Company, who was an old acquaintance, regarding the possibility of an alliance between the Offeror Group and the Target Company Group multiple times between early September 2025 and early November 2025. Through such discussions, Mr. Koda has come to believe that, in addition to the high degree of compatibility between the parties' visions of delivering experience value that brings joy and excitement to society and their organizational cultures and enhancing people's lives, both of which emphasize flat structures and individual autonomy, the Offeror's capabilities in the digital domain are complementary to the Target Company's capabilities in PR and branding in the real-world domain, as described above. Accordingly, the Offeror concluded that combining the parties' respective strengths would enable the creation of new entertainment experiences integrating digital and real-world elements.

Subsequently, the Offeror and the Target Company have repeatedly engaged in preliminary discussions regarding the significance of the Transactions and the synergies with the Target Company between early November 2025 and mid-January 2026. Through such discussions, similarly with Mr. Koda's thinking described above, the parties came to recognize once again that while the Offeror possessed strengths in content planning and operations in the digital domain, as well as in global expansion, it had challenges with respect to creating customer touchpoints and implementing PR and branding initiatives in the real-world domain, and while the Target Company Group had strengths in PR and branding in the real-world domain, it faced challenges with respect to content planning and operational capabilities in the digital domain, expertise in global expansion, and the financial resources necessary to make growth investments. The Offeror believed that by further deepening its collaboration with the Target Company Group and operating the businesses of both groups in an integrated manner, combining its capabilities in digital deployment with the provision of real-world experiential value, it would be possible not only to develop IP as digital content through games, comics, and e-commerce, but also to expand touchpoints between content and users/customers across both digital and real-world channels through real events, merchandising and goods development, promotions at retail locations and facilities, corporate tie-ups, fan community building, and domestic and international expansion. The Offeror believed that this would enhance IP awareness, broaden the fan base, strengthen fan engagement, diversify monetization opportunities through products and services, expand domestic and international distribution channels, and extend the lifecycle of IP, thereby increasing the economic and brand value generated by IP over the medium to long term. The Offeror further concluded that, in the case of a capital and business alliance involving the acquisition of only a portion of the Target Company's shares, or the acquisition of the Target Company as a consolidated subsidiary while maintaining its listed status, there would be certain constraints on the establishment of a collaborative framework between the parties and on the management resources and know-how that could be shared, including impediments to prompt and flexible decision-making and limitations on the sharing of highly confidential information. Accordingly, the Offeror came to believe that, in order to realize the above initiatives and synergies listed in (a) to (d) below promptly and steadily and to fully capture their benefits, it would be desirable for the Offeror to acquire all shares of the Target Company and subsequently carry out a business integration. Accordingly, the Offeror commenced its consideration of the Transactions in mid-January 2026.

According to the Offeror, following the implementation of the Transactions, the Offeror believes that it will be possible to expand global revenues and strengthen the organization through the integration of the corporate functions of both groups, including personnel exchanges and operational optimization, by combining the strengths of each party. These strengths include, on the part of the Offeror Group, capabilities in content planning, digital development, and expertise in global expansion; relationships with IP holders; human resources and know-how in AI, IT, data analytics, and cybersecurity; and financial resources, and, on the part of the Target Company Group, planning capabilities in the PR and branding domain, production capabilities in the real-world domain, customer base and human networks, and business in the sales promotion and merchandising domains. On top of that, the Offeror believes that, in order to enhance the Target Company Group's corporate value over the medium to long term, it will be necessary to continuously and flexibly make upfront investments in development, promotional initiatives, overseas expansion, organizational and human capital investments, DX and AI investments, and M&A, even though such investments may not immediately contribute to short-term earnings. However, if the Target Company were to remain a listed company, management would be required to exercise caution in light of quarterly earnings fluctuations, potential impacts on the share price, and accountability to minority shareholders. As a result, the Offeror believes that it would not necessarily be easy to make bold and agile investment decisions that prioritize the enhancement of corporate value over the medium to long term. Accordingly, the Offeror believes that it would be difficult to fully realize the anticipated synergies below ("**Synergies**") through a limited collaboration based on a business alliance or capital alliance alone. Instead, the Offeror believes that it is necessary to take the Target Company private and make it a wholly-owned subsidiary of the Offeror in order to align the interests of the Offeror Group and the Target Company Group and establish a structure that enables prompt and agile decision-making and the execution of medium- to long-term growth investments from the perspective of optimizing the group as a whole.

(a) Growth into one of Japan's leading companies in the broader IP and brand production space

By cross-functionally combining for each project the human networks, planning capabilities, PR expertise, digital deployment capabilities, knowledge relating to global expansion, and financing capabilities held by both groups as well as the Offeror Group's capabilities in the digital domain and the PR and branding capabilities in the real world domain of each company of the Target Company Group as described above, and structuring an integrated framework capable of executing end-to-end initiatives across both digital and real-world channels, including planning and concept development, content production, PR and branding, digital content deployment, real-world event and experience design, corporate tie-ups, merchandising and goods development, overseas expansion, and fundraising and growth investment, the parties believe that they will be able to develop production businesses that deliver the appeal and value of Japan-originated broad IP, brands, and creators to domestic and international markets. Through this, the Offeror Group and the Target Company Group believe they will be able to attract domestic and international business opportunities and talented creators, and grow into a corporate group with social significance.

The Offeror believes that the core initiatives underlying this Synergy (a) consist of: (i) the bidirectional sharing and utilization between the two groups of the trust-based relationships that each party has cultivated over many years with IP holders and creators, as well as unpublished information regarding IP and creators, planning information, and business know-how that each party has obtained through such relationships; and (ii) the integrated production and development of IP, brands, and creators by combining the two groups' human networks, planning capabilities, PR capabilities, digital development capabilities, expertise in global expansion, and financing capabilities. However, under the current structure in which the Offeror and the Target Company each operate independently as listed companies, the Offeror believes that, from the perspective of preserving the Target Company's independence and protecting the interests of its general shareholders, there are inherent constraints (such as the restriction on sharing highly-confidential information) on the mutual sharing of unpublished information and business know-how based on trusted relationships with IP holders and creators, as well as on the integrated use of the management resources of both groups. Accordingly, although the two groups have already advanced a certain level of collaboration through business alliances, including their cooperation in connection with Happy Lottery, the Offeror believes that it would be difficult to fully and promptly achieve these core initiatives of this Synergy (a) within the framework of a business alliance or capital alliance. The Offeror further believes that only by acquiring the Target Company as a wholly-owned subsidiary through the Transactions can these structural issues and constraints be resolved, thereby enabling the integrated use of the two groups' human networks, planning capabilities, PR capabilities, digital development capabilities, expertise in global expansion, and financing capabilities, and as a result, the combined group will be able to achieve growth into one of Japan's leading companies in the production and development of broad IP and brands—an outcome that would be difficult to realize by the Target Company Group on a standalone basis or through a business alliance or capital alliance alone.

(b) Strengthening and growth in the sales promotion and merchandising sectors

In the areas of the "Happy Lottery" business operated by the Target Company and merchandise production and promotional services for sales promotion, the Offeror believes that further growth can be achieved by leveraging the Offeror Group's digital development capabilities, human network with anime and character IP holders, and assets such as global e-commerce and other trade practice or relationship of trust with sales channels and business partners, thereby enhancing and expanding its business. Specifically, the parties envision that, in the short term, the Target Company Group will expand the range of IP handled in the Happy Lottery business by leveraging the Offeror Group's human network with IP holders; in the medium term, it will promote digitalization expansion in the merchandising domain by utilizing the Offeror Group's digital development capabilities; and in the medium to long term, it will advance the overseas expansion of the Target Company Group's products by leveraging the Offeror Group's expertise, sales channels, and know-how in global e-commerce operations and overseas marketing. In addition, by utilizing the Offeror Group's financial strength to make growth investments through the provision of capital loans from the Offeror Group to the Target Company Group, the parties believe they will be able to strengthen the service delivery framework, enhance production management sophistication, expand sales channels, and further strengthen and expand the scale of business in this area.

In order to effectively achieve the core initiatives underlying this Synergy (b)—namely, (i) a fundamental expansion of the IP handled, centered on Happy Lottery, (ii) the digitalization of the merchandising domain as a whole, (iii) the full-scale expansion of the Target Company Group's products into overseas markets, and (iv) the agile provision of growth capital to strengthen the service delivery structure and expand production management and sales channels—it is essential to operate, in an integrated manner, the two groups' management resources relating to product planning, production management, order processing, sales channels, and financing and investment, and to enable the flexible transfer of functions, placement of orders, and provision of growth capital between the two groups. However, under the current structure in which the Offeror and the Target Company each operate independently as listed companies, the Offeror believes that, from the perspective of preserving the Target Company's independence and protecting the interests of its general shareholders, there are certain constraints, such as the restriction on continuous and detailed information-sharing, on discussions regarding collaboration, including the mutual utilization of management resources and know-how between the two groups. In addition, transactions between the two groups are required to be reviewed on a case-by-case basis to confirm that the terms comply with the arm's-length principle, making it difficult to conduct business operations and provide funding in an agile manner and on flexible terms and at flexible scales in response to the operational needs of the two groups. Accordingly, although the two groups have already commenced collaboration in connection with Happy Lottery, the Offeror believes that it would be difficult, within the framework of a business alliance or capital alliance, to proactively promote the expansion of IP by leveraging the Offeror Group's relationships with IP holders, which constitutes a core element of this Synergy (b). The Offeror further believes that only by acquiring the Target Company as a wholly-owned subsidiary through the Transactions can these constraints be eliminated, thereby enabling the integrated and agile operation of the two groups' management resources relating to product planning, production management, sales channels, and financing and investment, and the Target Company Group will be able to strengthen and expand its business in the sales promotion and merchandising domains, centered on Happy Lottery—an outcome that would be difficult to achieve by the Target Company Group on a standalone basis or through a business alliance or capital alliance alone.

(c) Implementation of stable and flexible growth investments

The Offeror Group believes it has the financial base to support necessary investments in the growth of the Target Company Group's business. In addition, the Offeror Group has an organizational structure in which management maintains close proximity to frontline operations, and believes that, following the execution of the Transactions, it will be able to establish a framework that enables more agile execution of the upfront investments necessary to maximize the business potential of each company within the Target Company Group. Specifically, the Offeror believes that this will make it possible to carry out growth investments in areas such as development, sales promotion, organizational enhancement, and M&A, not merely as one-off measures but with a view toward medium- to long-term business expansion.

(d) Promoting DX and AI, strengthening the organizational foundation, and enhancing the operational platform

By leveraging the Offeror Group's personnel and know-how in IT services, data analytics, security, and AI development, the Offeror aims to promote digital transformation (DX) and the utilization of AI in the Target Company Group's business operations and administrative functions, thereby achieving enhanced customer experience of the Target Company Group, improved operational efficiency, and accurate and prompt data-driven decision-making based on data and results of AI analysis. Specifically, in promoting DX, the Offeror Group expects to utilize its personnel and expertise in IT services, data analytics, and security to redesign the Target Company Group's core business processes, establish integrated platforms for customer, project, sales, and implementation data integration and analysis, and strengthen information security frameworks. This will make it possible to centrally capture and analyze each customer's transaction history, project details, proposal history, campaign performance, sales results, and customer responses. By leveraging customer needs and historical response patterns to develop proposals, implement PR and branding initiatives, provide products and services, and respond to customers, the parties believe that they will be able to deliver more timely and appropriate value to customers and thereby enhance the customer experience. In addition, in promoting AI utilization, the Offeror Group intends to leverage its personnel and expertise in AI development, including through Akatsuki AI Technologies Inc., to enable support for the preparation of materials and proposal documents, analysis of the effectiveness of PR initiatives, planning and ideation for creative deliverables, more efficient handling of inquiries, and refinement of proposal content based on historical project and customer data, thereby improving both the quality of proposals made to customers and the speed of customer response. Furthermore, by integrating, visualizing, and analyzing customer, project, sales, and campaign data, sales pipeline progress, production workload, and project-level profitability, the parties believe that they will be able to make decisions regarding sales strategies, project selection, pricing, personnel allocation, production resource allocation, and investment decisions based on data, rather than relying solely on experience or subjective judgment.

In addition, the Offeror recognizes that the Target Company Group's current organizational foundation requires the enhancement of sufficient personnel with the specialized expertise to undertake proactive corporate actions. The Offeror believes that the Target Company Group's organizational foundation can be further strengthened by sharing the Offeror Group's expertise in recruitment and talent development, as well as the resources of its specialized corporate departments in areas such as finance, legal, and IT.

The Offeror believes that the core initiatives underlying this Synergy (d) consist of: (i) consolidating customer information, sales information, and operational data dispersed across the two groups into a common data integration and analytics platform and utilizing such data on a cross-functional basis throughout both groups; (ii) the agile and continuous deployment to the Target Company Group, through secondments, dual appointments, and similar arrangements, of specialized personnel belonging to the Offeror Group in the fields of IT services, data analytics, cybersecurity, and AI development, as well as specialized personnel within the Offeror Group's corporate functions; (iii) upfront investments in common systems infrastructure necessary to promote DX and AI initiatives and enhance the operational infrastructure of both groups; and (iv) the integrated operation of the organizational foundation of both groups through the harmonization of recruitment and personnel systems and the implementation of shared services for corporate functions. However, under the current structure in which the Offeror and the Target Company each operate independently as listed companies and are accountable to their respective general shareholders, the Offeror believes that, in light of the information management requirements applicable to listed companies, there are certain constraints, such as the restriction on sharing of highly-confidential information, on the consolidation of customer information, sales information, and operational data into a common platform, as well as on the agile sharing of information relating to undisclosed system development plans and organizational restructuring plans. In addition, the Offeror believes that it would be difficult for the Target Company, which has limited financial resources, to independently undertake large-scale upfront investments in systems infrastructure. Accordingly, the Offeror believes that it would be difficult to achieve these core initiatives, which form the basis of this Synergy (d), promptly and flexibly within the framework of a business alliance or capital alliance. The Offeror further believes that only by acquiring the Target Company as a wholly-owned subsidiary through the Transactions can these constraints be eliminated, thereby enabling the two groups to mutually leverage their specialized personnel, data, and corporate functions and to implement, in an integrated and agile manner, initiatives aimed at promoting DX and AI, enhancing operational infrastructure, and strengthening the organizational foundation, and that these synergies—whose realization would be difficult for the Target Company Group to achieve on a standalone basis or through a business alliance or capital alliance alone—will become achievable.

The Offeror has also stated that, as part of the Transactions, it intends to change its corporate name to "SUNNYS HOLDINGS Inc." (tentative name). In addition, through NF's acquisition of shares of the Offeror in the Share Exchange, Ms. Tsugihara is expected to hold shares of the Offeror indirectly, and it is contemplated that Ms. Tsugihara and Mr. Koda will serve jointly as Representative Directors of the Offeror.

A. Explanation by the management of the Target Company on the significance and purpose of the Transactions, and the outline of the synergies expected through the Transactions

The management of the Target Company believes that, by the Offeror taking the Target Company private through the Transactions, the Target Company can expect to realize the synergies outlined below, and accordingly believes that the Transactions will contribute to enhancing the corporate value of the Target Company.

(a) Increased acceleration of strategic investments aiming for growth

The Target Company Group has established a strategic investment framework covering the three-year period beginning with the fiscal year ending June 2024, focusing on investments in human resources, technology, and DX-related initiatives, and has actively promoted investments in talent that support business growth, particularly through enhanced recruiting and expanded training and development programs. These investments are thought to be essential to ensure the probability of medium and long term growth. However, under the current structure as a listed company, where consideration must be given to the interests of minority shareholders, including the maintenance of financial soundness and the maintenance and enhancement of dividends, the Target Company recognizes that investments in human resources and technology in particular involve certain risks, as they require a considerable period of time before generating returns and may, in the short term, affect operating profit and cause fluctuations in cash flow. The Target Company also believes that debt financing imposes constraints on agile investment due to interest burdens and financial covenants, and that there are limits to its ability to independently undertake large-scale and discontinuous investments in response to changes in the market environment. The Target Company believes that, through the Transactions, by becoming a wholly-owned subsidiary of the Offeror and being taken private, it will be able to receive direct funding backed by the Offeror's strong financial base from a long-term perspective, without being constrained by quarterly earnings fluctuations, short-term stock market evaluations, or the need to secure funds for dividends. The Target Company further believes that this will enable it to secure a level of investment scale and agility that would be difficult to achieve through borrowings or other forms of financing, and that the likelihood of successfully executing its investment plans will be enhanced by receiving capital from the Offeror Group, which possesses expertise and know-how relating to the Target Company's business. As a result, the Target Company Group believes that it will be able to further accelerate the strategic investments it has pursued independently to date and achieve discontinuous growth beyond the limits of organic growth.

(b) Next-stage expansion of the IP business through the integration of know-how

The Target Company Group intends to achieve medium- to long-term growth in its IP business, building on the growth of "Happy Lottery," a merchandise planning business utilizing IP content, as well as its track record in branding and licensing of bills, a globally operated restaurant brand established by renowned restaurateur Bill Granger, who opened the first location in Sydney, Australia. However, under the current framework of the parties' business relationship, the Target Company Group and the Offeror Group remain separate and independent legal entities, and, from the standpoint of protecting confidential business information, the sharing of their respective networks relating to IP content and sales channels is expected to remain limited. In addition, because the IP business is characterized by extremely rapid changes in trends and requires immediate decision-making, the Target Company believes that maintaining the parties as separate entities would impede agile business development, as transaction terms would need to be negotiated on a case-by-case basis. The Target Company believes that, through the Transactions, by becoming a wholly-owned subsidiary of the Offeror and being taken private, the organizational boundaries between the two parties will be eliminated, allowing the Target Company Group to combine what it believes to be its strengths in discovering promising IP content, planning capabilities, and relationships and transaction experience with stakeholders involved in branding, with the Offeror Group's transaction experience with holders of anime, character, and other IP, as well as its expertise in global e-commerce. The Target Company believes that by developing new IP content and sales channels, it will be able to discover IP content and expand its sales channels that could not have been achieved through the Target Company Group's network alone thereby transforming the IP business into a driver of discontinuous growth.

(c) Rebuilding competitive advantage in the digital and technology domains

The Target Company Group has stated that, for the purpose of complementing its capabilities in the technology domain, it acquired BILCOM, Inc. as a subsidiary in March 2026 and is focusing on the integrated provision of BILCOM's cloud-based PR effectiveness measurement tool, PR Analyzer, and advertising media database together with the PR support services offered through the Target Company Group's brand communication business. Under its current structure as an independent listed company, the Target Company has been building a sales organization to offer PR Analyzer and related services to its PR clients. However, it believes that its ability to secure the development personnel necessary to expand functionalities in response to customer needs is constrained by the limits of its own management resources. Also, if the relationship with the Offeror Group were limited to a business alliance or a capital relationship, there would be limitations on its ability to leverage the Offeror Group's personnel and know-how in IT services, data analytics, cybersecurity, and AI development due to concerns relating to confidentiality and conflicts of interest. Accordingly, the Target Company believes that expanding the functionality of PR Analyzer and implementing advanced AI-driven data analytics using only its own management resources would not be sufficient to rebuild a competitive advantage. The Target Company believes that, by choosing full ownership through the Transactions and transitioning to a structure in which management resources can be optimally allocated within a single organization, it will become possible to directly deploy the Offeror Group's highly specialized personnel in IT services, data analytics, and AI development to the Target

Company Group's business. As a result, the Target Company believes that it will be able to deliver greater value to customers through enhanced analytical capabilities and improved usability, thereby rebuilding its competitive advantage in the market.

(2) Examination of the potential disadvantages of the Transactions

According to the Target Company's management, the potential disadvantages of the Transactions are, as a result of the Target Company Shares being taken private, that the Target Company will no longer be able to raise funds through equity financing in the capital markets, and that it will lose the benefits it has enjoyed as a listed company, including enhanced social credibility. However, according to the Target Company's management, because its equity ratio for the fiscal year ending June 2025 was 43.7% and it has a sufficient level of shareholders' equity, there is no significant need for equity financing in the near term in light of its financial condition. In addition, because the Target Company will become a wholly-owned subsidiary of the Offeror following the Transactions, the Offeror has explained that the Target Company will be able to obtain financing, as necessary, from financial institutions and other lenders that have business relationships with the Offeror Group. In addition, because the Target Company will become a wholly owned subsidiary of the Offeror following the Transactions, it believes that it will be able to obtain financing, as necessary, from financial institutions and other lenders that have business relationships with the Offeror Group. Furthermore, after the Transactions, the Target Company will be able to leverage the Offeror Group's name recognition and social credibility, and accordingly, it is believed that ceasing to be a listed company will not adversely affect its business partners or employees. The Target Company also does not have any existing shareholders on whom it depends in its business relationships, and therefore believes that the termination of capital relationships with existing shareholders as a result of the Transactions will have no adverse impact. In light of these circumstances, the Target Company believes that the disadvantages associated with the Target Company Shares being taken private, as well as any disadvantages arising from the Target Company becoming a member of the Offeror Group, will be limited.

(3) Views of the Special Committee

After careful deliberation and examination by the Special Committee, the explanations provided by the Offeror and the Target Company regarding the significance and purpose of the Transactions, as well as the overview of the expected synergies, are found to be reasonably detailed and sufficiently concrete, and are therefore considered to be reasonable.

In addition, the contemplated management structure under the Transactions—namely, the change of the Offeror's trade name to "SUNNYS HOLDINGS Inc. (tentative name)" , NF's acquisition of shares in the Offeror through the Share Exchange resulting in Ms. Tsugihara's indirect shareholding in the Offeror, and the assumption that Ms. Tsugihara and Mr. Koda will jointly serve as Representative Directors of the Offeror—is also considered to be reasonable as a governance structure aimed at maximizing synergies across the Target Company Group and the Offeror Group and enhancing the sophistication of strategic execution.

Furthermore, while it cannot be denied that certain general disadvantages may arise from the privatization of the Target Company, the Special Committee considers that such disadvantages are limited in light of the Target Company's post-Transaction financing needs, access to funding, and the Offeror Group's credibility and recognition as a listed company. The Special Committee also finds no specific possibility that such disadvantages would clearly outweigh the synergies expected from the Transactions.

In light of the above, after careful deliberation and examination, the Special Committee concludes that the purpose of the Transactions is legitimate and reasonable, and that the Transactions are expected to contribute to enhancing the corporate value of the Target Company.

(c) Question (ii) of the Consulted Matters (fairness of the terms of Transactions (including the fairness of the consideration level, acquisition method, and type of consideration))

(1) Ensuring an environment that, in the course of discussions and negotiations with the Offeror regarding the transaction terms, reasonable efforts are made in a manner that seeks to enhance corporate value while ensuring that the M&A is conducted on terms that are as favorable as possible to the Target Company's general shareholders

The Target Company, while receiving opinions, instructions, and requests from the Special Committee regarding negotiation policies for the terms of the Transactions, including the Tender Offer Price, at critical stages of negotiations with the Offeror, conducted multiple rounds of discussions and negotiations with the Offeror. In addition, the Target Company received from EYSC a report on the valuation results of the Target Company's shares as well as advice from a financial perspective, including guidance on negotiation strategy with the Offeror, and received legal advice from NO&T regarding measures to ensure procedural fairness in the Transactions.

Specifically, the Tender Offer Price was determined through the following negotiation process:

| Date | Process |
|---|---|
| April 1, 2026 | The Offeror made the following price proposal to the Target Company:<br>・ 1,200 yen per common share (which adds a premium of 38.73% (rounded to two decimal places; the same applies to the calculation of premiums hereinafter) relative to the closing price of 865 yen for the Target Company Shares on the Tokyo Stock Exchange, Standard Market on March 31, 2026, the business day prior to the |

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| | date of the proposal, a premium of 26.32% relative to the simple average closing price for the one-month period ending on the same date of 950 yen, a premium of 28.62% relative to the simple average closing price for the three-month period ending on the same date of 933 yen, and a premium of 38.89% relative to the simple average closing price for the six-month period ending on the same date of 864 yen, respectively) |
| April 6, 2026 | The Special Committee requested the Offeror to resubmit a proposal for the Tender Offer Price on the grounds that the price proposal dated April 1, 2026, does not fully reflect the intrinsic value of the Target Company Shares, and is not a level sufficient level as a distribution of the increased corporate value expected to result from the execution of the Transactions to the general shareholders of the Target Company. |
| April 9, 2026 | The Offeror made the following price proposal to the Target Company:<br>・ 1,260 yen per common share (which adds a premium of 32.77% relative to the closing price of 949 yen for the Target Company Shares on the Tokyo Stock Exchange, Standard Market on April 8, 2026, the business day prior to the date of such proposal, a premium of 35.34% relative to the simple average closing price for the one-month period ending on the same date of 931 yen, a premium of 34.90% relative to the simple average closing price for the three-month period ending on the same date of 934 yen, and a premium of 44.50% relative to the simple average closing price for the six-month period ending on the same date of 872 yen, respectively) |
| April 10, 2026 | The Special Committee believed that the price proposal dated April 9, 2026, did not appropriately reflect the value expected to be realized through the execution of the Transactions, and could not be seen as a price level that reflects an appropriate distribution of a reasonable portion of such value to the general shareholders of the Target Company, and requested the Offeror to review the price proposal. |
| April 14, 2026 | The Offeror made the following price proposal to the Target Company:<br>・ 1,290 yen per common share (which adds a premium of 40.98% relative to the closing price of 915 yen for the Target Company Shares on the Tokyo Stock Exchange, Standard Market on April 13, 2026, the business day prior to the date of such proposal, a |

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| | premium of 39.76% relative to the simple average closing price for the one-month period ending on the same date of 932 yen, a premium of 37.82% relative to the simple average closing price for the three-month period ending on the same date of 936 yen, and a premium of 47.43% relative to the simple average closing price for the six-month period ending on the same date of 875 yen, respectively) |
| April 17, 2026 | The Special Committee determined that the price proposal dated April 14, 2026, does not appropriately reflect the value expected to be realized through the execution of the Transactions, and could not be seen as a price level that reflects an appropriate distribution of a reasonable portion of such value to the general shareholders of the Target Company, and requested the Offeror to review the price proposal. |
| April 21, 2026 | The Offeror made the following price proposal to the Target Company:<br>・ 1,295 yen per common share (which adds a premium of 38.21% relative to the closing price of 937 yen for the Target Company Shares on the Tokyo Stock Exchange, Standard Market on April 20, 2026, the business day prior to the date of such proposal, a premium of 41.38% relative to the simple average closing price for the one-month period ending on the same date of 916 yen, a premium of 37.91% relative to the simple average closing price for the three-month period ending on the same date of 939 yen, and a premium of 46.66% relative to the simple average closing price for the six-month period ending on the same date of 883 yen, respectively)<br>・ 63,400 yen per Share Acquisition Right (the product of the difference between the proposed price for the common shares and the exercise price per Target Company Share of the Share Acquisition Right of 661 yen, and the number of the Target Company Shares underlying one unit of the Share Acquisition Right (100 shares)) |
| April 22, 2026 | The Special Committee determined that the price proposal dated April 21, 2026, does not appropriately reflect the value expected to be realized through the execution of the Transactions, and could not be seen as a price level that reflects an appropriate distribution of a reasonable portion of such value to the general shareholders of the Target Company, |

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| | and requested the Offeror to review the price proposal. |
| April 24, 2026 | The Offeror determined that the price proposal by the Offeror dated April 21, 2026, gave maximum consideration to the interests of the general shareholders of the Target Company, and made a proposal at the same price as set forth below:<br>・ 1,295 yen per share (which adds a premium of 40.76% relative to the closing price of 920 yen for the Target Company Shares on the Tokyo Stock Exchange, Standard Market on April 23, 2026, the business day prior to the date of such proposal, a premium of 40.91% relative to the simple average closing price for the one-month period ending on the same date of 919yen, a premium of 37.47% relative to the simple average closing price for the three-month period ending on the same date of 942 yen, and a premium of 45.83% relative to the simple average closing price for the six-month period ending on the same date of 888 yen, respectively)<br>・ 63,400 yen per Share Acquisition Right (the product of the difference between the proposed price for the common shares and the exercise price per Target Company Share of the Share Acquisition Right of 661 yen, and the number of the Target Company Shares underlying one unit of the Share Acquisition Right (100 shares)) |
| April 28, 2026 | The Special Committee determined that the price proposal dated April 24, 2026, does not appropriately reflect the value expected to be realized through the execution of the Transactions, and could not be seen as a price level that reflects an appropriate distribution of a reasonable portion of such value to the general shareholders of the Target Company, and requested the Offeror to review the price proposal. |
| May 7, 2026 | The Offeror made the following price proposal to the Target Company:<br>・ 1,320 yen per common share (which adds a premium of 33.33% relative to the closing price of 990 yen for the Target Company Shares on the Tokyo Stock Exchange, Standard Market on May 1, 2026, the business day prior to the date of such proposal, a premium of 41.48% relative to the simple average closing price for the one-month period ending on the same date of 933 yen, a premium of 39.39% relative to the simple average closing price for the three-month period ending on the same date of 947 yen, and a premium |

| | |
|---|---|
| | of 46.99% relative to the simple average closing price for the six-month period ending on the same date of 898 yen, respectively)<br>・ 65,900 yen per Share Acquisition Right (the product of the difference between the proposed price for the common shares and the exercise price per Target Company Share of the Share Acquisition Right of 661 yen, and the number of the Target Company Shares underlying one unit of the Share Acquisition Right (100 shares)) |
| May 7, 2026 | The Special Committee requested the Offeror to review the price proposal dated May 7, 2026, from the viewpoint of fully distributing a reasonable portion of the value expected to be realized through the execution of the Transactions to the general shareholders of the Target Company. |
| May 7, 2026 | The Offeror, having determined that, after further consideration to fully take the interests of the general shareholders of the Target Company into consideration, the Tender Offer Price (1,320 yen per common share) under the proposal dated May 7, 2026 has given maximum value to the Target Company Shares and it would be difficult to further raise the proposed price, and made a final proposal at the same price as the previous price proposal. |
| May 12, 2026 | In consideration of the response from the Offeror that the Offeror has given maximum value to the Target Company Shares in the final price proposal dated May 7, 2026, and a further raise of the proposed price would be difficult, the Special Committee informed the Offeror through EYSC to accept the tender offer price of 1,320 yen per share. |

As stated above, in the present case, with respect to the Tender Offer Price, negotiations were conducted multiple times with the Offeror under the substantive involvement of the Special Committee, and it can be assessed that an effective process was undertaken from the perspective of securing terms that are as favorable as possible to the Target Company's general shareholders. As a result of such negotiations, the Tender Offer Price was increased by 120 yen per share, from the initial price proposed by the Offeror of 1,200 yen per share to the final Tender Offer Price of 1,320 yen per share. Furthermore, the finally agreed Tender Offer Price includes a premium that is not unreasonable when compared with the premium levels observed in comparable transactions, as described in detail in (2) C. below.

In light of these circumstances, the Special Committee considers that the Tender Offer

Price was determined as a result of sincere and bona fide negotiations between the Target Company and the Offeror, conducted with the objective of securing transaction terms that are as favorable as possible for the Target Company's shareholders.

(2) Reasonableness of the share valuations, which form an important basis for the determination of the reasonableness of the transaction terms, and the reasonableness of the financial forecasts and assumptions on which such valuations are based

A. Reasonableness of the valuation methodologies, results, and underlying assumptions

The Target Company requested EYSC, a financial advisor and third-party valuation agency independent from the Offeror Group, the Target Company Group, the Shareholders, and the Tendering Shareholders to value the Target Company Shares as measures to ensure the fairness and objectivity of the transaction terms concerning the Transactions, including the Tender Offer Price, and obtained the Share Valuation Report (EYSC) from EYSC on May 12, 2026.

EYSC, after considering which valuation methods should be adopted from among multiple equity valuation methods in valuing the Target Company Shares, conducted a valuation of the Target Company Shares using: (i) the market price average method since the Target Company Shares are listed on the Tokyo Stock Exchange Standard Market and has a market price, (ii) the comparable company analysis since there are several listed companies that are engaged in businesses with a certain similarity to the Target Company, allowing for the estimation of the share value of the Target Company Shares through comparisons with similar companies, and (iii) the DCF (discounted cash flow) method to reflect the future status of business activities of the Target Company in the valuation. The Special Committee received from EYSC an explanation of the valuation results, including the valuation methodologies applied to the Target Company's shares, the rationale for selecting such methodologies, the details of the valuation under each methodology, and the material underlying assumptions. These assumptions included, among others, the basis for estimating the discount rate used in the DCF method and the rationale for selecting the comparable companies used in the comparable company analysis. After conducting questions and answers as well as deliberations and examinations, the Special Committee confirmed the reasonableness of these matters. In addition, with respect to the five-year business plan of the Target Company covering the fiscal years ending June 2026 through June 2030 (the "**Business Plan**") used in the DCF method, the Special Committee received an explanation from the Target Company regarding its contents, material assumptions, and the background to its preparation, and confirmed that these matters are reasonable. In particular, it received an explanation from the Offeror on the background that: (i) the

Business Plan is based on a business plan that had been prepared independently of the Transactions, the preparation of which commenced around May 2025 for purposes unrelated to the Transactions, taking into account discussions between personnel of the Target Company and Ms. Tsugihara regarding the growth of the Target Company Group as a whole before consideration of the Transactions between the Target Company and the Offeror began, (ii) at the time the underlying business plan was being prepared, consideration of the Transactions had not yet commenced, and the underlying business plan was prepared independently of the Transactions, and (iii) after consideration of the Transactions began, neither the Shareholders, the Offeror Group, nor Mr. Watanabe was involved in the formulation of the Business Plan. Based on such explanation, the Special Committee confirmed that the Business Plan was prepared under a structure that engages in the deliberation, negotiation, and decision-making concerning the Transactions from a standpoint independent from the Offeror Group, the Shareholders, and Mr. Watanabe.

Based on the foregoing, the valuation of the Target Company Shares set forth in the Share Valuation Report (EYSC) is considered to be appropriate in light of prevailing market practice.

B. Examination of the valuation results

According to the Share Valuation Report (EYSC), the valuation results for the Target Company Shares on a per-share basis are as set forth in Table 1 below.

<Table 1: Valuation Results of the Target Company Shares>

| Valuation Method | Per Share Equity Value |
|---|---|
| Market price average method | 913 yen to 1,057 yen |
| Comparable company analysis | 1,074 yen to 1,142 yen |
| DCF method | 1,313 yen to 1,933 yen |

Under the market price average method, with May 12, 2026 as the valuation date, the value of the Target Company Shares were calculated to be in the range of 913 yen to 1,057 yen, based on the closing price of the Target Company Shares on the Tokyo Stock Exchange Standard Market on the valuation date of 1,057 yen, the simple average of the closing prices over the one-month period ending on the valuation date of 957 yen, the simple average of the closing prices over three-month period ending on the valuation date of 954 yen, and the simple average of the closing prices over the six-month period ending on the valuation date of 913 yen.

With the comparative company analysis, VECTOR Inc., PRAP Japan, Inc., Kyodo Public Relations Co., Ltd., MATERIAL GROUP INC., Enjin Co., Ltd., SOCIALWIRE CO., LTD., and PR TIMES Corporation. were selected as listed companies engaged in a business with certain similarities to that of the Target Company, and the enterprise value of the Target

Company was calculated using multiples of EBITDA and EBIT to enterprise value. After adjusting for non-operating assets, interest-bearing debt, and other relevant items, the per-share value of the Target Company Shares was calculated to be in the range of 1,074 yen to 1,142 yen.

With the DCF method, the per-share value of the Target Company Shares was calculated to be in the range of 1,313 yen to 1,933 yen, by discounting the free cash flow expected to be generated by the Target Company in and after the fiscal year ending June 2026 to its present value at a specific discount rate, based on the Target Company's revenue forecast under the Business Plan. For the discount rate, 9.7% to 12.5% was adopted as the weighted average capital cost. In estimating the discount rate, a size risk premium was incorporated after taking into account factors such as the Target Company's corporate scale. In calculating the terminal value, the perpetual growth rate method was adopted. Under the perpetual growth rate method, after comprehensively considering external environmental factors and other relevant circumstances, the perpetual growth rate was set at 1.5-2.0%, and the terminal value was calculated to be between 15,718 million yen and 24,664 million yen. It has taken into account as non-operating assets, surplus cash and cash equivalents and other similar assets, net of the amount of required on-hand cash and cash equivalents. The amount of required cash and cash equivalents is determined by establishing the level of cash and cash equivalents necessary for the Target Company's business operations, taking into account cash management needs and funding requirements.

Below is the financial forecast based on the Business Plan employed by EYSC for valuation using the comparative company analysis and DCF method. The Business Plan was prepared by the Target Company in connection with its consideration of the Tender Offer, taking into account the Target Company's recent earnings environment and business performance, as well as projected revenue growth driven by an increase in the number of customers and improvements in unit pricing, together with the associated increases in various costs, including personnel expenses. The plan covers a five-year period, which was determined based on the period over which the future business environment can be forecast with a reasonable degree of reliability. The financial forecasts used as assumptions under the Comparable Company Analysis and the DCF method include fiscal years during which profits and cash flows are expected to fluctuate substantially. Specifically, in the fiscal year ending June 2026, operating profit is expected to increase significantly through the increase in sales and improvement of profit margins, but with an even greater increase in working capital, the free cash flow is expected to decrease significantly. In the fiscal year ending June 2027, the increase in the working capital balance is expected to decline year on year, and the free cash flow is expected to increase significantly as a result. Furthermore, the financial forecast of the Target

Company includes the business of BILCOM, Inc., which the Target Company acquired on March 2, 2026, from the 4th quarter of the year ending June 2026. Since it is difficult to specifically estimate the synergy effects expected to be realized through the execution of the Transactions at this point, they have not been added to the financial forecast.

(In millions of yen)

| | 3 months ending June 2026 | Fiscal year ending June 2027 | Fiscal year ending June 2028 | Fiscal year ending June 2029 | Fiscal year ending June 2030 |
|---|---|---|---|---|---|
| Sales | 3,800 | 26,762 | 29,454 | 32,429 | 35,676 |
| Operating profit | (160) | 2,389 | 2,798 | 3,345 | 4,074 |
| EBITDA | (97) | 2,748 | 3,201 | 3,810 | 4,601 |
| Free cash flow | 661 | 1,166 | 1,431 | 1,747 | 2,180 |

The Tender Offer Price (1,320 yen per share) is (i) above the upper end of the valuation range derived from the market share price analysis, (ii) above the upper end of the valuation range derived from the comparable company analysis, and (iii) within the valuation range derived from the DCF method.

C. Examination of the premium levels

In addition, according to the Share Valuation Report (EYSC), the Tender Offer Price represents a premium over the closing price of the Target Company's shares on the Tokyo Stock Exchange Standard Market as of the business day immediately preceding the announcement date of the commencement of the Tender Offer (the "**Last Trading Day**"; in this case, May 12, 2026), as set forth in Table 2 below (rounded to two decimal places), and is also higher than the Target Company's all-time high share price of JPY 1,276 (intraday on January 23, 2020).

<Table 2: Premium of the Tender Offer Price>

| Referenced value | Stock price | Premium |
|---|---|---|
| Closing price on the Last Trading Day | 1,057 yen | 24.9% |
| Simple average of the closing prices over the one-month period up to the Last Trading Day | 957 yen | 37.9% |
| Simple average of the closing prices over the three-month period up to the Last Trading Day | 954 yen | 38.4% |
| Simple average of the closing prices over the six-month period up to the Last Trading Day | 913 yen | 44.5% |

Such premium, compared to the mean value of the level of premiums (a premium of

39.2% over the closing price on the business day immediately preceding the announcement date, 41.6% over the simple average of the daily closing prices during the one-month period ending on the business day immediately preceding the announcement date, 42.6% over the simple average of the daily closing prices during the three-month period ending on the business day immediately preceding the announcement date, and 43.4% over the simple average of the daily closing prices during the six-month period ending on the business day immediately preceding the announcement date) in 277 cases (“**Referenced Cases**”) of tender offer bids announced and completed between July 2019 and March 31, 2026 after the Ministry of Economy, Trade, and Industry published the Fair M&A Guidelines, in which the ratio of the voting rights held by the offeror and its specially-related parties after the tender offer was two-thirds or more (excluding cases involving management buyouts (MBOs), issuer tender offers (self-tender offers), acquisitions at prices below the market price (so-called discount tender offers), as well as cases in which the target company is unlisted, listed on the TOKYO PRO Market, or is an investment corporation), (i) cannot necessarily be regarded as high when compared with the closing price on the Last Trading Day preceding the announcement date, the simple average of the daily closing prices during the one-month period ending on the Last Trading Day, and the simple average of the daily closing prices during the three-month period ending on the Last Trading Day, the distribution of premium rates in the reference transactions set forth in the table below indicates that there are multiple comparable cases in which premiums at similar levels were offered—specifically, 42 cases relative to the closing price on the Last Trading Day, 50 cases relative to the simple average of the daily closing prices during the one-month period ending on the Last Trading Day, and 64 cases relative to the simple average of the daily closing prices during the three-month period ending on the Last Trading Day, and each of these premium levels exceeds, at a minimum, the lowest premium bracket (20% or less); and (ii) because the Tender Offer Price exceeds the simple average of the daily closing prices during the six-month period ending on such date under the Referenced Transactions, and is also higher than the Target Company’s all-time high share price of 1,276 yen (recorded intraday on January 23, 2020), the Tender Offer Price cannot be regarded as unreasonable from the perspective of the level of premium offered over the market price.

| Distribution of premium rates in the referenced cases | | | | |
|---|---|---|---|---|
| Premium rate | Closing price on the Last Trading Day | Simple average of the daily closing prices during the one-month ending on the Last Trading Day | Simple average of the daily closing prices during the three-month ending on the Last Trading Day | Simple average of the daily closing prices during the six-month ending on the Last Trading Day |

| | | | | |
|---|---|---|---|---|
| 20% or less | 51 cases | 29 cases | 20 cases | 19 cases |
| Over 20% to 30% or less | 42 cases | 49 cases | 40 cases | 42 cases |
| Over 30% to 40% or less | 48 cases | 50 cases | 64 cases | 58 cases |
| Over 40% to 50% or less | 52 cases | 55 cases | 62 cases | 53 cases |
| Over 50% | 84 cases | 94 cases | 91 cases | 105 cases |

D. Review of the Share Acquisition Right Purchase Price

The Share Acquisition Right Purchase Price, which is the product of the difference between the Tender Offer Price and the exercise price per Target Share of the Share Acquisition Right of 661 yen and the number of the Target Shares underlying one unit of Share Acquisition Right (100 shares), has been determined based on the Tender Offer Price. No unreasonable aspects are found in the determination of the Share Acquisition Right Purchase Price.

(3) Appropriateness of the acquisition method and the type of consideration, etc.

According to the draft Tender Offer Registration Statement, in the Transactions, as a first step, the Offeror will conduct a Tender Offer with a minimum number of shares to be purchased set so that, together with the voting rights of the Target Company shares expected to be held by NF as Non-Tendered Shares, the Offeror will hold at least two-thirds of the total voting rights of the Target Company after the purchase. As a second step, it is planned that the Squeeze Out Process will be implemented through a Share Consolidation. Such a structure is a commonly adopted method for taking a listed company private. Shareholders of the Target Company who are dissatisfied with the Tender Offer Price may exercise their appraisal rights by demanding the purchase of their shares by the Target Company and subsequently filing a petition with the court for a determination of the purchase price.

Furthermore, the draft Tender Offer Registration Statement discloses that the Squeeze Out Process will be implemented promptly following the completion of the Tender Offer, and that the cash consideration to be delivered to general shareholders in the Squeeze Out Process will be planned to be set at the same price as the Tender Offer Price.

In addition, the cash consideration in the Tender Offer is considered appropriate from the perspective of protecting shareholders and Share Acquisition Right Holders, as it involves low valuation volatility, high liquidity, and is relatively easy for shareholders and Share Acquisition Right Holders to assess when making their decision to tender.

In light of the above, it is considered that the method of the Transactions and the type of consideration are not disadvantageous to the Target Company’s general shareholders and Share Acquisition Right Holders.

(4) Summary

In light of the above, and comprehensively considering various factors, including (a) that in the process of forming the Transaction terms, reasonable efforts were made under circumstances ensuring that the Transactions would be conducted on terms that are as favorable as possible to general shareholders while enhancing corporate value through negotiations between independent parties, and that there are no concerns regarding the actual negotiation process with the Offeror; (b) that the Tender Offer Price (i) is above the upper end of the valuation range derived from the market share price method, (ii) is above the upper end of the valuation range derived from the comparable company analysis, (iii) is within the valuation range derived from the DCF method, and (iv) is not unreasonable in light of the premium over the market price and exceeds the Target Company’s all-time high intraday share price of 1,276 yen; (c) that the determination of the Share Acquisition Right Purchase Price is also not unreasonable; and (d) that the acquisition method is not disadvantageous to the Target Company’s general shareholders, it is considered that the Transaction terms ensure fairness, as the incremental value arising from the Transactions is appropriately allocated to the Target Company’s general shareholders.

(d) Question (iii) of the Consulted Matters (fairness of the procedures concerning the Transactions (including whether or not sufficient procedures have been taken to ensure the fairness of the transaction terms))

(1) Establishment of the Special Committee

The establishment of the Special Committee was resolved at the meeting of the Board of Directors of the Target Company held on March 2, 2026, and is a committee comprising three independent Outside Directors of the Target Company.

The Target Company, after receiving a initial contact regarding the Transactions from the Offeror, in examining the Transactions, for the purpose of taking into consideration the effects the Transactions may cause to the general shareholders of the Company, and to eliminate the risk of arbitrariness and conflict-of-interest in the Target Company’s decision-making process concerning the decision to execute the Transactions including the Tender Offer, thereby securing the fairness and transparency of the Transactions, upon a resolution of the Board of Directors of the Target Company held on March 2, 2026, identified the authorities and the Consulted Matters, established by a resolution of the Board of Directors, a Special Committee comprising three members - Mr. Toru Nagai (External Director of the Target Company, independent officer), Ms. Mari Fujii (External Director (Audit and Supervisory Committee Member), independent officer), and Ms. Keiko Hattori (External Director (Audit and Supervisory Committee Member), independent officer), all of whom are independent from the Offeror Group, the Target Company Group, the Shareholders, and the

Tendering Shareholders, or from the success or failure of the Transactions. Mr. Toru Nagai, an independent Outside Director of the Target Company, has been appointed chairman of the Special Committee, and there have been no changes to the members of the Special Committee since its establishment. Prior to the establishment of the Special Committee, the Target Company, with advice from NO&T, explained to the Target Company's independent outside directors who had no conflicts of interest with the Offeror that it was necessary to take sufficient measures to ensure the fairness of the Transaction terms, including the establishment of the Special Committee, in conducting the examination and negotiations related to the Transactions. The Target Company also provided explanations and conducted Q&A sessions regarding the necessity of fully ensuring procedural fairness in the Transaction, as well as the role of the Special Committee. In parallel, the Target Company, also with advice from Nagashima Ohno & Tsunematsu, confirmed the independence and suitability of the three independent outside directors nominated as candidates for the Special Committee, including their independence from the Offeror Group, the Target Company Group, the shareholder NF, and any Tendering Shareholders, as well as their independence from the success or failure of the Transactions.

In addition, the Special Committee Regulations established at the time of submitting the matter to the Special Committee provide that the Target Company's Board of Directors must give maximum respect to the Special Committee's report. The Special Committee Regulations also grant the Special Committee the following authorities: (a) the authority to confirm in advance the negotiation policy regarding discussions and negotiations with the Offeror concerning the Transactions, to receive timely reports on the status of such negotiations, to express opinions regarding such discussions and negotiations, to issue instructions and requests to the Target Company's Representative Directors and other appropriate officers and employees, and, where necessary and to the extent permitted by applicable laws and regulations, to directly engage in discussions and negotiations with the Offeror and other third parties; (b) the authority, to the extent necessary to fulfil its role, to require directors, executive officers, employees, and advisors of the Target Company, as well as any other persons deemed necessary by the Special Committee, to attend meetings and provide explanations or opinions; and (c) the authority, to the extent necessary to fulfil its role, to appoint advisors at the expense of the Target Company, as well as to evaluate, provide opinions on, and approve (including post-approval) the appointment of the Target Company's advisors. In addition, each member of the Special Committee is paid a fixed remuneration for their services, separate from their remuneration as outside directors, and such structure is designed to ensure independence from the success or failure of the Transactions.

The above resolution of the Target Company's Board of Directors was adopted unanimously by all four Directors of the Target Company, excluding Ms. Tsugihara and Mr. Watanabe, following deliberation by those Directors.

In this manner, the Special Committee, having been established on March 2, 2026, as an independent special committee of the Target Company, was granted authority to effectively function in the review process of the Transactions, and is considered to have, in fact, operated effectively. In particular, with respect to the price negotiations with the Offeror, as described in 3. (1) above, the Target Company sought prior confirmation from the Special Committee when engaging in discussions and negotiations with the Offeror regarding the Tender Offer Price. This enabled the Special Committee to receive timely updates on the status of negotiations, express opinions at critical stages, and issue instructions and requests, or alternatively conduct direct hearings with the Offeror itself, thereby ensuring a framework in which it could substantially influence the negotiation process of the transaction terms. In addition, with respect to the purpose and rationale of the Transaction and the potential disadvantages arising therefrom, the Special Committee, as necessary, received explanations from the Target Company's management and conducted hearings with the Offeror. In doing so, it independently obtained and reviewed important information, including non-public information related to the Transactions, effectively acting in place of general shareholders, and conducted its deliberations and determinations based on such information.

(2) Obtaining expert advice from external advisors, etc.

A. Obtaining expert advice

The Target Company appointed EYSC and NO&T as its financial advisor and legal advisor, respectively, both of which are independent from the Offeror Group, the Target Company Group, NF, the Tendering Shareholders, and the outcome of the Transactions. The Target Company conducted its review of the Transactions while obtaining expert advice from EYSC and NO&T on an ongoing basis.

In addition, although the Special Committee did not appoint its own independent advisors, it conducted its review of the Transactions from the perspective of enhancing the Target Company's corporate value and protecting the common interests of its shareholders, including general shareholders, while receiving necessary advice from EYSC and NO&T as needed.

B. Obtaining a share valuation report from a third-party valuation agent

In order to ensure the fairness of the Tender Offer Price, the Target Company's Board of Directors obtained from EYSC, a financial advisor and third-party valuation agent independent from the Offeror Group, the Target Company Group, NF, and the Tendering Shareholders, and the outcome of the Transactions, the Share Valuation Report (EYSC) as a document setting out the valuation results of the Target Company Shares.

The Share Valuation Report (EYSC) employs multiple valuation methodologies, as described in detail in Section 3. (2) above, and is designed to avoid arbitrary determination of the share value. In addition, the Business Plan, which serves as the basis for such valuation, was prepared, as noted in 3. (2) above, under a framework in which the persons involved conducted the review, negotiations, and decision-making relating to the Transaction from an independent standpoint, for the purpose of assessing the appropriateness of the Transaction terms, and independently from the Offeror Group, NF, the Tendering Shareholders, and the outcome of the Transactions. Furthermore, there are no circumstances identified that would cast doubt on the fairness of the valuation process.

(3) Measures to ensure the opportunity of purchase by other parties

According to the draft Tender Offer Registration Statement, the tender offer period of the Tender Offer is set as 30 business days. By setting a Tender Offer Period relatively longer than the statutory period, an opportunity has been secured for the shareholders of the Target Company and the Share Acquisition Right Holders to make an appropriate judgment whether or not to tender in the Tender Offer, as well as securing the opportunity for other potential acquirers.

In addition, according to the Target Company's explanation and the draft Tender Offer Registration Statement, the Tender Offer Agreement to be executed by and between the Target Company and the Offeror provides for: (a) an agreement whereby the Target Company shall express an opinion to support the Tender Offer and to recommend the tendering of shares in the Tender Offer (the "**Support Opinion**"), and not withdraw or amend such opinion, and (b) an agreement where the Target Company (i) shall not make an agreement (including the expressing of support to the transactions or recommending to tender) related to a competing transaction (meaning any transaction that substantially competes, contradicts, or conflicts with the transactions contemplated under the Tender Offer Agreement (including the Tender Offer, the Squeeze Out Process, and the Share Exchange; collectively, the "**Transactions (Tender Offer Agreement)**"), or any transaction with a concrete risk of the same (including a tender offer, reorganization, or any transaction acquiring the Target Company Shares, or a transaction to dispose of all or a material part of the shares or business of the Target Company Group), (ii) provide information regarding the Target Company Group or other information to a party other than the Offeror in connection with a competing transaction, or (iii) engage in any proposals, solicitations, offers, or requests for discussion regarding such competition transaction, or engage in any discussions or negotiations concerning such competing transactions. However, with respect to the agreement in (a), if, by the Tender Offer Expiration Date, a party other than the Offeror (i) commences or publicly announces a competing transaction, or (ii) makes a legally-binding proposal concerning a competing transaction that has sincere terms and conditions that are reasonably determined to be feasible (at a minimum, financing for the implementation of such competing transaction, and the obtaining of clearances concerning the permits and authorizations under competition laws of different countries are reasonably and objectively expected to be obtained) (a "**Counterproposal**", and collectively with the competing transactions, the "**Competing Transactions**"), and if the Target Company has reasonably determined, after comparing the Competing Transactions with the Transactions (Tender Offer Agreement), taking into consideration the transaction price of such Competing Transactions, the timing of the transaction, the concreteness of the proposal details, the attribute of such third party, past transaction history, certainty of Fundraising, certainty of transaction implementation, and other circumstances (the "**Factors to Consider**"), that there is a specific risk of the Target Company maintaining the Supporting Opinion constituting a breach of the duty of care of the Directors of the Target Company, the Target Company may request the Offeror to have discussions on the amendment to the terms of the Transactions (Tender Offer Agreement) including the Tender Offer Price. If the Target Company makes such a request to the Offeror, the Target Company shall promptly hold good faith discussions with the Offeror so that the Offeror may secure the opportunity to resubmit a proposal regarding the terms of the Transactions (Tender Offer Agreement), including the Tender Offer Price. If, within five business days from the day such request is made to the Offeror, (a) the Offeror does not resubmit a proposal, or (b) even after the Offeror has resubmitted such proposal (for the avoidance of doubt, it shall be sufficient to notify the Target Company of the terms and conditions of the Transactions (the Tender Offer Agreement) as revised in the renewed proposal, and the Offeror shall not be required to amend the public notice of commencement of the Tender Offer, file an amendment statement, or make any timely disclosure), the Target Company has reasonably determined, after comparing the Competing Transactions with the resubmitted proposal for the Transactions (Tender Offer Agreement) in consideration of the Factors to Consider, that there is a specific risk of the Target Company maintaining the Supporting Opinion constituting a breach of the duty of care of the Directors of the Target Company, and if the Target Company obtains an opinion from the Special Committee that it is reasonable to amend or withdraw the Supporting Opinion, the Target Company may resolve at the meeting of the Board of Directors to withdraw or amend the Supporting Opinion. With respect to the agreement in (b), this shall not apply: (x) to the provision of information concerning the Target Company Group and other information related to the competitive transaction to, and the discussions and negotiations with, a third party: (a) who has commenced or publicly announced a competitive transaction, or who has made a Counterproposal, or (b) is reasonably expected to commence a competitive transaction or make a Counterproposal during the Tender Offer Period, and who has engaged in a proposal, solicitation, offer, or request for discussion, and (y) to the agreements related to a competitive transaction with a third party who has commenced or publicly announced competitive transaction, or who has made a Counterproposal, where the Target Company may withdraw or amend its Supporting Opinion in accordance with the foregoing. Based on the foregoing, it is considered that it is sufficiently possible for a third party that seeks to make a proposal more favorable to the Target Company and its shareholders to approach the Target Company and conduct discussions and negotiations, and that such a third party may in fact, initiate or announce a competing transaction or make a counterproposal. Accordingly, the above agreement under the Tender Offer Agreement is not considered to unreasonably restrict opportunities for the commencement or announcement of a competing transaction by a third party, or for the making of a counterproposal.

From the foregoing, it can be evaluated that a so-called indirect market check is effectively ensured, as the M&A is conducted under a framework in which potential alternative bidders are able to make competing proposals following the public announcement of the Tender Offer.

It should be noted that in the present Transactions, a so-called active market check, involving the investigation and consideration of the existence of potential alternative bidders in the market, has not been conducted. However, (i) from the perspective of information management, such implementation is not necessarily easy in practice, and (ii) the Offeror is expected to enter into an agreement regarding the Tender Offer with NF, the Target Company's largest shareholder (aggregate number of shares held as of the date of the Advisory Report: 6,644,400 shares; shareholding ratio: 44.86%), including terms such as acceptance or non-acceptance of the Tender Offer and cooperation in the implementation of the Transaction from the standpoint of the largest shareholder. In light of this, even if another competing bidder were to emerge, there would be no realistic alternative to the present Transactions. Accordingly, the significance of conducting an active market check is considered limited. On the other hand, in view of the various measures implemented to ensure the fairness of the Transactions, it is considered that the fairness of the Transactions is secured even in the absence of an active market check.

(4) Enhancement of information provision to general shareholders and improvement of process transparency

The Fair M&A Guidelines state that, from the perspective of ensuring that general shareholders are able to make appropriate decisions based on sufficient information regarding the appropriateness of transaction terms, and enhancing the transparency of the process for forming such terms—thereby encouraging more careful deliberation and negotiation with awareness of general shareholders—it is desirable to provide enhanced disclosure of information that is both comprehensive and easy to understand, in order to support appropriate decision-making by general shareholders.

With respect to the press release concerning the Transactions, in addition to disclosure in accordance with applicable laws and the timely disclosure regulations of the Tokyo Stock Exchange, it is expected that certain information will be disclosed regarding: (i) matters relating to the Special Committee (including information on the independence and attributes of its members, the scope of authority granted to the Special Committee, its deliberation process and involvement in negotiations regarding transaction terms with the Offeror, the content of its opinion, and the remuneration structure of its members); (ii) the results of the valuation of the Target Company Shares; and (iii) other matters such as the background and purpose leading to the implementation of the Transactions, as well as the specific details of discussions and negotiations between the Target Company and the Offeror regarding transaction terms. Accordingly, it is recognized that a substantial level of information will be disclosed, enabling the Target Company's shareholders to appropriately assess the fairness of the transaction terms.

(5) Elimination of coercion

According to the draft Tender Offer Registration Statement, in the Transactions, the minimum number of shares to be purchased in the Tender Offer, the initial process in the Transactions, is set such that, upon completion of the Tender Offer, the Offeror and NF will together hold at least two-thirds of the total voting rights of the Target Company. As a result, if the Tender Offer is successful, the subsequent Squeeze Out Process is structured to be reliably implemented. In addition, in the squeeze-out procedure following the completion of the Tender Offer, the cash consideration to be delivered to general shareholders is planned to be calculated on the basis of the same per-share price as the Tender Offer Price, by multiplying such price by the number of shares held by each shareholder, and this approach is expected to be disclosed at the time of commencement of the Tender Offer. Based on the above, it is considered that measures have been taken to eliminate coercion against the Target Company's general shareholders in connection with the Transaction.

From the foregoing, it is considered that measures have been implemented to eliminate coercive pressure on the Target Company's general shareholders in relation to the Transactions.

(6) Decision-making process at the Target Company

The Representative Director of the Target Company, Ms. Tsugihara, and NF, which is wholly owned in terms of voting rights by Ms. Tsugihara, are expected to enter into a Tender/Non-Tender Agreement with the Offeror, under which Ms. Tsugihara will tender all of her shares in the Target Company into the Tender Offer, while NF will tender part of its shares (1,149,120 shares; shareholding ratio: 7.76%) and will not tender the Non-Tendered Shares (4,322,880 shares; shareholding ratio: 29.19%). Under the Tender/Non-Tender Agreement, NF will also cooperate with the implementation of the Transaction from the standpoint of the Target Company's largest shareholder. In addition, after the Transactions, NF, which is an other affiliate of the Target Company, is expected to indirectly hold shares of the Target Company through its shareholding in the Offeror as a result of the Share Exchange, and Ms. Tsugihara, who serves as Representative Director of both the Target Company and NF, is expected to continue to be involved in the management of both the Offeror and the Target Company. Furthermore, Mr. Watanabe, also a Representative Director of the Target Company, is expected to enter into an agreement with the Offeror to tender all of his shares in the Tender Offer, along with other agreements related to the Transaction. Accordingly, Ms. Tsugihara and Mr. Watanabe may have interests in the Transaction that differ from those of the Target Company's general shareholders. Therefore, from the perspective of enhancing fairness, transparency, and objectivity in the decision-making process of the Target Company's Board of Directors and avoiding conflicts of interest, they are expected not to participate in the deliberation and resolution of the Board of Directors regarding the opinion on the Tender Offer. Moreover, neither Ms. Tsugihara nor Mr. Watanabe has participated in the project team established to review, negotiate, and evaluate the Transactions on behalf of the Target Company, nor have they participated in discussions and negotiations with the Offeror on behalf of the Target Company. It is therefore considered that appropriate and careful measures have been taken to avoid conflicts of interest with general shareholders.

(7) Majority of minority condition

According to the draft Tender Offer Registration Statement, the Offeror has not set a so-called "majority of minority" condition (the "**Majority of Minority Condition**") as the minimum number of shares to be purchased in the Tender Offer. The Offeror considers that setting such a condition could make the completion of the Tender Offer unstable and may, contrary to expectations, be disadvantageous to the interests of general shareholders of the Target Company who wish to tender their shares. However, in light of the fairness-enhancing measures described in items (1) through (6) above, it is considered that the absence of the Majority of Minority Condition does not impair the procedural fairness of the Transactions.

(8) Summary

As described in items (1) through (7) above, various fairness-enhancing measures have been implemented in connection with the consideration of the Transactions. Accordingly, it is recognized that fair procedures have been conducted in the course of reviewing the Transactions, and that sufficient consideration has been given to the interests of the Target Company's general shareholders through such procedures.

(e) Question (iv) of the Consulted Matters (whether or not the Board of Directors of the Target Company should support the Tender Offer that is implemented as a part of the Transactions, and whether or not to recommend the shareholders of the Target Company and the Share Acquisition

Right Holders to tender in the Tender Offer)

In light of the matters examined in detail in (b) through (d) above, it is considered appropriate for the Target Company's Board of Directors to resolve to express an opinion in favor of the Tender Offer and to recommend that the Target Company's shareholders and Share Acquisition Right Holders tender their shares and rights in the Tender Offer.

(f) Question (v) in the Consulted Matters (whether or not the Transactions, including the Tender Offer, are fair to the general shareholders of the Target Company)

As examined in detail in (b) above, the purpose of the Transactions is recognized as having legitimacy and rationality, and the Transactions are considered to contribute to the enhancement of the Target Company's corporate value. In addition, as examined in detail in (c) and (d) above, with respect to the Transactions as a whole, including the Tender Offer, it is recognized that the appropriateness of the Tender Offer Price and other transaction terms is ensured from the perspective of the Target Company's general shareholders, and that sufficient consideration has been given to the interests of the Target Company's general shareholders through fair procedures.

Accordingly, it is considered that the Transaction is not disadvantageous to the Target Company's general shareholders and is fair.

(iii) Details of the judgment

Under the circumstances above, the Special Committee, based on the financial advice received from EYSC, the Target Company's financial advisor, at the request of the Target Company and the contents of the Share Valuation Report (EYSC), as well as the legal advice received from NO&T, deliberated and considered the Consulted Matters carefully, and on May 12, 2026, it submitted the Advisory Report to the Board of Directors of the Target Company upon the unanimous consent of the committee members. The contents and reason of the advisory report by the Special Committee are substantially as set forth below.

(D) Obtaining advice from an independent law firm by the Target Company

As described in "(i) Structuring of a deliberation system" in "(C) Target Company's opinion concerning the Tender Offer, and basis and reason" under "(2) Background, purpose, and decision-making process that led to the Offeror's implementation of the Tender Offer, and management policy after the Tender Offer, etc." above, the Target Company has appointed NO&T as a legal advisor independent from the Offeror Group, the Target Company Group, the Shareholders, and the Tendering Shareholders, and receives the necessary legal advice from NO&T on the decision-making process concerning the Transactions including the Tender Offer, the decision-making method, and other points to note upon making decisions concerning the Transactions. NO&T does not fall under a related party of the Offeror Group, the Target Company Group, the Shareholders, or the Tendering Shareholders, and does not have a significant conflict-of-interest concerning the Tender Offer. In addition, the Special Committee has confirmed that there are no issues with respect to the independence and expertise of NO&T, and has approved the firm as the legal advisor of the Target Company. Furthermore, the fees to NO&T do not include a contingency-based fee that is paid conditional upon the public announcement or the successful completion of the Transactions.

(E) Approval of all directors (including directors who are audit and supervisory committee members) of the Target Company with no conflict of interest

As described in "(iii) Details of the judgment" under "(C) Establishment of an independent Special Committee at the Target Company and receipt of an advisory report from the Special Committee" in "(2) Background, purpose, and decision-making process that led to the Offeror's implementation of the Tender Offer, and management policy after the Tender Offer, etc." above, the Board of Directors of the Target Company, based on as the legal advice received from NO&T, the financial advice received from EYSC and the contents of the Share Valuation Report (EYSC), and respecting the decision by the Special Committee indicated in the Advisory Report, carefully discussed and deliberated whether or not the Transactions including the Tender Offer will contribute to the enhancement of the corporate value of the Target Company Group, and whether or not the terms of the transactions concerning the Transactions, including the Tender Offer Price, is reasonable.

As a result, as described in "(iii) Decision details" of "(C) Establishment of an independent Special Committee at the Target Company and receipt of an advisory report from the Special Committee" in "(2) Background, purpose, and decision-making process that led to the Offeror's implementation of the Tender Offer, and management policy after the Tender Offer, etc." above, the Target Company determined that the Transactions will contribute to the enhancement of the corporate value of the Target Company, as well as considered the terms of the Transactions including the Tender Offer Price are reasonable, and at the meeting of the Board of Directors of the Target Company held on May 13, 2026, resolved with the consent of all the directors (including directors who are audit and supervisory committee members) of the Target Company without conflict of interest who participated in the deliberations and the resolution (unanimous consent of all 4 directors of the Target Company excluding Ms. Tsugihara and Mr. Watanabe) to express an opinion to support the Tender Offer, as well as to recommend the shareholders of the Target Company and the Share Acquisition Right Holders to tender their shares in the Tender Offer.

Ms. Tsugihara, the Representative Director of the Target Company, intends to enter into the Tender/Non-Tender Agreement and the Memorandum of Understanding with the Offeror, and will indirectly hold the shares of the Target Company through shareholding of the Offeror by NF, a company in which Ms. Tsugihara holds all of the voting rights, through the Share Exchange after the Transactions. In addition, Ms. Tsugihara is expected to continue participating in the management of the Offeror and the Target Company. Mr. Watanabe, the Representative Director of the Target Company, intends to enter into the Tender Agreement (Mr. Watanabe) with the Offeror. In consideration that their interests concerning the Transactions may not necessarily align with the general shareholders of the Target Company, from the viewpoint of avoiding the risk of conflict-of-interest, they have not participated in any deliberation or resolution at the meetings of the Board of Directors of the Target Company concerning the proposals pertaining to the expression of opinions to the Tender Offer, or have participated in any discussions or negotiations with the Offeror pertaining to the Transactions from the standpoint of the Target Company.

(F) Structuring of an independent deliberation structure at the Target Company

The Target Company has established a project team composed of five members including Yo Shirai, the Director (Audit and Supervisory Committee Member) of the Target Company, and four other employees of the Target Company, as a structure to deliberate, negotiate, and make decisions pertaining to the Transactions from a position independent from the Offeror Group, the Shareholders, and the Tendering Shareholders, from the viewpoint of avoiding a potential conflict-of-interest.

Specifically, since Ms. Tsugihara, the Target Company's Representative Director, will enter into a Tender/Non-Tender Agreement and the Memorandum of Understanding with the Offeror, and will indirectly hold the Target Company Shares through the continued holding of the shares of the Offeror after the Transactions by NF, in which Ms. Tsugihara holds all of the voting rights, through the Share Exchange. Since she is also expected to continue participating in the management of the Offeror and the Target Company, and Mr. Watanabe, the Target Company's Representative Director, is expected to enter into a Tendering Agreement (Mr. Watanabe) with the Offeror, a conflict-of-interest that differs from the general shareholders of the Target Company may arise with respect to Ms. Tsugihara and Mr. Watanabe concerning the Transactions, based on the advice from NO&T, it has been determined that Ms. Tsugihara and Mr. Watanabe will not be involved in the deliberations, negotiations, and decisions of the Target Company pertaining to the Transactions, or engage in the discussions and negotiations with the Offeror in the position of the Target Company. Such treatment has continued to this date. The Special Committee has approved that there are no issues in such a deliberation system from the viewpoint of independence and fairness. It shall be sufficient to notify the Target Company of the terms and conditions of the Transactions (the Tender Offer Agreement) as revised in the renewed proposal, and the Offeror shall not be required to amend the public notice of commencement of the Tender Offer, file an amendment statement, or make any timely disclosure.

(G) Measures to ensure opportunities for purchase by other parties

The Tender Offer Agreement contains a transaction protection clause prohibiting proposals, offers, discussions, or negotiations, etc., for competing transactions, but also provides, where a competing transaction meeting a certain criteria is carried out, an exception in which the above prohibitions relating to competing transactions will not apply (i) if, despite the Target Company's request for consultation to the

Offeror for a modification of the terms of the Transactions including the Tender Offer Price, the Offeror fails to resubmit a proposal of the terms of the Transactions including the Tender Offer Price, or (ii) even if the Offeror resubmits such proposal (for the avoidance of doubt, it shall be sufficient to notify the Target Company of the terms and conditions of the Transactions (Tender Offer Agreement) as revised in the renewed proposal, and the Offeror shall not be required to amend the public notice of commencement of the Tender Offer, file an amendment statement, or make any timely disclosure), and engages in a Competing Transaction (defined in "(C) Tender Offer Agreement" under "(6) Material agreements pertaining to the Tender Offer" below), the Target Company reasonably determines that there is a specific risk of breach of the duty of care of a good manager as the Directors of the Target Company in maintaining the opinion in support of the Tender Offer when comparing the Competing Transaction with the Transactions under the resubmitted proposal, taking into consideration the transaction price, the timing of transactions, the concreteness of the details of the proposal, the attribute of such third parties, past transaction records, certainty of fundraising, certainty of transaction execution, and other circumstances. This will operate to avoid excessive impedance of the opportunity for competitive purchases, and ensure the fairness of the Tender Offer.

(H) Measures to ensure the opportunity for the shareholders of the Target Company and the Share Acquisition Right Holders to appropriately determine whether or not to tender in the Tender Offer

As stated in "(4) Policy for organizational restricting after the Tender Offer" below, the Offeror, (i) after the completion of the settlement of the Tender Offer, plans to promptly request the Target Company to hold an extraordinary general meeting of shareholders which includes a proposal to conduct the Share Consolidation and to make a partial amendment to the Target Company's articles of incorporation that will abolish the share unit number provisions on condition that the Share Consolidation becomes effective, and any method which fails to secure appraisal rights or price determination rights for the Target Company's shareholders will not be adopted, and (ii) has made clear that the amount of money to be delivered as consideration to each shareholder of the Target Company (excluding the Offeror and the Target Company) upon the Share Consolidation will be calculated to be equal to the price obtained by multiplying the Tender Offer Price by the number of the Target Company Shares held by each such shareholder (excluding the Offeror and the Target Company). Accordingly, the opportunity for the Target Company's shareholders and the Share Acquisition Right Holders to make an appropriate judgment regarding whether or not to tender in the Tender Offer has been secured, and due consideration is being exercised to ensure there is no coerciveness.

In addition, the Offeror has set the Tender Offer Period as 30 business days, whereas the minimum purchase period for a tender offer under laws and regulations is 20 business days. By setting a Tender Offer Period relatively longer than the statutory period, an opportunity has been secured for the shareholders of the Target Company and the Share Acquisition Right Holders to make an appropriate judgment whether or not to tender in the Tender Offer, as well as securing the opportunity for other potential acquirers to make a competitive bid with respect to the Target Company Shares, and a so-called market check will be carried out.

As stated in “(C) Tender Offer Agreement” under “(6) Material agreements pertaining to the Tender Offer” below, the Tender Offer Agreement dated May 13, 2026 by and between the Offeror and the Target Company provides for the Target Company’s obligations to express its Supporting Opinion (defined in “(C) Tender Offer Agreement” under “(6) Material agreements pertaining to the Tender Offer” below; the same applies hereinafter), and to maintain the Supporting Opinion and not resolve at the meeting of the Board of Directors to withdraw or amend the same, from the date of execution of the Tender Offer Agreement to the Tender Offer Expiration Date (defined in “(C) Tender Offer Agreement” under “(6) Material agreements pertaining to the Tender Offer” below; the same hereinafter). However, if a party other than the Offeror commences or publicly announces a competing transaction (defined in “(C) Tender Offer Agreement” under “(6) Material agreements pertaining to the Tender Offer” below; the same hereinafter), or makes a Counterproposal (defined in “(C) Tender Offer Agreement” under “(6) Material agreements pertaining to the Tender Offer” below; the same hereinafter) by the Tender Offer Expiration Date, and the Target Company reasonably determines that the maintaining of the Supporting Opinion has a specific risk of constituting a breach of the duty of care as Directors of the Target Company upon comparing such competing transaction or Counterproposal with the Transactions (Tender Offer Agreement) (defined in “(C) Tender Offer Agreement” under “(6) Material agreements pertaining to the Tender Offer” below; the same hereinafter) taking the Factors to Consider (defined in “(C) Tender Offer Agreement” under “(6) Material agreements pertaining to the Tender Offer” below; the same hereinafter) into consideration, the Target Company may , so long as it does not breach any of its obligations stipulated in (c) and (d) of “(C) Tender Offer Agreement”, request the Offeror to have discussions on the amendment to the terms of the Transactions (Tender Offer Agreement) including the Tender Offer Price. If the Target Company makes such a request to the Offeror, the Target Company shall promptly hold good faith discussions with the Offeror so that the Offeror may secure the opportunity to resubmit a proposal regarding the terms of the Transactions (Tender Offer Agreement), including the Tender Offer Price. If, within five business days from the day such request is made to the Offeror, (a) the Offeror does not resubmit a proposal, or (b) even after the Offeror has resubmitted such proposal, the Target Company has reasonably determined, after comparing the Competing Transactions with the resubmitted proposal for the Transaction (Tender Offer Agreement) in consideration of the Factors to Consider, that there is a specific risk of the Target Company maintaining the Supporting Opinion constituting a breach of the duty of care of the Directors of the Target Company, and if the Target Company obtains an opinion from the Special Committee that it is reasonable to amend or withdraw the Supporting Opinion, the Target Company may resolve at the meeting of the Board of Directors to withdraw or amend the Supporting Opinion.

In addition, under the Tender Offer Agreement, the Target Company, between the date of execution of the Tender Offer Agreement to the completion of the Transactions (Tender Offer Agreement), may not, directly or indirectly, (i) make an agreement related to a competing transaction with a party other than the Offeror (including the expressing of support to the transactions or recommending to tender), (ii) provide information regarding the Target Company Group or other information to a party other than the Offeror in connection with a competing transaction, or (iii) engage in any proposals, solicitations, offers, or requests for discussion regarding such competition transaction, or engage in any discussions or negotiations concerning such competing transactions. Provided, however, this shall not apply: (x) to the provision of information concerning the Target Company Group and other information related to the competitive transaction to, and the discussions and negotiations with, a third party: (a) who has commenced or publicly announced a competitive transaction, or who has made a Counterproposal, or (b) is reasonably expected to commence a competitive transaction or make a Counterproposal during the Tender Offer Period, and who has engaged in a proposal, solicitation, offer, or request for discussion, and (y) to the agreements related to a competitive transaction with a third party who has commenced or publicly announced competitive transaction, or who has made a Counterproposal, where the Target Company may withdraw or amend its Supporting Opinion in accordance with (b) of "(C) Tender Offer Agreement" under "(6) Material agreements pertaining to the Tender Offer" below.

In light of the foregoing, it can be said that it remains fully possible for a third party seeking to make a proposal that is more favorable to the Target Company and its shareholders to approach and make a proposal to the Target Company, engage in discussions and negotiations with the Target Company, and, as a result, actually commence or announce a competing transaction or make a Counterproposal. Accordingly, the Tender Offer Agreement is not considered to unreasonably impede the opportunity for a third party to commence or announce a competing transaction, or to make a Counterproposal.

(4) Policy for organizational restructuring after the Tender Offer

As stated in "(1) Outline of the purpose of the Tender Offer", the Offeror is conducting the Tender Offer as a part of the Transactions for the management integration of the Target Company and the Offeror. In addition, if the Offeror is unable to acquire all of the Target Company Shares and all of the Share Acquisition Rights through the Tender Offer, it intends to implement the Squeeze Out Process as set forth below after the completion of the Tender Offer.

Specifically, the Offeror, after the completion of the settlement of the Tender Offer, plans to promptly request the Target Company to hold an extraordinary general meeting of shareholders ("**Extraordinary Shareholders Meeting**") which includes a proposal to consolidate the Target Company Shares ("**Share Consolidation**") pursuant to Article 180 of the Companies Act, and to make a partial amendment to the Target Company's articles of incorporation that will abolish the share unit number provisions on condition that the Share Consolidation becomes effective. As of the date of filing of this Press Release, the Extraordinary Shareholders Meeting is scheduled for late August 2026. The Offeror and the Shareholders intend to vote in favor of each of the proposals above.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders Meeting, on the effective date of the Share Consolidation, the shareholders of the Target Company will hold the number of the Target Company Shares proportionate to the ratio of the Share Consolidation approved at the Extraordinary Shareholders Meeting. If there are any fractional shares as a result of the Share Consolidation, the shareholders of the Target Company with fractional shares will be paid the amount of cash earned by selling the Target Company Shares corresponding to the total number of such fractional shares (any fractions of the total number will be rounded down; the same applies hereinafter) to the Offeror. in accordance with the procedures prescribed under Article 235 of the Companies Act and other applicable laws and regulations. The sale price of the Target Company Shares corresponding to the total number of such fractional shares will be calculated so that the amount of cash to be paid to the shareholders of the Target Company who do not tender their shares in the Tender Offer (excluding the Offeror, NF, and the Target Company) as a result of the sale will be equal to the price obtained by multiplying the Tender Offer Price by the number of the Target Company Shares held by each such shareholder, after which the Offeror will request the Target Company to file a petition with the court for a voluntary sale permission. Although the ratio of the Share Consolidation has not been determined as of the date of filing of this Press Release, the Offeror intends to request the Target Company to determine the ratio of the Share Consolidation in order to ensure that the number of the Target Company Shares held by the shareholders of the Target Company who do not tender their shares in the Tender Offer (excluding the Offeror, NF, and the Target Company) will be fractions less than one share so that the Offeror and NF will hold all of the Target Company Shares (excluding treasury shares). According to the Target Company, it will promptly make a public announcement of the specific procedures once it has been fixed.

As a procedure under the Companies Act for the purpose of protecting the rights of the minority shareholders in connection with the Share Consolidation, Articles 182-4 and 182-5 of the Companies Act and other applicable laws and regulations provide that, in the event of a Share Consolidation, if there are any fractional shares resulting from the Share Consolidation, the shareholders of the Target Company (excluding the Offeror, NF, and the Target Company) may demand that the Target Company purchase, at a fair price, all such fractional shares from among the Target Company Shares that they hold and may file a petition with the court for the determination of the price of the Target Company Shares.

As stated above, in the Share Consolidation, the number of the Target Company Shares held by each of the shareholders of the Target Company who do not tender their shares in the Tender Offer (excluding the Offeror, NF, and the Target Company) will be able to file the above-mentioned petition. In the event the petition described above is filed, the purchase price of the Target Company Shares concerned will be finally determined by the court.

In addition, if the Offeror, after the completion of the Tender Offer, is unable to acquire all of the Share Acquisition Rights, and the Share Acquisition Rights are not exercised and are outstanding, the Offeror intends to request the Target Company, to acquire the Share Acquisition Rights, recommend the Share Acquisition Right Holders to waive their Share Acquisition Rights, or take other reasonable procedures necessary for the execution of the Transactions, or directly carry out such procedures; however, if it will pay cash to the Share Acquisition Right Holders who did not tender their Share Acquisition Rights in the Tender Offer, such amount will be calculated so that it will equal the Share Acquisition Right Purchase Price multiplied by the number of Share Acquisition Rights of the Target Company held by such Share Acquisition Right Holder. The Offeror intends to cooperate with such a request. In addition, as stated in "(1) Outline of the purpose of the Tender Offer" above, if, following the Share Consolidation, there are Remaining Shareholders, after the Target Company obtains an exemption from the obligation to submit a securities report, the Offeror and NF intend, as part of the Squeeze Out Process, to carry out the 2$^{nd}$ Share Consolidation and the Stock Lending Transaction.

Regarding the Share Consolidation procedures stated above, the method and timing of implementation may change depending on relevant matters such as revision and enforcement, and/or interpretation by the authorities, of the relevant laws and regulations. However, even in such a case, the Offeror intends to take measures to ultimately pay cash to the shareholders of the Target Company who do not tender their shares in the Tender Offer (excluding the Offeror, NF, and the Target Company). In such a case, the Offeror plans to calculate the amount of cash obtained by multiplying the Tender Offer Price by the number of the Target Company Shares held by the respective shareholders of the Target Company. If the Offeror shall pay cash to the Share Acquisition Right Holders who do not tender their Share Acquisition Rights in the Tender Offer, such amount will be calculated so that it will equal the Share Acquisition Right Purchase Price multiplied by the number of Share Acquisition Rights of the Target Company held by such Share Acquisition Right Holder.

In the case where the Share Consolidation is expected to become effective between July 1, 2026 and September 30, 2026, the Offeror intends to request the Target Company to propose at the Extraordinary Shareholders Meeting, together with the Share Consolidation, to partially amend its articles of incorporation to abolish the provisions concerning the record date for the voting rights on condition that the Share Consolidation becomes effective, at the annual general meeting of shareholders of the Target Company for the fiscal year ending June 2026 (as of the date of filing of this Press Release, scheduled for late September 2026, the "**Annual Shareholders Meeting**"), so that the only shareholders who may exercise rights at the Annual Shareholders Meeting will be the Offeror and NF. If the Target Company receives the request above from the Offeror, it intends to respond to such request. In addition, the Offeror and NF intend to vote in favor of each of the proposals above. If the amendment to the articles of incorporation is effected, at the Annual Shareholders Meeting to be held after such amendment to the articles of incorporation, the shareholders who are recorded or registered in the shareholder register at the time the Annual Shareholders Meeting is held will be the shareholders who may exercise voting rights, in accordance with the Companies

Act. Accordingly, under the Target Company's articles of incorporation as of the date of filing of this Press Release, the shareholders who may exercise voting rights at the Target Company's Annual Shareholders Meeting are the shareholders who are recorded or registered in the last shareholders register of the Target Company on June 30 of each year; however, shareholders who are recorded or registered in the Target Company's shareholder register may not be able to exercise their rights at the Annual Shareholders Meeting. The Tender Offer is not a solicitation for the Target Company's shareholders and Share Acquisition Right Holders to vote in favor of the proposals at the Extraordinary Shareholders Meeting. The Target Company's shareholders and the Share Acquisition Right Holders are requested to confirm at their own responsibility with their own tax accountants or other professionals regarding the tax treatment in the tendering of shares in the Tender Offer or in the procedures above.

Furthermore, the Offeror intends that, ultimately, the Offeror will become the sole shareholder of the Target Company, and as a means to accomplish such purpose, intends to execute the Share Exchange after the completion of the Squeeze Out Process, with the Offeror as the fully-owning parent company after the share exchange, the Target Company as the wholly-owned subsidiary after the share exchange, and the shares of the Offeror as consideration. The Offeror has entered into a Memorandum of Understanding with the Shareholders on May 13, 2026, to agree on the method of calculation of the share exchange ratio of the Share Exchange (Note).

(Note) Such a ratio has been calculated using the value of the Target Company Shares as the purchase price in the Tender Offer, and consideration is given so that such a ratio does not conflict with the gist of the uniform price regulations of the tender offer price (Article 27-2, Paragraph 3 of the Act). In addition, NF will acquire the shares of the Offeror; however, the purpose thereof is to engage in the growth of the Offeror Group and the Target Company Group following the management integration as the joint representative of the Offeror through the indirect holding of the Offeror's shares by Ms. Tsugihara who holds all of the voting rights in NF, and it is believed the grant of such opportunity to acquire the shares can be distinguished from a substantial consideration concerning the Tender Offer.

For the outline of the Memorandum of Understanding, please see "(6) Material agreements pertaining to the Tender Offer" below.

(5) Prospect and reasons for delisting

As of today, the Target Company Shares are listed on the Tokyo Stock Exchange Standard Market, but since the 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 through the prescribed procedures, following the criteria for delisting established by the Tokyo Stock Exchange. Even if such criteria for delisting are not met at the time of the completion of the Tender Offer, the Offeror intends to subsequently acquire all the Target Company Shares (excluding the Target Company Shares directly held by the Offeror and NF and the treasury shares held by the Target Company) through the Squeeze Out Process set forth in "(4) Policy for organizational restructuring after the Tender Offer" below, in which case the Target Company Shares will be delisted through the prescribed procedures, following the criteria for delisting established by the Tokyo Stock Exchange. Once the Target Company Shares become delisted, the Target Company Shares will no longer be tradable on the Tokyo Stock Exchange Standard Market.

(6) Material agreements pertaining to the Tender Offer

(A) Tender Agreement

As described in "(1) Outline of the purpose of the Tender Offer" above, upon the Tender Offer, the Offeror entered into Tender Agreements with the Tendering Shareholders as of May 13, 2026. The outline of the Tender Agreements is as set forth below.

(i) Tender Agreement (Mr. Watanabe)

The Offeror has entered into the Tender Agreement (Mr. Watanabe) with Mr. Watanabe (number of shares held: 761,100 shares, shareholding ratio: 5.14%) on May 13, 2026, and has agreed that Mr. Watanabe will tender the Tendered Shares (Mr. Watanabe) in the Tender Offer.

The Tender Agreement (Mr. Watanabe) does not provide for any preconditions for tender by Mr. Watanabe.

In addition, the following matters have been agreed in the Tender Agreement (Mr. Watanabe):

(a) From the date of the Tender Agreement (Mr. Watanabe) to the date of commencement of the settlement of the Tender Offer (the "**Settlement Date**"), Mr. Watanabe shall not transfer, provide as collateral, or otherwise dispose of the Tendered Shares (Mr. Watanabe), or otherwise engage in any transaction substantially competing, contradicting, or conflicting with the Tender Offer, or enter into any contracts or other agreements regarding the same, engage in proposals, contacts, solicitations, information provision, discussions, or negotiations regarding such transactions, and if he receives any proposals, contacts, solicitations, or information provision regarding such transactions from a third party, promptly notify the fact and the content thereof to the Offeror, and discuss the response with the Offeror in good faith.

(b) From the date of the Tender Agreement (Mr. Watanabe) to the Settlement Date, Mr. Watanabe shall not exercise the right to convene the general meeting of shareholders of the Target Company (Article 297 of the Companies Act), the right to make a shareholder proposal (Articles 303 to 305 of the Companies Act), or any other shareholder right without the prior written consent of the Offeror.

(c) If the Tender Offer is commenced, Mr. Watanabe shall, in relation to the exercise of any of its rights, including the voting rights attached to the Tendered Shares (Mr. Watanabe) exercisable at any general meeting of shareholders of the Target Company to be held with a record date on or prior to the Settlement Date, exercise such voting rights in accordance with the instructions of the Offeror, and take the necessary measures to ensure that the intentions of the Offeror are properly reflected to the exercise of such rights.

(d) From the date of the Tender Agreement (Mr. Watanabe) to the lapse of three years from the Settlement Date, Mr. Watanabe shall not, directly or indirectly, engage in any business that is the same as the business the Target Company is currently engaged in or is planning to engage in (the "**Business**"), or any business that competes with the Business, by itself or through a third party, without the prior written consent of the Offeror. Provided, however, the acquisition and holding of shares and other securities by Mr. Watanabe for pure investment purposes shall not constitute a breach of the obligations set forth in this item (d).

(e) From the date of the Tender Agreement (Mr. Watanabe) to the lapse of three years from the Settlement Date, Mr. Watanabe shall not, directly or indirectly, (a) appoint or employ, or solicit for the appointment or employment by any third party of any officer or employee of the Target Company, nor (b) encourage any such person to resign from or otherwise leave his or her current position.

(f) In addition to the foregoing, the Tender Agreement (Mr. Watanabe) includes a representations and warranties clause (Note 1) (Note 2), compensation clause (Note 3), and cause for cancellation and termination of the agreement (Note 4).

(Note 1) In the Tender Agreement (Mr. Watanabe), the Offeror has made representations and warranties on, among other matters, (a) incorporation and continuance, (b) execution and performance of the Tender Agreement (Mr. Watanabe), (c) enforceability, (d) obtaining of permits and authorizations, (e) no conflict with laws and regulations, etc., (f) non-existence of relationships with anti-social force, and (g) insolvency procedures.

(Note 2) In the Tender Agreement (Mr. Watanabe), Mr. Watanabe has made representations and warranties on, among other matters, (a) mental capacity, etc., (b) execution and performance of the Tender Agreement, (c) enforceability, (d) obtaining of permits and authorizations, (e) no conflict with laws and regulations, etc., (f) holding of the Tendered Shares (Mr. Watanabe), (g) material undisclosed facts, (h) non-existence of relationships with anti-social force, and (i) insolvency procedures.

(Note 3) The Offeror and Mr. Watanabe shall compensate the counterparty for any damage, loss, or expenses (including reasonable fees of attorneys and other advisors; "**Damage**") incurred by the counterparty arising from or in connection with the breach of its obligations (however, any fact subject to the representations and warranties under the Tender Agreement (Mr. Watanabe) is discovered to be untrue shall not constitute a breach of such obligations) under the Tender Agreement (Mr. Watanabe).

(Note 4) The Tender Agreement provides, as a reason for cancellation, the agreement in writing between the Offeror and Mr. Watanabe to terminate the Tender Agreement. The Tender Agreement provides, as reasons for termination, (a) the lawful and effective withdrawal of the Tender Offer in accordance with laws and regulations after the commencement of the Tender Offer, and (b) the Tender Offer being unsuccessful.

Except for the Tender Agreement (Mr. Watanabe), no agreement concerning the Transactions has been executed between the Offeror and Mr. Watanabe, and no profit is paid upon the Tender Offer to Mr. Watanabe, except for the payment of the Tender Offer Price.

(ii) Tender Agreement (Mr. Nakata)

The Offeror has entered into the Tender Agreement (Mr. Nakata) with Mr. Nakata (number of shares held: 700,000 shares, shareholding ratio: 4.73%) on May 13, 2026, and has agreed that Mr. Watanabe will tender the Tendered Shares (Mr. Nakata) in the Tender Offer.

The Tender Agreement (Mr. Nakata) does not provide for any preconditions for tender by Mr. Nakata. In addition, the following matters have been agreed in the Tender Agreement (Mr. Nakata):

(a) From the date of the Tender Agreement (Mr. Nakata) to the Settlement Date, Mr. Nakata shall not transfer, provide as collateral, or otherwise dispose of the Tendered Shares (Mr. Nakata), or otherwise engage in any transaction substantially competing, contradicting, or conflicting with the Tender Offer, or enter into any contracts or other agreements regarding the same, engage in proposals, contacts, solicitations, information provision, discussions, or negotiations regarding such transactions, and if he receives any proposals, contacts, solicitations, or information provision regarding such transactions from a third party, promptly notify the fact and the content thereof to the Offeror, and discuss the response with the Offeror in good faith.

(b) From the date of the Tender Agreement (Mr. Nakata) to the Settlement Date, Mr. Nakata shall not exercise the right to convene the general meeting of shareholders of the Target Company (Article 297 of the Companies Act), the right to make a shareholder proposal (Articles 303 to 305 of the Companies Act), or any other shareholder right without the prior written consent of the Offeror.

(c) If the Tender Offer is commenced, Mr. Nakata shall, in relation to the exercise of any of its rights, including the voting rights attached to the Tendered Shares (Mr. Nakata) exercisable at any general meeting of shareholders of the Target Company to be held with a record date on or prior to the Settlement Date, exercise such voting rights in accordance with the instructions of the Offeror, and take the necessary measures to ensure that the intentions of the Offeror are properly reflected to the exercise of such rights.

(d) In addition to the foregoing, the Tender Agreement (Mr. Nakata) includes a representations and warranties clause (Note 1) (Note 2), compensation clause (Note 3), and cause for cancellation and termination of the agreement (Note 4).

(Note 1) In the Tender Agreement (Mr. Nakata), the Offeror has made representations and warranties on, among other matters, (a) incorporation and continuance, (b) execution and performance of the Tender Agreement (Mr. Nakata), (c) enforceability, (d) obtaining of permits and authorizations, (e) no conflict with laws and regulations, etc., (f) non-existence of relationships with anti-social force, and (g) insolvency procedures.

(Note 2) In the Tender Agreement (Mr. Nakata), Mr. Nakata has made representations and warranties on, among other matters, (a) mental capacity, etc., (b) execution and performance of the Tender Agreement, (c) enforceability, (d) obtaining of permits and authorizations, (e) no conflict with laws and regulations, etc., (f) holding of the Tendered Shares (Mr. Nakata), (g) material undisclosed facts, (h) non-existence of relationships with anti-social force, and (i) insolvency procedures.

(Note 3) The Offeror and Mr. Nakata shall compensate the counterparty for any Damage incurred by the counterparty arising from or in connection with the breach of its obligations or the breach of representations and warranties (meaning that any fact subject to the representations and warranties is discovered to be untrue) under the Tender Agreement (Mr. Nakata).

(Note 4) The Tender Agreement provides, as a reason for cancellation, the agreement in writing between the Offeror and Mr. Nakata to terminate the Tender Agreement. The Tender Agreement provides, as reasons for termination, (a) the lawful and effective withdrawal of the Tender Offer in accordance with laws and regulations after the commencement of the Tender Offer, and (b) the Tender Offer being unsuccessful.

Except for the Tender Agreement (Mr. Nakata), no agreement concerning the Transactions has been executed between the Offeror and Mr. Nakata, and no profit is paid upon the Tender Offer to Mr. Nakata, except for the payment of the Tender Offer Price.

(iii) Tender Agreement (Ms. Matsumoto)

The Offeror has entered into the Tender Agreement (Ms. Matsumoto) with Ms. Matsumoto (number of shares held: 215,000 shares, shareholding ratio: 1.45%) on May 13, 2026, and has agreed that Ms. Matsumoto will tender the Tendered Shares (Ms. Matsumoto) in the Tender Offer.

The Tender Agreement (Ms. Matsumoto) does not provide for any preconditions for tender by Ms. Matsumoto.

In addition, the following matters have been agreed in the Tender Agreement (Ms. Matsumoto):

(a) From the date of the Tender Agreement (Ms. Matsumoto) to the Settlement Date, Ms. Matsumoto shall not transfer, provide as collateral, or otherwise dispose of the Tendered Shares (Ms. Matsumoto), or otherwise engage in any transaction substantially competing, contradicting, or conflicting with the Tender Offer, or enter into any contracts or other agreements regarding the same, engage in proposals, contacts, solicitations, information provision, discussions, or negotiations regarding such transactions, and if she receives any proposals, contacts, solicitations, or information provision regarding such transactions from a third party, promptly notify the fact and the content thereof to the Offeror, and discuss the response with the Offeror in good faith.

(b) From the date of the Tender Agreement (Ms. Matsumoto) to the Settlement Date, Ms. Matsumoto shall not exercise the right to convene the general meeting of shareholders of the Target Company (Article 297 of the Companies Act), the right to make a shareholder proposal (Articles 303 to 305 of the Companies Act), or any other shareholder right without the prior written consent of the Offeror.

(c) If the Tender Offer is commenced, Ms. Matsumoto shall, in relation to the exercise of any of its rights, including the voting rights attached to the Tendered Shares (Ms. Matsumoto) exercisable at any general meeting of shareholders of the Target Company to be held with a record date on or prior to the Settlement Date, exercise such voting rights in accordance with the instructions of the Offeror, and take the necessary measures to ensure that the intentions of the Offeror are properly reflected to the exercise of such rights.

(d) In addition to the foregoing, the Tender Agreement (Ms. Matsumoto) includes a representations and warranties clause (Note 1) (Note 2), compensation clause (Note 3), and cause for cancellation and termination of the agreement (Note 4).

(Note 1) In the Tender Agreement (Ms. Matsumoto), the Offeror has made representations and warranties on, among other matters, (a) incorporation and continuance, (b) execution and performance of the Tender Agreement (Ms. Matsumoto), (c) enforceability, (d) obtaining of permits and authorizations, (e) no conflict with laws and regulations, etc., (f) non-existence of relationships with anti-social force, and (g) insolvency procedures.

(Note 2) In the Tender Agreement (Ms. Matsumoto), Ms. Matsumoto has made representations and warranties on, among other matters, (a) mental capacity, etc., (b) execution and performance of the Tender Agreement, (c) enforceability, (d) obtaining of permits and authorizations, (e) no conflict with laws and regulations, etc., (f) holding of the Tendered Shares (Ms. Matsumoto), (g) material undisclosed facts, (h) non-existence of relationships with anti-social force, and (i) insolvency procedures.

(Note 3) The Offeror and Ms. Matsumoto shall compensate the counterparty for any Damage incurred by the counterparty arising from or in connection with the breach of its obligations or the breach of representations and warranties (meaning that any fact subject to the representations and warranties is discovered to be untrue) under the Tender Agreement (Ms. Matsumoto).

(Note 4) The Tender Agreement provides, as a reason for cancellation, the agreement in writing between the Offeror and Ms. Matsumoto to terminate the Tender Agreement. The Tender Agreement provides, as reasons for termination, (a) the lawful and effective withdrawal of the Tender Offer in accordance with laws and regulations after the commencement of the Tender Offer, and (b) the Tender Offer being unsuccessful.

Except for the Tender Agreement (Ms. Matsumoto), no agreement concerning the Transactions has been executed between the Offeror and Ms. Matsumoto, and no profit is paid upon the Tender Offer to Ms. Matsumoto, except for the payment of the Tender Offer Price.

(iv) Tender Agreement (NGK)

The Offeror has entered into the Tender Agreement (NGK) with NGK (number of shares held: 165,000 shares, shareholding ratio: 1.11%) on May 13, 2026, and has agreed that NGK will tender the Tendered Shares (NGK) in the Tender Offer.

The Tender Agreement (NGK) does not provide for any preconditions for tender by NGK.

In addition, the following matters have been agreed in the Tender Agreement (NGK):

(a) From the date of the Tender Agreement (NGK) to the Settlement Date, NGK shall not transfer, provide as collateral, or otherwise dispose of the Tendered Shares (NGK), or otherwise engage in any transaction substantially competing, contradicting, or conflicting with the Tender Offer, or enter into any contracts or other agreements regarding the same, engage in proposals, contacts, solicitations, information provision, discussions, or negotiations regarding such transactions, and if it receives any proposals, contacts, solicitations, or information provision regarding such transactions from a third party, promptly notify the fact and the content thereof to the Offeror, and discuss the response with the Offeror in good faith.

(b) From the date of the Tender Agreement (NGK) to the Settlement Date, NGK shall not exercise the right to convene the general meeting of shareholders of the Target Company (Article 297 of the Companies Act), the right to make a shareholder proposal (Articles 303 to 305 of the Companies Act), or any other shareholder right without the prior written consent of the Offeror.

(c) If the Tender Offer is commenced, NGK shall, in relation to the exercise of any of its rights, including the voting rights attached to the Tendered Shares (NGK) exercisable at any general meeting of shareholders of the Target Company to be held with a record date on or prior to the

Settlement Date, exercise such voting rights in accordance with the instructions of the Offeror, and take the necessary measures to ensure that the intentions of the Offeror are properly reflected to the exercise of such rights.

(d) In addition to the foregoing, the Tender Agreement (NGK) includes a representations and warranties clause (Note 1) (Note 2), compensation clause (Note 3), and cause for cancellation and termination of the agreement (Note 4).

(Note 1) In the Tender Agreement (NGK), the Offeror has made representations and warranties on, among other matters, (a) incorporation and continuance, (b) execution and performance of the Tender Agreement (NGK), (c) enforceability, (d) obtaining of permits and authorizations, (e) no conflict with laws and regulations, etc., (f) non-existence of relationships with anti-social force, and (g) insolvency procedures.

(Note 2) In the Tender Agreement (NGK), NGK has made representations and warranties on, among other matters, (a) mental capacity, etc., (b) execution and performance of the Tender Agreement, (c) enforceability, (d) obtaining of permits and authorizations, (e) no conflict with laws and regulations, etc., (f) holding of the Tendered Shares (NGK), (g) material undisclosed facts, (h) non-existence of relationships with anti-social force, and (i) insolvency procedures.

(Note 3) The Offeror and NGK shall compensate the counterparty for any Damage incurred by the counterparty arising from or in connection with the breach of its obligations or the breach of representations and warranties (meaning that any fact subject to the representations and warranties is discovered to be untrue) under the Tender Agreement (NGK).

(Note 4) The Tender Agreement provides, as a reason for cancellation, the agreement in writing between the Offeror and NGK to terminate the Tender Agreement. The Tender Agreement provides, as reasons for termination, (a) the lawful and effective withdrawal of the Tender Offer in accordance with laws and regulations after the commencement of the Tender Offer, and (b) the Tender Offer being unsuccessful.

Except for the Tender Agreement (NOK), no agreement concerning the Transactions has been executed between the Offeror and NOK, and no profit is paid upon the Tender Offer to NOK, except for the payment of the Tender Offer Price.

(v) Tender Agreement (Ms. Hayakawa)

The Offeror has entered into the Tender Agreement (Ms. Hayakawa) with Ms. Hayakawa (number of shares held: 6,800 shares, shareholding ratio: 0.05%) on May 13, 2026, and has agreed that Ms. Hayakawa will tender the Tendered Shares (Ms. Hayakawa) in the Tender Offer.

The Tender Agreement (Ms. Hayakawa) does not provide for any preconditions for tender by Ms. Hayakawa.

In addition, the following matters have been agreed in the Tender Agreement (Ms. Hayakawa):

(a) From the date of the Tender Agreement (Ms. Hayakawa) to the Settlement Date, Ms. Hayakawa shall not transfer, provide as collateral, or otherwise dispose of the Tendered Shares (Ms. Hayakawa), or otherwise engage in any transaction substantially competing, contradicting, or conflicting with the Tender Offer, or enter into any contracts or other agreements regarding the same, engage in proposals, contacts, solicitations, information provision, discussions, or negotiations regarding such transactions, and if she receives any proposals, contacts, solicitations, or information provision regarding such transactions from a third party, promptly notify the fact and the content thereof to the Offeror, and discuss the response with the Offeror in good faith.

(b) From the date of the Tender Agreement (Ms. Hayakawa) to the Settlement Date, Ms. Hayakawa shall not exercise the right to convene the general meeting of shareholders of the Target Company (Article 297 of the Companies Act), the right to make a shareholder proposal (Articles 303 to 305 of the Companies Act), or any other shareholder right without the prior written consent of the Offeror.

(c) If the Tender Offer is commenced, Ms. Hayakawa shall, in relation to the exercise of any of its rights, including the voting rights attached to the Tendered Shares (Ms. Hayakawa) exercisable at any general meeting of shareholders of the Target Company to be held with a record date on or prior to the Settlement Date, exercise such voting rights in accordance with the instructions of the Offeror, and take the necessary measures to ensure that the intentions of the Offeror are properly reflected to the exercise of such rights.

(d) In addition to the foregoing, the Tender Agreement (Ms. Hayakawa) includes a representations and warranties clause (Note 1) (Note 2), compensation clause (Note 3), and cause for cancellation and termination of the agreement (Note 4).

(Note 1) In the Tender Agreement (Ms. Hayakawa), the Offeror has made representations and warranties on, among other matters, (a) incorporation and continuance, (b) execution and performance of the Tender Agreement (Ms. Hayakawa), (c) enforceability, (d) obtaining of permits and authorizations, (e) no conflict with laws and regulations, etc., (f) non-existence of relationships with anti-social force, and (g) insolvency procedures.

(Note 2) In the Tender Agreement (Ms. Hayakawa), Ms. Hayakawa has made representations and warranties on, among other matters, (a) mental capacity, etc., (b) execution and performance of the Tender Agreement, (c) enforceability, (d) obtaining of permits and authorizations, (e) no conflict with laws and regulations, etc., (f) holding of the

Tendered Shares (Ms. Hayakawa), (g) material undisclosed facts, (h) non-existence of relationships with anti-social force, and (i) insolvency procedures.

(Note 3) The Offeror and Ms. Hayakawa shall compensate the counterparty for any Damage incurred by the counterparty arising from or in connection with the breach of its obligations or the breach of representations and warranties (meaning that any fact subject to the representations and warranties is discovered to be untrue) under the Tender Agreement (Ms. Hayakawa).

(Note 4) The Tender Agreement provides, as a reason for cancellation, the agreement in writing between the Offeror and Ms. Hayakawa to terminate the Tender Agreement. The Tender Agreement provides, as reasons for termination, (a) the lawful and effective withdrawal of the Tender Offer in accordance with laws and regulations after the commencement of the Tender Offer, and (b) the Tender Offer being unsuccessful.

Except for the Tender Agreement (Ms. Hayakawa), no agreement concerning the Transactions has been executed between the Offeror and Ms. Hayakawa, and no profit is paid upon the Tender Offer to Ms. Hayakawa, except for the payment of the Tender Offer Price.

(B) The Tender/Non-Tender Agreement

As stated in "(1) Outline of the purpose of the Tender Offer", upon the Tender Offer, the Offeror has entered into a tri-party Tender/Non-Tender Agreement dated May 13, 2026 with Ms. Tsugihara (shares held: 1,172,400 shares, shareholding ratio: 7.92%), the Representative Director of the Target Company, and NF (shares held: 5,472,000 shares, shareholding ratio: 36.94%), Ms. Tsugihara's asset management company in which Ms. Tsugihara holds all of the voting rights, under which it has been agreed that the Tendered Shares (Shareholders) will be tendered in the Tender Offer, and the Non-Tendered Shares will not be tendered in the Tender Offer.

In addition, the following matters have been stipulated as the conditions precedent for the Tender Offer:

(i) The Board of Directors of the Target Company has passed a resolution to express an opinion in support for the Tender Offer, and to recommend that the Target Company's shareholders and the Share Acquisition Right Holders to tender their shares and Share Acquisition Rights in the Tender Offer (the "**Supporting Resolution**"), which has been made public in accordance with laws and regulations, and the Supporting Resolution has not been amended (excluding cases where the opinion expressed after the amendment is in support for the Tender Offer and recommends the shareholders and the Share Acquisition Right Holders to tender their shares and Sharea Acquisition Rights, or other minor amendments), or revoked.

(ii) The Special Committee established by the Target Company in connection with the Tender Offer has given to the Target Company an affirmative advisory report with respect to the Target

Company's Board of Directors passing a resolution to support the Tender Offer and to recommend the shareholders and the share acquisition right holders to tender, which has made public in accordance with laws and regulations, and the advisory report has not been amended (excluding cases where the opinion expressed after the amendment is in support for the Tender Offer and recommends the shareholders and the Share Acquisition Right Holders to tender their shares and Sharea Acquisition Rights, or other minor amendments), or revoked.

(iii) No decisions have been made by judicial or administrative agencies restricting or prohibiting any of the Transactions, and there is no risk of such a decision being made.

(iv) All obligations to be performed or complied with by the Shareholders under the Tender/Non-Tender Agreement have been performed or complied with in all material respects.

(v) As of the date of execution of the Tender/Non-Tender Agreement and the date of commencement of the Tender Offer Period, the representations and warranties (Note 1) by the Shareholders are true and correct in all material respects.

(vi) The obtaining of permits and authorizations under the Antimonopoly Act required upon the execution of Transactions ("**Clearance Procedures**") has been completed.

(vii) The Target Company has confirmed that there is no insider information concerning the Target Company that has not been publicly announced (as stipulated in Article 166, Paragraph 4 of the FIEA, or Article 167, Paragraph 4 of said Act; the same hereinafter) by the Target Company.

(viii) On or after the date of execution of the Tender/Non-Tender Agreement, no cause that allows the Offeror to withdraw the Tender Offer under laws and regulations has occurred.

(ix) The Tender Offer Agreement has been validly executed between the Offeror and the Target Company, and is validly existing.

(x) The Tender Agreements have been validly executed and validly existing between the Offeror and each Tendering Shareholder.

(Note 1) In the Tender/Non-Tender Agreement, the Shareholders have made representations and warranties regarding, among others: (a) existence and powers, and capacity, etc., (b) execution and performance of the Tender/Non-Tender Agreement, (c) enforceability, (d) obtaining of permits and authorizations, (e) no conflict with laws and regulations, (f) anti-social force, (g) no insolvency proceedings, and (h) holding of the shares of the Shareholder Shares.

In addition to the above, the following matters have been agreed under the Tender/Non-Tender Agreement:

(a) The Shareholders may not assign, provide as collateral, or otherwise dispose of all or a part of the Shareholder Shares (except for the security interests created on the Non-Tendered Shares prior to the date of execution of the Tender/Non-Tender Agreement) until the completion of the /Share Exchange.

(b) The Shareholders, until the completion of the Transactions, may not obtain, directly or indirectly, the share certificates, etc. (including certificates with the right of conversion to shares other than the share certificates, etc., or the right to request delivery of the same) of the Target Company, for itself or through a third party.

(c) The Shareholders, until the completion of the Transactions, may not, directly or indirectly, engage in a competing transaction with a party other than the Offeror, or engage in proposals, contacts, solicitations, information provision, discussions, or negotiations regarding competing transactions, for itself or through a third party.

(d) The Offeror and the Shareholders shall, if the Offeror commences the Tender Offer, and the number of shares tendered in the Tender Offer is equal to or above the minimum number of shares to be purchased, such that the Tender Offer is successfully completed and settled, implement the Squeeze Out Process to make the Offeror and NF the only shareholders of the Target Company.

(e) If any third party other than the Offeror and NF exists, or is expected to exist, as a shareholder of the Target Company, the parties shall consult regarding measures to make the Offeror and NF the only shareholders of the Target Company (provided that such measures shall not be adverse to the Offeror) and, subject to the prior written consent of the Shareholders (provided that the Shareholders shall not unreasonably withhold or delay such consent), implement such measures.

(f) The Offeror and the Shareholders shall implement the Share Exchange promptly as practically possible following the completion of the Squeeze Out Process. The Offeror and the Shareholders shall cause the Target Company to obtain the resolution of the shareholders meeting necessary to implement the Share Exchange, and exercise their voting rights in support of the proposal concerning the Share Exchange at such shareholders meeting. The number of shares of the Offeror allotted to NF upon the Share Exchange and other terms of the Share Exchange shall be determined by separate discussions between the Offeror and the Shareholders. Provided, however, upon calculating the number of shares of the Offeror allotted to NF upon the Share Exchange, the shares of the Target Company held by NF shall be valued at a price equal to or less than the Tender Offer Price.

(g) The Shareholders, until the completion of the Transactions, may not exercise the right to convene a shareholders meeting of the Target Company (Article 297 of the Companies Act), the right of shareholders to make a proposal (Articles 303 to 305 of the Companies Act), or other shareholder rights without the prior written consent of the Offeror.

(h) The Shareholders shall, if the Tender Offer is successfully completed and settled, obtain the prior written consent of the Offeror (provided, however, the Offeror shall not unreasonably refuse or withhold such consent) when: (a) a shareholders meeting is held prior to the completion of the Share Exchange, in exercising voting rights and other rights at such shareholders meeting, or (b) prior to the completion of the Share Exchange, the Target Company seeks to make any material determination or change to its management policy, business plan, or budget.

(i) The Offeror shall make the utmost efforts so that the Transactions will be implemented smoothly in accordance with the provisions of the Tender/Non-Tender Agreement, and the Shareholders shall provide cooperation to the maximum extent practically and reasonably possible with respect to matters reasonably necessary for the smooth implementation of the Transactions. In addition, if the parties receive a claim from a third party to deny the effect of the Transactions, a claim for purchase of shares, or other claims, they shall hold good faith discussions with respect to the necessary response.

(j) The Offeror shall make efforts to the extent commercially reasonable so that the Clearance Procedures are completed as promptly as possible following the execution of the Tender/Non-Tender Agreement.

(k) The Shareholders, if the Tender Offer is commenced, shall exercise voting rights in accordance with the Offeror with respect to the exercise of voting rights concerning the Shareholder Shares and all other rights at the Target Company's shareholders meeting held with a record date for the exercise of rights that is before the Settlement Date, and take the necessary measures to appropriately reflect the intent of the Offeror to such exercise of rights.

(l) On and after the date of execution of the Tender/Non-Tender Agreement, the Shareholders, shall timely cooperate to matters reasonably requested by the Offeror for procuring the settlement funds for the Tender Offer by the Offeror or other funds necessary for the implementation of the Transactions (including, but not limited to, borrowings from financial institutions; the "**Fundraising**"), and cause the Target Company or the Target Company's subsidiaries to provide timely cooperation. In addition, the Shareholders agree and will provide the necessary cooperation for the direct or indirect lending by the Target Company or the Target Company's subsidiaries to the Offeror: (i) as the provision of collateral and guaranty for the Fundraising by the Target Company or the Target Company's subsidiaries, and (ii) the appropriation to the payment of debts pursuant to the Fundraising.

(m) In addition to the foregoing, the Tender/Non-Tender Agreement includes a representations and warranties clause (Note 1) (Note 2), compensation clause (Note 3), and cause for cancellation and termination of the agreement (Note 4).

(Note 2) In the Tender/Non-Tender Agreement, the Offeror has made representations and warranties regarding, among others: (a) existence and powers, and capacity, etc., (b) execution and performance of the Tender/Non-Tender Agreement, (c) enforceability, (d) obtaining of permits and authorizations, (e) no conflict with laws and regulations, (f) anti-social force, and (g) no insolvency proceedings.

(Note 3) The Offeror and the Shareholders shall compensate (in the case of the Shareholders, jointly and severally compensate) the counterparty for any Damage incurred by the counterparty arising from or in connection with the breach of its obligations or the breach of representations and warranties (meaning that any fact subject to the representations and warranties is discovered to be untrue) under the Tender/Non-Tender Agreement. In addition, if, on or after the Settlement Date, the Shareholders or the Offeror (the party obligated to provide compensation pursuant to the foregoing being referred to as the "**Compensating Party**", and the party entitled to compensation being referred to as the "**Compensated Party**") receives from any third party any claim or other assertion (limited to claims or assertions that, if accepted, could give rise to compensation liability; a "**Third Party Claim**"), the Compensated Party shall promptly notify the Compensating Party in writing of the occurrence of such Third Party Claim within a commercially reasonable scope, and shall consult with the Compensating Party regarding defense activities in response to such Third Party Claim.

(Note 4) The Tender/Non-Tender Agreement provides, as reasons for cancellation, (a) where there is a material breach of representations and warranties, (b) where there is a material breach, which is not rectified within 10 business days after a written demand for performance has been given, (c) where a petition for commencement of insolvency proceedings, etc., has been filed or (d) where the Tender Offer is not commenced by December 31, 2026 due to causes not attributable to it, or by the agreement in writing between the Offeror and the Shareholders to terminate the Tender/Non-Tender Agreement. The Tender/Non-Tender Agreement provides, as reasons for termination, (a) the lawful and effective withdrawal of the Tender Offer in accordance with laws and regulations after the commencement of the Tender Offer, and (b) the Tender Offer being unsuccessful.

(c) Tender Offer Agreement

The Offeror has entered into a Tender Offer Agreement regarding the execution of the Transactions, including the following matters, on May 13, 2026:

(a) The Target Company shall express its opinion to recommend the shareholders of the Target Company and the holders of the Share Acquisition Rights (the **"Share Acquisition Right Holders**") to tender their shares and share acquisition rights in the Tender Offer ("**Supporting Opinion**"), and during the Tender Offer Period, provide in good faith the necessary cooperation as considered necessary by the Target Company so that the maximum number of shareholders and Share Acquisition Right Holders tender their shares (excluding the tendering of Non-Tendered Shares among the Target Company Shares held by NF) or share acquisition rights in the Tender Offer. During the period between the date of execution of the Tender Offer Agreement and the last day of the Tender Offer Period (the "**Tender Offer Expiration Date**"), the Target Company shall maintain its Supporting Opinion, and shall not pass a resolution of the Board of Directors to withdraw or amend the same.

(b) If, by the Tender Offer Expiration Date, a party other than the Offeror (i) commences or publicly announces a competing transaction (meaning any transaction that substantially competes, contradicts, or conflicts with the transactions contemplated under the Tender Offer Agreement (including the Tender Offer, the Squeeze Out Process, and the Share Exchange; collectively, the "**Transactions (Tender Offer Agreement)**"), or any transaction with a concrete risk of the same (including a tender offer, reorganization, or any transaction acquiring the Target Company Shares, or a transaction to dispose of all or a material part of the shares or business of the Target Company Group), or (ii) makes a legally-binding proposal concerning a competing transaction that has sincere terms and conditions that are reasonably determined to be feasible (at a minimum, financing for the implementation of such competing transaction, and the obtaining of clearances concerning the permits and authorizations under competition laws of different countries are reasonably and objectively expected to be obtained) (a "**Counterproposal**", and collectively with the competing transactions, the "**Competing Transactions**"), and if the Target Company has reasonably determined, after comparing the Competing Transactions with the Transactions (Tender Offer Agreement), taking into consideration the transaction price of such Competing Transactions, the timing of the transaction, the concreteness of the proposal details, the attribute of such third party, past transaction history, certainty of Fundraising, certainty of transaction implementation, and other circumstances (the "**Factors to Consider**"), that there is a specific risk of the Target Company maintaining the Supporting Opinion constituting a breach of the duty of care of the Directors of the Target Company, the Target Company may, so long as it does not breach any of its obligations stipulated in (c) and (d) below, request the Offeror to have discussions on the amendment to the terms of the Transactions (Tender Offer Agreement) including the Tender Offer Price. If the Target Company makes such a request to the Offeror, the Target Company shall promptly hold good faith discussions with the Offeror so that the Offeror may secure the opportunity to resubmit a proposal regarding the terms of the Transactions (Tender Offer Agreement), including the Tender Offer Price. If, within five business days from the day such request is made to the Offeror, (a) the Offeror does not resubmit a proposal, or (b) even after the Offeror has resubmitted such proposal (for the avoidance of doubt, it shall be sufficient to notify the Target Company of the terms and conditions of the Transactions (the Tender Offer Agreement) as revised in the renewed proposal, and the Offeror shall not be required to amend the public notice of commencement of the Tender Offer, file an amendment statement, or make any timely disclosure), the Target Company has reasonably determined, after comparing the Competing Transactions with the resubmitted proposal for the Transactions (Tender Offer

Agreement) in consideration of the Factors to Consider, that there is a specific risk of the Target Company maintaining the Supporting Opinion constituting a breach of the duty of care of the Directors of the Target Company, and if the Target Company obtains an opinion from the Special Committee that it is reasonable to amend or withdraw the Supporting Opinion, the Target Company may resolve at the meeting of the Board of Directors to withdraw or amend the Supporting Opinion.

(c) The Target Company, between the date of execution of the Tender Offer Agreement to the completion of the Transactions (Tender Offer Agreement), may not, directly or indirectly, (i) make an agreement related to a competing transaction with a party other than the Offeror (including the expressing of support to the transactions or recommending to tender), (ii) provide information regarding the Target Company Group or other information to a party other than the Offeror in connection with a competing transaction, or (iii) engage in any proposals, solicitations, offers, or requests for discussion regarding such competition transaction, or engage in any discussions or negotiations concerning such competing transactions. Provided, however, this shall not apply: (x) to the provision of information concerning the Target Company Group and other information related to the competitive transaction to, and the discussions and negotiations with, a third party: (a) who has commenced or publicly announced a competitive transaction, or who has made a Counterproposal, or (b) is reasonably expected to commence a competitive transaction or make a Counterproposal during the Tender Offer Period, and who has engaged in a proposal, solicitation, offer, or request for discussion, and (y) to the agreements related to a competitive transaction with a third party who has commenced or publicly announced competitive transaction, or who has made a Counterproposal, where the Target Company may withdraw or amend its Supporting Opinion in accordance with (b) above. The Target Company shall not proactively seek out any third party for the purpose of engaging in a Competing Transaction.

(d) If the Target Company receives a proposal, solicitation, provision of information, or offer from a party other than the Offeror between the date of execution of the Tender Offer Agreement and the completion of the Transactions (Tender Offer Agreement), immediately notify the Offeror to that effect as well as the contents of such proposal, etc., and shall hold good faith discussions with the Offeror on the response thereto.

(e) The Target Company and the Offeror shall implement the Transactions (Tender Offer Agreement) cooperating mutually to a reasonable extent, and if any delay has occurred or is expected, discuss with the counterparty on the response in good faith.

(f) Except for: (i) the matters required under laws and regulations, etc., (ii) matters contemplated or permitted under the Tender Offer Agreement, or (iii) matters agreed by the Offeror in writing or by email in advance (provided, however, the Offeror shall not unreasonably refuse, withhold, or delay such consent), the Target Company shall, from the date of execution of the Tender Offer Agreement to the completion of the Transactions (Tender Offer Agreement), engage in its business, and cause the Target Company Group (excluding the Target Company) to engage in their business, within the scope of its and their ordinary business in accordance with its and their past practice (including not engaging in the acts set forth below);

(A) Change of the amount of stated capital or capital reserves;

(B) Dividend of surplus;

(C) Amendment to the articles of incorporation;

(D) Convocation or holding of a shareholders meeting (excluding the convocation and holding of the Annual Shareholders Meeting and the Extraordinary Shareholders Meeting required for the Squeeze Out Process and the Share Exchange);

(E) Acquisition of treasury shares, treasury share acquisition rights, or treasury bonds with share acquisition rights (this shall not apply to the acquisition of treasury shares in connection with a request for purchase by a shareholder holding less than one unit of shares);

(F) Issuance, disposition, or granting of share certificates, etc. (this shall not apply to the sale of shares in connection with a request for sale by a shareholder holding less than one unit of shares);

(G) Share consolidation or share split;

(H) Merger, corporate split, share exchange, share transfer, share delivery, or other reorganization;

(I) Business transfer or acquisition;

(J) Capital alliance or business alliance with a third party;

(K) Incorporation, purchase, or sale of subsidiaries or affiliates;

(L) Petition for dissolution or insolvency proceedings;

(M) Material change of labor conditions, including the salary of employees, and other material changes regarding the personnel system.

(g) The Target Company shall, from and after the date of execution of the Tender Offer Agreement, upon the Offeror's reasonable request, provide the Offeror, in a practically reasonable manner and form, with information regarding the operation and performance of the Target Company Group, information regarding the progress of procedures relating to the Transactions (Tender Offer Agreement) within the Target Company Group, and other information relating to the Target Company Group, to the extent necessary for the purpose of the Transactions (Tender Offer Agreement), to the extent such provision does not violate applicable laws and regulations, and does not materially interfere with the business operations of the Target Company Group.

(h) The Target Company shall timely cooperate with matters reasonably requested by the Offeror for the procurement (including, but not limited to, borrowings from financial institutions) of settlement funds for the Tender Offer by the Offeror and other funds necessary for the implementation of the Transactions (Tender Offer Agreement).

(i) The Offeror and the Offeror shall, on or after the date of execution of the Tender Offer Agreement, if (i) it becomes aware of a specific risk that makes its representations and warranties (Note 1) (Note 2) untrue or inaccurate, or (ii) it becomes aware of a breach of its obligations under the Tender Offer Agreement, promptly notify the counterparty in writing, specifying the facts.

(j) The Target Company shall, if the Tender Offer is completed and the Offeror requests to implement the procedures reasonably necessary for the implementation of the Transactions (Tender Offer Agreement), such as the acquisition and cancellation of the Share Acquisition Rights, or the recommendation for the Share Acquisition Right Holders to waive their Share Acquisition Rights, timely cooperate with such request. In addition, on or after the date of execution of the Tender Offer Agreement, the Target Company shall not approve any transfer of the Share Acquisition Rights from a Share Acquisition Right Holder to a third party other than the Offeror, or accept a request for transfer of title in the registry of share acquisition rights (this shall not apply where the Target Company may withdraw or amend its Supporting Opinion in accordance with (b) above).

(k) Except for (i) matters required under laws and regulations, etc., (ii) matters consented by the Target Company in advance or by email (provided, however, the Target Company shall not unreasonably refuse, withhold, or delay such consent), the Offeror shall not engage in any act that contradicts or conflicts with the Offeror's intent or response, etc. (specifically, the business policy following the Transactions (Tender Offer Agreement) (collaborating on matters considered to contribute to the enhancement of medium and long-term corporate value, etc.) and the management structure following the Transactions (change of the trade name of the Offeror as part of the Transactions, Ms. Tsugihara and Mr. Koda jointly serving as the Representative Directors, etc.)), concerning the Transactions (Tender Offer Agreement) presented by the Offeror to the Target Company under the "Final Letter of Intent" dated April 1, 2026 submitted by the Offeror to the Target Company, and cause the Offeror Group (excluding the Offeror) not to engage in such acts.

(l) The Target Company shall, if the Tender Offer is completed but the Offeror is unable to acquire all of the Target Company Shares (excluding the treasury shares owned by the Target Company) and all of the Share Acquisition Rights in the Tender Offer, provide the cooperation reasonably necessary for implementing the Squeeze Out Process at the reasonable request of the Offeror.

(m) In addition to the foregoing, the Tender Offer Agreement includes a representations and warranties clause (Note 1) (Note 2), compensation clause (Note 3), and cause for cancellation and termination of the agreement (Note 4).

(Note 1) In the Tender Offer Agreement, the Target Company has made representations and warranties regarding, among others: (a) existence and powers, and capacity, etc., (b) execution and performance of the Tender Offer Agreement, (c) enforceability, (d) no conflict with laws and regulations, (e) no insolvency proceedings, (f) no transactions with anti-social forces, (g) Target Company Shares, etc., (h) compliance with laws and regulations, and permits and authorizations, (i) no undisclosed material facts, and (j) accuracy of the disclosed documents.

(Note 2) In the Tender Offer Agreement, the Offeror has made representations and warranties regarding, among others: (a) existence and powers, and capacity, etc., (b) execution and performance of the Tender Offer Agreement, (c) enforceability, (d) no conflict with laws and regulations, (e) no insolvency proceedings, etc., (f) no transactions with anti-social forces, (g) compliance with laws and regulations, and permits and authorizations, (h) accuracy of the disclosed documents, and (i) funding.

(Note 3) The Offeror and the Target Company shall compensate the counterparty for any Damage incurred by the counterparty arising from or in connection with the breach of its obligations or the breach of representations and warranties (meaning that any fact subject to the representations and warranties is discovered to be untrue) under the Tender Offer Agreement.

(Note 4) The Tender Offer Agreement provides, as reasons for termination: (A) where the Offeror and the Target Company agree to terminate the Tender Offer Agreement in writing, (B) where the Offeror withdraws the Tender Offer in accordance with laws and regulations, (C) where the total number of the tendered shares concerning the Tender Offer is less than the minimum number of shares to be purchased, (D) where there has been a material breach of the obligations under the Tender Offer Agreement or a material breach of the representations and warranties by the counterparty, and a party notifies the counterparty to cancel the Tender Offer Agreement prior to the commencement of the Tender Offer, (E) where the Offeror withdraws or amends the Supporting Opinion in accordance with (b) above, and (F) where the Tender Offer is not commenced by May 31, 2026.

(D) Memorandum of Understanding

The Offeror has entered into a Memorandum of Understanding with the Shareholders, which includes the following matters concerning the method of calculation of the exchange ratio of the Share Exchange on May 13, 2026.

(a) The Offeror and the Shareholders agree that the number of shares of the Offeror delivered to the shareholders of the Target Company (excluding the Offeror; the same in this (a)) shall be the product of the number of shares of the Target Company held by the shareholders of the Target Company and the value calculated using the formula below (however, if the Share Consolidation for the Squeeze Out Process is carried out, adjustments in accordance with the consolidation ratio will be made; the "**Share Exchange Ratio**"), and shall mutually cooperate and take the necessary measures so as to realize such agreement promptly following the Squeeze Out Process (by December 31, 2026 at the latest), such as causing the Target Company to enter into a share exchange agreement with the Offeror reflecting such agreement. The parties agree, in order to avoid excessive dilution of the shares of the Offeror through a temporary formation of the share price of the Offeror significantly below its intrinsic corporate value, to provide for a cap on the Share Exchange Ratio in the share exchange agreement upon discussion among the parties, taking into account the stock price fluctuations of the Offeror up to the day immediately preceding the effective date of the Share Exchange.

Share Exchange Ratio＝X/Y

X: purchase price in the Tender Offer

Y: the average of the closing price of the Offeror's shares during the period up to the day immediately preceding the effective date of the Share Exchange, as separately agreed upon among the parties

(b) The Offeror and the Shareholders agree that the Offeror shall have two representative directors, Mr. Koda and Ms. Tsugihara, following the completion of the Share Exchange, and shall make reasonable efforts to take the measures reasonably necessary for Mr. Koda and Ms. Tsugihara to assume the office of the representative directors.

(c) The Offeror and the Shareholders agree that the trade name of the Offeror following the completion of the Share Exchange shall be "SUNNYS HOLDINGS　Inc.(tentative name)", and shall make reasonable efforts to take the measures reasonably necessary for such change of the trade name.

(d) Following the completion of the Share Exchange, the parties shall deepen their mutual understanding and engage in sufficient consultation, discussion, and consideration in order to continuously implement: (i) investments aimed at further enhancing the business potential of the Offeror and its affiliates (including the Target Company Group, collectively, the "Offeror Group (Post-Share Exchange)") by leveraging the Offeror's resources, expertise, and network; (ii) investor relations and corporate branding initiatives that contribute to enhancing the corporate value of the Offeror Group (Post-Share Exchange) as a whole; and (iii) measures relating to management rationalization and the reallocation of resources.

(e) The Offeror confirms that the details of the management structure of the Target Company Group will be determined through discussions with the Target Company following the successful completion of the Tender Offer. In principle, the Offeror intends to respect the autonomy and culture of the Target Company Group and expects the current management team to continue to play a leading role in the operation of the business. Any secondment of personnel or other dispatch of employees from the Offeror to the Target Company Group shall be considered through consultation, taking into account the wishes of the Target Company Group. In addition, with respect to the Target Company Group's corporate functions, the parties intend to pursue gradual integration and personnel exchanges, with the aim of optimizing operations and establishing a stable operating structure by ensuring an appropriate degree of redundancy.

(f) The Offeror shall provide such cooperation as may be reasonably necessary to enable the Shareholders to continue serving in public positions, such as positions in industry associations, and other similar roles.

(g) In addition to the foregoing, the Memorandum of Understanding provides the reasons for cancellation of the Memorandum of Understanding (Note 1).

(Note 1) The Memorandum of Understanding provides, as reasons for termination, (A) where the Tender Offer is not completed, (B) (i) where the Offeror or a Shareholder breaches the Tender/Non-Tender Agreement or any other contract or agreement with the Offeror and/or a Shareholder, (ii) where a petition for commencement of bankruptcy proceedings, commencement of civil rehabilitation proceedings, commencement of corporate reorganization proceedings, commencement of special liquidation, or commencement of other insolvency proceedings with respect to a Shareholder or the Offeror, (iii) where a Shareholder or the Offeror suspends payments or becomes unable to make payments when due, or dishonors a bill or a cheque and is suspended of banking transactions by an electronic clearinghouse, or (iv) where a Shareholder or the Offeror becomes subject to seizure, provisional seizure, provisional disposition, a petition for compulsory execution, coercive collection of taxes, or other equivalent proceedings, and the counterparty cancels the Memorandum of Understanding.

(7) Other important matters concerning the Tender Offer

As stated in "(1) Outline of the purpose of the Tender Offer" above, the Offeror intends to acquire treasury shares of up to 2,600,000 shares between May 14 and May 15, 2026 through ToSTNeT-3 (off-auction own share repurchase trading) at the closing price of the Offeror's shares as of the day immediately preceding the date of acquisition of the treasury shares, for the purpose of flexible execution of capital policies meeting the changes to the management environment, and may use a part of the treasury shares so acquired as consideration for the Share Exchange.

Furthermore, as stated in "(4) Policy for organizational restructuring after the Tender Offer" above, the Offeror intends that, ultimately, the Offeror will become the sole shareholder of the Target Company, and as a means to accomplish such purpose, intends to execute the Share Exchange after the completion of the Squeeze Out Process, with the Offeror as the fully-owning parent company after the share exchange, the Target Company as the wholly-owned subsidiary after the share exchange, and the shares of the Offeror as consideration.

2. Outline of the tender offer

(1) Outline of the Target Company

| | | | |
|---|---|---|---|
| (A) | Name | SUNNY SIDE UP GROUP Inc. | |
| (B) | Address | 4-23-5 Sendagaya, Shibuya-ku, Tokyo | |
| (C) | Title and Name of Representative | Etsuko Tsugihara, Representative Director and President | |
| (D) | Description of Business | Management of group companies | |
| (E) | Capital | 550 million yen (as of December 31, 2025) | |
| (F) | Date of Establishment | July 1, 1985 | |
| (G) | Major Shareholders and Shareholding Ratios (as of March 2, 2026) | Nest field Co., Ltd. | 36.94% |
| | | Etsuko Tsugihara | 7.92% |
| | | Norihito Watanabe | 5.14% |
| | | Hidetoshi Nakata | 4.73% |
| | | Masaharu Kobayashi | 2.70% |
| | | Shinji Kugai | 1.97% |
| | | Minoru Maruta | 1.56% |
| | | Rie Matsumoto | 1.45% |
| | | Megumi Takahashi | 1.31% |
| | | Guanghua SHEN (Standing proxy agent: Mita Securities Co., Ltd.) | 1.16% |
| | | Wenzhe LI (Standing proxy agent: Mita Securities Co., Ltd.) | 1.16% |
| (H) | Relationship between the Offeror and the Target Company | | |
| | Capital Relationship | Not applicable | |
| | Personnel Relationship | Not applicable | |

| | | |
|---|---|---|
| | Business Relationship | The Offeror and the Target Company do not have a business relationship; however, transactions exist between the Offeror and the Target Company's consolidated subsidiaries, including business outsourcing arrangements relating to product planning. |
| | Status as Related Party | Not applicable |

(Note) "(G) Major Shareholders and Shareholding Ratios (as of March 2, 2026) is based on the "Status of Major Shareholders" in the Semi-Annual Report for the 41st term filed by the Target Company on February 13, 2026, reflecting the changes in the shareholding ratios through the Target Company's disposition of its treasury shares on March 2, 2026.

(2) Schedule, etc.

(i) Schedule

| | |
|---|---|
| Resolution of the meeting of the Board of Directors | May 13, 2026 (Wednesday) |
| Date of Notice of Commencement of Tender Offer | May 14, 2026 (Thursday)<br>Public notice will be made electronically, and such fact will be published in *The Nihon Keizai Shimbun*.<br>(URL of the electronic public notice: https://disclosure2.edinet-fsa.go.jp/) |
| Filing Date of Tender Offer Registration Statement | May 14, 2026 (Thursday) |

(ii) Initial tender offer period of the statement

From May 14, 2026 (Thursday) to June 24, 26 (Wednesday) (30 business days)

(iii) Possibility of extension based on a request by the Target Company

Not applicable

(3) Tender Offer Price

(i) 1,320 yen per common share

(ii) Share acquisition rights

(a) 65,900 yen per one unit of the 8th series share acquisition rights (the "**Share Acquisition Rights**") issued in accordance with the resolution of the Board of Directors of the Target Company held on June 16, 2023 (exercise period: October 1, 2026 to September 30, 2029)

(4) Basis of valuation price for the Tender Offer

(A) Basis of valuation

(a) Common shares

Upon determining the Tender Offer Price, the Offeror, in order to ensure the fairness of the Tender Offer Price, requested Houlihan Lokey, a financial advisor that is a third-party valuation agent who is independent form the Offeror, the Target Company, the Shareholders, and the Tendering Shareholders, to calculate the value of the Target Company Shares. Houlihan Lokey, after considering which valuation methods should be adopted from among multiple equity valuation methods in valuing the Target Company Shares, conducted a valuation of the share value per share of the Target Company Shares using the market price average method, comparable company analysis, and the discounted cash flow method ("**DCF method**"). The Offeror obtained a share valuation report ("**Share Valuation Report (HL)**") from Houlihan Lokey as of May 12, 2026. In addition, Houlihan Lokey does not fall under a related party of the Offeror, the Target Company, the Shareholders, or the Tendering Shareholders, and does not have an important conflict of interest regarding the Tender Offer. Furthermore, as the Offeror will take the measures described in "(3) Measures to ensure the fairness of the Tender Offer" under "4. Purpose of the Tender Offer", it believes that sufficient consideration is given to the interests of the general shareholders of the Company, and thus has not obtained an opinion regarding the fairness of the Tender Offer Price (fairness opinion) from Houlihan Lokey

The ranges of the value per share of the Target Company Shares valued using the methods above are as set forth below:

Market price average method: 913 yen to 1,057 yen

Comparable company analysis: 640 yen to 967 yen

DCF method: 1,111 yen to 1,395 yen

Under the market price average method, with May 12, 2026 as the valuation date, the share value per share of the Target Company Shares were calculated to be in the range of 913 yen to 1,057 yen, based on the closing price of the Target Company Shares on the Tokyo Stock Exchange Standard Market on the valuation date of 1,057 yen, the simple average of the closing prices over the one-month period ending on the valuation date of 957 yen, the simple average of the closing prices over three-month period ending on the valuation date of 954 yen, and the simple average of the closing prices over the six-month period ending on the valuation date of 913 yen.

With the comparative company analysis, 5 companies, VECTOR Inc., PRAP Japan, Inc., Kyodo Public Relations Co., Ltd., MATERIAL GROUP INC., and SOCIALWIRE CO., LTD. were selected as listed companies engaged in a business with certain similarities to that of the Target Company, and the enterprise value of the Target Company was calculated using multiples of EBITDA and EBIT to enterprise value. After adjusting for non-operating assets, interest-bearing debt, and other relevant items, the per-share value of the Target Company Shares was calculated to be in the range of 640 yen to 967 yen.

Under the DCF method, Houlihan Lokey has analyzed the value of the Target Company Shares is analyzed to be 1,111 yen to 1,395 yen, by calculating the value of the Target Company Shares by discounting the free cash flow expected to be generated by the Target Company in and after the fiscal year ending June

2026 to its present value at a specific discount rate, based on the Target Company's revenue forecast for the period from the fiscal year ending June 2026 to the fiscal year ending June 2030 as adjusted by the Offeror, based on revenue forecasts and investment plans in the Target Company's 5-year business plan for the period from the fiscal year ending June 2026 to the fiscal year ending June 2030 (the "**Business Plan**"; the Business Plan does not assume the execution of the Tender Offer, and since the synergy effects expected to be realized through the Transactions are difficult to estimate specifically at this point, they have not been added to the financial forecasts), the results of the due diligence review of the Target Company conducted by the Offeror between early March 2026 and early April 2026, the securities report and summary of financial results of the Target Company, and the financial information published on its website, and other factors.

The financial forecasts under the Business Plan of the Target Company used as assumptions under the DCF method include fiscal years during which profits and cash flows are expected to fluctuate substantially. Specifically, in the fiscal year ending June 2026, operating profit is expected to increase significantly through the increase in sales and improvement of profit margins, but with an even greater increase in working capital, the free cash flow is expected to decrease significantly. In the fiscal year ending June 2027, the amount of increase in the working capital balance is expected to decline year on year, and the free cash flow is expected to increase significantly as a result. Furthermore, the financial forecast of the Target Company includes the business of BILCOM, Inc., which the Target Company acquired on March 2, 2026, from the 4th quarter of the year ending June 2026.

In determining the Tender Offer Price, the Offeror comprehensively considered, in addition to the fact that the Tender Offer Price exceeded the upper end of the valuation ranges derived from the market price average method and the comparable company analysis, while remaining within the valuation range derived from the DCF method, as set forth in the Share Valuation Report (HL) obtained from Houlihan Lokey, the results of the due diligence review conducted on the Target Company from early March 2026 to early April 2026, the likelihood of the Target Company's Board of Directors expressing support for the Tender Offer, the anticipated number of shares to be tendered in the Tender Offer, and the results of discussions and negotiations with the Target Company. Based on the foregoing, the Offeror ultimately resolved at the meeting of its Board of Directors held on May 13, 2026, to set the Tender Offer Price at 1,320 yen per share.

The Tender Offer Price of 1,320 yen, which adds a premium of 24.88% relative to the closing price of 1,057 yen for the Target Company Shares on the Tokyo Stock Exchange, Standard Market on May 12, 2026, the business day prior to the date of disclosure of the Tender Offer, a premium of 37.93% relative to the simple average closing price for the one-month period ending on the same date of 957 yen, a premium of 38.36% relative to the simple average closing price for the three-month period ending on the same date of 954 yen, and a premium of 44.58% relative to the simple average closing price for the six-month period ending on the same date of 913 yen, respectively.

(Note) Houlihan Lokey assumed that public information and all information provided by the Target Company to Houlihan Lokey were accurate and complete when calculating the value of the Target Company Shares, and has not independently verified the accuracy and completeness of such information. It has not conducted its own valuation, appraisal, or assessment of the assets or liabilities (including financial derivatives, off-book assets and liabilities, and other contingent liabilities) of the Target Company, including analysis and valuation of individual assets and liabilities, nor has it requested a third-party agent to conduct such an appraisal or assessment. In addition, the Share Valuation Report (HL) has been prepared on the assumption that there are no material undisclosed facts, litigations, disputes, environment, tax, or other contingent liabilities, or off-book liabilities regarding the Target Company. Houlihan Lokey assumes that the Target Company's financial forecast (including the profit plan and other information), taken from the Business Report provided by the Target Company with certain adjustments made by the Offeror, and approved by the Target Company for use by Houlihan Lokey, has been reasonably prepared based on the best forecasts and decisions of the management of the Offeror available as of now. Houlihan Lokey's valuation reflects information and economic conditions obtained by Houlihan Lokey as of May 12, 2026. The sole purpose of Houlihan Lokey's calculation is to serve as a reference for the Target Company's Board of Directors in examining the value of the Target Company Shares.

(b) Share Acquisition Rights

With respect to the Share Acquisition Rights, as of the date of filing of this Press Release, the exercise price per Target Company Share (661 yen) falls below the Tender Offer Price (1,320 yen). Accordingly, the Offeror has determined the Share Acquisition Right Purchase Price to be the product of the difference between the Tender Offer Price of 1,320 yen and the exercise price per Target Company Share of the Share Acquisition Rights, and the number of the Target Company Shares underlying the Share Acquisition Rights (100 shares). Specifically, the Share Acquisition Right Purchase Price is determined as the product of 659 yen, which is the difference from the exercise price per Target Company Share of 661 yen, and 100, equaling 65,900 yen.

In addition, under the terms of issuance of the share acquisition rights and the share acquisition right third-party allotment agreement, the acquisition of the Share Acquisition Rights by transfer requires the approval of the Board of Directors of the Company. The Target Company has resolved at the meeting of the Board of Directors held on May 13, 2026, that, conditional upon the successful completion of the Tender Offer, a blanket approval will be granted for the transfer by the Share Acquisition Right Holders of the Share Acquisition Rights held by them through the tendering of the Share Acquisition Rights in the Tender Offer.

As the Offeror has determined the Share Acquisition Right Purchase Price as described above, it has not obtained any valuation statement or opinion (fairness opinion) from a third-party valuation agent.

(B) Background of the valuation

For the details and processes of discussion regarding the Tender Offer Price and the Share Acquisition Right Purchase Price between the Offeror and the Target Company, please refer to "(A) Background, purpose, and decision-making process that led to the Offeror's implementation of the Tender Offer" in "(2) Background, purpose, and decision-making process that led to the Offeror's implementation of the Tender Offer, and management policy after the Tender Offer, etc." under "1. Purpose of the Tender Offer" above.

(a) Name of third party from which an opinion was obtained in performing the valuation

Upon determining the Tender Offer Price, the Offeror, in order to ensure the fairness of the Tender Offer Price, referenced the Share Valuation Report (HL) received from Houlihan Lokey, a third-party valuation agent and financial advisor independent from the Offeror, the Target Company, the Shareholders, and the Tendering Shareholders. Houlihan Lokey does not fall under a related party of the Offeror, the Target Company, the Shareholders, or the Tendering Shareholders, and does not have an important conflict of interest regarding the Tender Offer. Furthermore, as the Offeror will take the measures described in "(3) Measures to ensure the fairness of the Tender Offer" under "1. Purpose of the Tender Offer", it believes that sufficient consideration is given to the interests of the general shareholders of the Company, and thus has not obtained an opinion regarding the fairness of the Tender Offer Price (fairness opinion) from Houlihan Lokey.

Houlihan Lokey has valued the Target Company Shares using the market price average method, comparable company analysis, and the DCF method. The range of the value per share of the Target Company Shares valued using such methods is as set forth below:

Market price average method: 913 yen to 1,057 yen

Comparable company analysis: 640 yen to 967 yen

DCF method: 1,111 yen to 1,395 yen

(b) Background for determining the Tender Offer Price based on such opinion

In determining the Tender Offer Price, the Offeror comprehensively considered, in addition to the fact that the Tender Offer Price exceeded the upper end of the valuation ranges derived from the market price average method and the comparable company analysis, while remaining within the valuation range derived from the DCF method, as set forth in the Share Valuation Report (HL) obtained from Houlihan Lokey, the results of the due diligence review conducted on the Target Company from early March 2026 to early April 2026, the likelihood of the Target Company's Board of Directors expressing support for the Tender Offer, the anticipated number of shares to be tendered in the Tender Offer, and the results of discussions and negotiations with the Target Company. Based on the foregoing, the Offeror ultimately resolved at the meeting of its Board of Directors held on May 13, 2026, to set the Tender Offer Price at 1,320 yen per share.

(c) Relationship with the valuation agent

Houlihan Lokey, the Offeror's financial advisor and third-party valuation agent, does not fall under a related party of the Offeror, the Target Company, the Shareholders, or the Tendering Shareholders, nor has any significant interest concerning the Target Offer.

(Note) Houlihan Lokey assumed that public information and all information provided by the Target Company to Houlihan Lokey were accurate and complete when calculating the value of the Target Company Shares, and has not independently verified the accuracy and completeness of such information. It has not conducted its own valuation, appraisal, or assessment of the assets or liabilities (including financial derivatives, off-book assets and liabilities, and other contingent liabilities) of the Target Company, including analysis and valuation of individual assets and liabilities, nor has it requested a third-party agent to conduct such an appraisal or assessment. In addition, the Share Valuation Report (HL) has been prepared on the assumption that there are no material undisclosed facts, litigations, disputes, environment, tax, or other contingent liabilities, or off-book liabilities regarding the Target Company. Houlihan Lokey assumes that the Target Company's financial forecast (including the profit plan and other information), taken from the Business Report provided by the Target Company with certain adjustments made by the Offeror, and approved by the Target Company for use by Houlihan Lokey, has been reasonably prepared based on the best forecasts and decisions of the management of the Offeror available as of now. Houlihan Lokey's calculation reflects information and economic conditions obtained by Houlihan Lokey as of May 12, 2026. The sole purpose of Houlihan Lokey's calculation is to serve as a reference for the Target Company's Board of Directors in examining the value of the Target Company Shares.

(5) Number of share certificates, etc., to be purchased in the Tender Offer

| Type of share certificates, etc. | Number of shares to be purchased in the Tender Offer | Minimum number of shares to be purchased in the Tender Offer | Maximum number of shares to be purchased in the Tender Offer |
|---|---|---|---|
| Common shares | 10,594,564 (shares) | 5,551,400 (shares) | - (share) |
| Total | 10,594,564 (shares) | 5,551,400 (shares) | - (share) |

(Note 1) If the total number of Tendered Shares is less than the minimum number of shares to be purchased in the Tender Offer (5,551,400 shares), the Offeror will not purchase any of the Tendered Shares. If the total number of Tendered Shares is equal to or more than the minimum number of shares to be purchased in the Tender Offer (5,551,400 shares), the Offeror will purchase all of the Tendered Shares.

(Note 2) Since no maximum number of shares to be purchased in the Tender Offer has been set under the Tender Offer, the number of shares to be purchased in the Tender Offer above is the maximum number of the Target Company Shares to be purchased by the Offeror through the Tender Offer

(10,594,564 shares). Such maximum number (10,594,564 shares) is the sum of the Base Number of Shares (14,811,344 shares) and the number of the Target Company Shares underlying the Share Acquisition Rights (106,100 shares), less the Non-Tendered Shares (4,322,880 shares).

(Note 3) The Offeror does not intend to acquire the treasury shares held by the Target Company through the Tender Offer.

(Note 4) Shares less than one unit are also subject to the Tender Offer. If a right to demand the purchase of shares less than one unit is exercised by a shareholder of the Target Company in accordance with the Companies Act, the Target Company may purchase its own shares during the Tender Offer Period in accordance with procedures under applicable laws and regulations.

(6) Changes in the ownership ratio of share certificates, etc., through the Tender Offer

| | | |
|---|---|---|
| Number of voting rights represented by share certificates, etc., held by the Offeror before the Tender Offer | 0 voting rights | (Ownership ratio of share certificates, etc., before the Tender Offer: 0.00%) |
| Number of voting rights represented by share certificates, etc., held by specially-related parties before the Tender Offer | 66,444 voting rights | (Ownership ratio of share certificates, etc., before the Tender Offer: 44.86%) |
| Number of voting rights represented by share certificates, etc., held by the Offeror after the Tender Offer | 104,884 voting rights | (Ownership ratio of share certificates, etc. after the Tender Offer: 70.81%) |
| Number of voting rights represented by share certificates, etc., held by specially-related parties after the Tender Offer | 43,228 voting rights | (Ownership ratio of share certificates, etc., after the Tender Offer: 29.19%) |
| Number of voting rights of all shareholders, etc., of the Target Company | 146,314 voting rights | |

(Note 1) The "Number of voting rights represented by share certificates, etc. held by specially-related parties before the Tender Offer" and the "Number of voting rights represented by share certificates, etc. held by specially-related parties after the Tender Offer" are the total number of voting rights represented by the share certificates, etc. held by each specially-related party (excluding, however, those specially-related parties who are excluded pursuant to Article 3, Paragraph 2, Item 1 of the Cabinet Office Ordinance on the Disclosure of Tender Offers for Share Certificates, etc. by Persons

Other than the Issuers (Ministry of Finance Ordinance No. 38 of 1990, as amended, the "**Cabinet Ordinance**" in calculating the ownership ratio of share certificates, etc. pursuant to each item of Article 27-2, Paragraph 1 of the Act. However, although the share certificates, etc., held by specially-related parties are subject to the Tender Offer, NF has agreed not to tender the Non-Tendered Shares in the Tender Offer, and accordingly, the "Number of voting rights represented by share certificates, etc. held by specially-related parties after the Tender Offer" as stated is the total of the voting rights pertaining to the 322,880 Non-Tendered Shares. The Offeror will confirm the share certificates, etc. held by specially-related parties after the submission of this registration statement, and if an amendment is required, file an amendment statement pertaining to the registration statement.

(Note 2) The "Number of voting rights represented by share certificates, etc. held by the Offeror after the Tender Offer" above is the number of voting rights pertaining to the number of shares to be purchased in the Tender Offer (10,594,564 shares) stated in "(5) Number of share certificates, etc. to be purchased in the Tender Offer" above. Of the number of shares to be purchased in the Tender Offer, with respect to the number of shares (106,100 shares) that is the object of the Share Acquisition Rights (1,061 units), since the start date of the exercise period of the Share Acquisition Rights is October 1, 2026, and it is not expected that the Share Acquisition Rights will be exercised and the Target Company Shares will be issued or transferred to the owner of the Share Acquisition Rights during the Tender Offer Period, the number of voting rights pertaining to the number of shares to be purchased in the Tender Offer (104,884 units) is the number of voting rights pertaining to the number of shares to be purchased in the Tender Offer, less the number of the Target Company Shares that is the object of the Share Acquisition Rights (10,488,464 shares).

(Note 3) The "Number of voting rights of all shareholders, etc. of the Target Company" is the number of voting rights of all shareholders as of December 31, 2025, as stated in the Semi-Annual Report for the 41st term filed by the Target Company on February 13, 2026. However, since shares less than one unit (excluding treasury shares less than one unit held by the Target Company) and share acquisition rights are also subject to the Tender Offer, when calculating the "Ownership ratio of share certificates, etc. before the Tender Offer" and "Ownership ratio of share certificates, etc. after the Tender Offer", the number of voting rights (148,113 shares) pertaining to the Base Number of Shares (14,811,344 shares) is used as the denominator.

(Note 4) "Ownership ratio of share certificates, etc. before the Tender Offer" and "Ownership ratio of share certificates, etc. after the Tender Offer" have been rounded to two decimal places.

(7) Purchase price 13,914,692,380 yen

(Note) The purchase price is the total of: (i) the amount (13,844,772,480 yen) obtained by multiplying the Base Number of Shares (14,811,344 shares) less the Non-Tendered Shares (4,322,880 shares), by the Tender Offer Price

(1,320 yen), and (ii) the amount (69,919,900 yen) obtained by multiplying the total number of the Share Acquisition Rights (1,061 units) by the Share Acquisition Right Purchase Price (65,900 yen).

(8) Method of settlement

(i) Name and location of the head office of financial instruments business operators, banks, etc., in charge of the settlement of purchase

Tokai Tokyo Securities Co., Ltd. 4-7-1 Meieki, Nakamura-ku, Nagoya, Aichi

The tender offer agent has appointed the sub-agent below to sub-entrust a part of its operations:

Monex, Inc. (sub-agent) 1-12-32 Akasaka, Minato-ku, Tokyo

(ii) Settlement start date

July 1, 2026 (Wednesday)

(iii) Method of settlement

(Tenders through Tokai Tokyo Securities Co. Ltd.)

A notice of purchase, etc., through the Tender Offer shall be mailed to the addresses of the Tendering Shareholders, etc. (or the addresses of standing proxies in the case of Foreign Shareholders, etc.) without delay after the expiry of the Tender Offer Period. Purchases will be made in cash. The tender offer agent will, in accordance with the instructions of the Tendering Shareholders, etc. (or their standing proxies in the case of Foreign Shareholders, etc.), remit the sales price for the purchased share certificates, etc. to the place designated by the Tendering Shareholders, etc. (or their standing proxies in the case of Foreign Shareholders, etc.) without delay after the settlement start date, or to the account of the Tendering Shareholders, etc. with the tender offer agent for tenders accepted by the tender offer agent.

(Tenders through Monex, Inc.)

A notice of purchase, etc., through the Tender Offer shall be mailed to the addresses or locations of the Tendering Shareholders, etc., without delay after the expiry of the Tender Offer Period. Purchases will be made in cash. The tender offer sub-agent will, in accordance with the instructions of the Tendering Shareholders, etc., remit the sales price for the purchased share certificates, etc., to the place designated by the Tendering Shareholders, etc., without delay after the settlement start date.

(iv) Method of return of share certificates, etc.

If all of the share certificates, etc. are not purchased under the terms set forth in “(A) Conditions set forth in Article 27-13, Paragraph 4 of the Act and details thereof” or “(B) Conditions for withdrawal of the Tender Offer, details thereof, and method of disclosure for withdrawal” in “(9) Other conditions and methods of purchase” below, the share certificates, etc. to be returned shall be returned promptly after the second business day following the last day of the Tender Offer Period (or in the case of the withdrawal of the Tender Offer, at the date of such withdrawal) by reverting the records to the state immediately prior to the tender recording them in the securities trading account of the tender offer agent).

For the Share Acquisition Rights, the documents submitted upon tendering the Share Acquisition Rights shall be returned by delivery to the Tendering Shareholder, etc., or by postal mail to the address of the Tendering Shareholder, etc., in accordance with the instructions of the Tendering Shareholder, etc.

(9) Other conditions and method of purchase

(i) Conditions set forth in Article 27-13, Paragraph 4 of the Act, and the details thereof

If the total number of the Tendered Shares is less than the minimum number of shares to be purchased in the Tender Offer (5,551,400 shares), the Offeror will not purchase any of the Tendered Shares. If the total number of Tendered Shares is equal to or more than the minimum number of shares to be purchased in the Tender Offer (5,551,400 shares), the Offeror will purchase all of the Tendered Shares.

(ii) Conditions for withdrawal of the Tender Offer, details thereof, and method of disclosure for withdrawal

Upon the occurrence of any event listed in Article 14, Paragraph 1, Item 1 sub-items (a) through (j) and (m) through (t), Item 3, sub-items (a) through (h) and (j), Item 4, as well as in Article 14, Paragraph 2, Items 3 through 6 of the Order for the Enforcement of the Financial Instruments Act (Cabinet Order No. 321 of 1965, as amended; the "**Order**"), the Offeror may withdraw the Tender Offer. With respect to the Tender Offer, "matters equivalent to the matters listed in sub-items (a) through (s) above" as set forth in Article 14, Paragraph 1, Item 1, sub-item (t) of the Order means: (i) the case where the body that determines the execution of the Target Company's business affairs: (a) determines to make a dividend of surplus with a reference date prior to the settlement start date pertaining to the Tender Offer (excluding cases where the amount of money or other property delivered to the shareholders is expected to be less than an amount equivalent to 10% of the book value of the net assets of the Target Company as of June 30, 2025 (265 million yen (Note))) as reported in the "Securities Report for the 40th Fiscal Year" filed on September 25, 2025 (the "**Target Company Securities Report**") (including where such body determines to set a record date for a dividend of surplus that is prior to the settlement start date pertaining to the Tender Offer without indicating the specific amount of dividend of surplus distribution), or (b) determines to submit a proposal of such dividend to the general meeting of shareholders of the Target Company, or (ii) the case where the body that determines the execution of the Target Company's business affairs determines to acquire its own shares (excluding cases where the amount of money or other property delivered in exchange for the shares is expected to be less than an amount equivalent to 10% of the book value of the net assets on the Target Company's Securities Report (265 million yen)). If such a decision is made, a substantial portion of the Target Company's assets will outflow and cause a significant hindrance to the accomplishment of the purpose of the Tender Offer. Accordingly, it is listed as falling under "matters equivalent to the matters listed in sub-items (a) through (s)" above.

In addition, “facts equivalent to the facts listed in sub-items (a) through (i)” as set forth in ARticel14, Paragraph1, Item 3, sub-item (j) refers to (x) the case where it is found that, with respect to statutory disclosure statements filed by the Target Company in the past, there are false statements with respect to material matters, or material matters that should be stated are lacking.

(Note) Assuming that there would not be any changes to the number of outstanding shares or the number of treasury shares, the amount of dividend per share would equal 10 yen (specifically, calculated by dividing 265 million yen (rounded down to the nearest million yen), an amount equal to 10% of the Target Company’s net assets of 2,658 million yen as of June 30, 2025, as reported on the Target Company’s Securities Report, by the number of shares (14,811,344 shares) which is the total number of outstanding shares as of March 31, 2026 as stated in the Target Company’s summary of financial results (15,197,600 shares), less the total number of treasury shares held by the Target Company as of March 31, 2026 (386,256 shares), and rounded up to the nearest yen).

(iii) Conditions of reduction of the purchase price, and method of disclosure of the reduction

Pursuant to Article 27-6, Paragraph 1, Item 1 of the Act, if the Target Company takes any action enumerated in Article 13, Paragraph 1 of the Order during the Tender Offer Period, the Offeror may reduce the purchase price in accordance with the provisions of Article 19, Paragraph 1 of the Cabinet Ordinance.

In the event that the Offeror intends to reduce the purchase price, the Offeror shall give public notice electronically, and shall then post a notice in the *Nihon Keizai Shimbun* that such public notice has been made; provided, however, that, if it is impracticable to give such notice by the last day of the Tender Offer Period, the Offeror shall make a public announcement pursuant to Article 20 of the Cabinet Ordinance and give public notice forthwith. If the purchase price is reduced, the Offeror shall purchase any and all Tendered Shares at such reduced purchase price, even if such Tendered Shares were tendered prior to such public notice.

(iv) Matters concerning the right of Tendering Shareholders, etc., to cancel their tender

(Tenders through Tokai Tokyo Securities Co. Ltd.)

To cancel the agreement concerning the Tender Offer, a Tendering Shareholder, etc. shall deliver or send by postal mail a written notice of cancellation of the agreement concerning the Tender Offer (“**Cancellation Notice**”) together with the receipt of the tender offer application no later than 4:00 PM on the last day of the Tender Offer Period to the head office or any branch office of the tender offer agent where the application has been received. The cancellation of the agreement shall become effective upon the delivery of the Cancellation Notice to the tender offer agent. Accordingly, when sending the Cancellation Notice by postal mail, please note that the agreement may not be cancelled unless the Cancellation Notice reaches the tender offer agent no later than 4:00 PM on the last day of the Tender Offer Period.

Person authorized to receive the Cancellation Notice

Tokai Tokyo Securities Co., Ltd.  4-7-1 Meieki, Nakamura-ku, Nagoya, Aichi
(other branches of Tokai Tokyo Securities Co., Ltd. nationwide)

(Tenders through Monex, Inc.)

A Tendering Shareholder, etc., may cancel the agreement concerning the Tender Offer at any time during the Tender Offer Period. To cancel the agreement, please input the required matters from the tender offer sub-agent's website (https://www.monex.co.jp), or contact the tender offer sub-agent's customer services number (TEL: 0120-846-365, 03-6737-1666 (from mobile phones)) by 12:00 PM on the last day of the Tender Offer Period to initiate the cancellation procedures.

Person authorized to receive the Cancellation Notice
Monex, Inc.  1-12-32 Akasaka, Minato-ku, Tokyo

No compensation for damages or penalty payments shall be claimed against any Tendering Shareholders, etc., by the Offeror, even if Tendering Shareholders, etc., cancel their tender. The cost of returning the Tendered Shares shall be borne by the Offeror. If cancellation is requested, the Tendered Shares will be returned promptly after the completion of the procedures pertaining to the request for such cancellation in the manner described in "(D) Method of return of share certificates, etc." in "8. Method of settlement".

(v) Method of disclosure of amendment to the conditions of Tender Offer (if any)

Except for the cases prohibited by Paragraph 1 of Article 27-6 of the Act and Article 13 of the Order, the Offeror may amend the terms and conditions of the Tender Offer during the Tender Offer Period. In this case, the Offeror shall give public notice electronically regarding the details of such amendments and then post a notice in the *Nihon Keizai Shimbun* that such public notice has been made; provided, however, that, if it is impracticable to give such notice by the last day of the Tender Offer Period, the Offeror shall make a public announcement pursuant to Article 20 of the Cabinet Ordinance and give public notice forthwith. If any amendment to the terms and conditions of the Tender Offer is made, the Offeror shall purchase any and all Tendered Shares in accordance with the amended terms and conditions, even if such Tendered Shares were tendered prior to such public notice.

(vi) Method of disclosure of amendment statement (if any)

If the Offeror files an amendment to the Tender Offer Registration Statement with the Director General of the Kanto Local Finance Bureau, except in the case provided for in the proviso to Article 27-8, Paragraph 11 of the Act, the Offeror shall make a public announcement of the details thereof to the extent relevant to the details of the public notice of the Tender Offer, in accordance with the method set forth in Article 20 of the Cabinet Ordinance. The Offeror shall also amend the tender offer explanatory statement and deliver the amended tender offer explanatory statement to all Tendering Shareholders, etc., who have already received the tender offer explanatory statement; provided, however, that, if the amendments to the tender offer explanatory statement are only to a small extent, the Offeror shall instead prepare a document stating the reasons for the amendments, the matters amended and the details of the information following the amendment and deliver such document to the Tendering Shareholders, etc.

(vii) Method of disclosure of the results of the Tender Offer

The results of the Tender Offer will be made by a public announcement in the manner stipulated in Article9-4 of the Order and Article 30-2 of the Cabinet Ordinance, on the day following the last day of the Tender Offer Period.

(viii) Other information

The Tender Offer is not and will not be directly or indirectly made in or to the United States by using the U.S. postal service or any other means or instruments of interstate or foreign commerce (including, but not limited to, telephone, telex, facsimile, e-mail, and internet communication) or through any facilities of a securities exchange in the United States. No one may tender shares in the Tender Offer by any of the means or instruments above, through any of the facilities above, or from the United States.

In addition, this press release or other related Tender Offer documents are not and may not be sent or delivered by postal service or any other means in, to, or from the United States. Any tender of shares in the Tender Offer that directly or indirectly breaches any of the restrictions above will not be accepted.

When applying for the Tender Offer, the Tendering Shareholders (or standing proxies in the case of Foreign Shareholders, etc.) may be required to provide the tender offer agent with representations and warranties stated below:

The Tendering Shareholders are not located in the United States at the time of applying for the Tender Offer or at the time of sending an application form for the Tender Offer. The Tendering Shareholders have not, directly or indirectly, received or sent any information (including its copies) related to the Tender Offer to, in, or from the United States. The Tendering Shareholders did not use, directly or indirectly, in connection with the purchase or the signature and submission of the application form for the Tender Offer, the U.S. postal mail services or any other interstate or international commercial methods or means (including, but not limited to, facsimile, e-mail, internet communication, telex, and telephone) or any stock exchange facilities in the United States. The Tendering Shareholders are not acting as an agent, entrustee or delegate, without discretion, of another person (except where such other person provides the Tendering Shareholders with all instructions relating to the purchase from outside the United States).

(10) Date of the public notice of the commencement of the Tender Offer

May 14, 2026 (Thursday)

(11) Tender offer agent

Tokai Tokyo Securities Co., Ltd. 4-7-1 Meieki, Nakamura-ku, Nagoya, Aichi

The tender offer agent has appointed the sub-agent below to sub-entrust a part of its operations:

Monex, Inc. (sub-agent) 1-12-32 Akasaka, Minato-ku, Tokyo

3. Policies, etc., following the Tender Offer, and future outlook

(1) Policies, etc., following the Tender Offer

For policies, etc. following the Tender Offer, please see “(2) Background, purpose, and decision-making process that led to the decision to implement the Tender Offer, and management policy after the Tender Offer,” “(4) Policy for organizational restructuring after the Tender Offer” and “(5) Prospect of delisting and reasons for delisting” in “1. Purpose of tender offer” above.

4. Other information

(1) Existence and details of the provision of benefits by the Offeror or its specially-related parties

According to the Target Company’s Press Release, the Target Company resolved at the meeting of the Board of Directors held on May 13, 2026, to express an opinion in favor of the Tender Offer, and to recommend that the Target Company’s shareholders and the Share Acquisition Right Holders tender their shares and share acquisition rights in the Tender Offer.

For details, please refer to the Target Company’s Press Release and “(E) Approval of all directors (including directors who are audit and supervisory committee members) of the Target Company with no conflict of interest” in “(3) Measures to ensure the fairness of the Tender Offer” under “1. Purpose of the Tender Offer” above.

(2) Other information necessary for investors to determine whether to tender

(A) Announcement of the “Consolidated Financial Results for the Nine Months Ended March 31, 2026 (under Japanese GAAP)”

The Target Company announced the “Consolidated Financial Results for the Nine Months Ended March 31, 2026 (under Japanese GAAP)” on May 13, 2026. The outline of the announcement is as set forth below. Furthermore, such financial results have not gone through a quarterly review under Article 193-2, Paragraph 1 of the Act. In addition, the outline of the announcement below is an excerpt of the announcement by the Target Company, and please refer to such announcement for the details.

(i) Operating results (consolidated)

(Thousands of yen)

| Fiscal year | Nine months ended March 31, 2026<br>(3rd quarter, consolidated, cumulative) |
|---|---|
| Net sales | 19,438,953 |
| Operating profit | 2,422,009 |
| Quarterly profit attributable to owners of the parent | 1,641,712 |

(ii) Results per share (consolidated)

| Fiscal year | Nine months ended March 31, 2026<br>(3rd quarter, consolidated, cumulative) |
|---|---|
| Quarterly earnings per share | 111.43 yen |
| Amount of dividend per share | 11.00 yen |

(B) Publication of "Notice of the Revision of Dividend Forecast for the Fiscal Year Ended June 2026 (No Dividend)"

The Target Company has resolved at the meeting of the Board of Directors held on March 13, 2026, to revise its dividend forecast for the fiscal year ending June 2026, which was previously announced on February 13, 2026, and not to pay a year-end dividend for that fiscal year, on condition that the Tender Offer is successful. For details, please see the "Notice of the Revision of Dividend Forecast for the Fiscal Year Ended June 2026 (No Dividend)" published by the Target Company on May 13, 2026.

## II. Memorandum of Understanding

### 1. Purpose of the Memorandum of Understanding

As stated in "(1) Outline of the purpose of the Tender Offer" under "1. Purpose of the Tender Offer" in "I. About the Tender Offer" above, the Offeror intends that the Offeror will ultimately become the sole shareholder of the Target Company, and as a means to achieve such purpose, intends to carry out the Share Exchange after the completion of the Squeeze Out Process, in which the Offeror will become the wholly-owning parent company after the share exchange, and the Target Company will become the wholly-owned subsidiary after the share exchange, with the shares of the Offeror as consideration. The Offeror has determined that it is desirable to set the method of calculation of the share exchange ratio in advance so that it would not be contrary to the gist of the uniform tender offer price rule (Act 27-2, Paragraph 3 of the Act) and the interests of the general shareholders, and has decided to enter into the Memorandum of Understanding with NF and Ms. Tsugihara, who holds all of the voting rights of NF, who will remain as the shareholders of the Target Company after the completion of the Squeeze Out Process, to set the method of calculation of the share exchange ratio and other matters.

2. Gist of the Memorandum of Understanding

As stated in (D) Memorandum of Understanding" in (6) Material agreements pertaining to the Tender Offer" under "1. Purpose of the Tender Offer" in "I. About the Tender Offer" above, the following matters have been agreed in the Share Exchange.

(1) Share exchange ratio

The Offeror, on the one hand, and Ms. Tsugihara and NF, on the other hand, have agreed that, in the Share Exchange, the number of shares of the Offeror delivered to the shareholders of the Target Company (excluding the Offeror; hereinafter the same in this Section 2) shall be the product of the number of the shares of the Offeror held by the shareholders of the Offeror and the value calculated using the formula below (however, if the Share Consolidation for the Squeeze Out Process is carried out, adjustments in accordance with the consolidation ratio will be made; the "**Share Exchange Ratio**"), and to mutually cooperate to take the measures necessary to realize such agreement promptly following the completion of the Squeeze Out Process (and in any event, no later than December 31, 2026), such as causing the Target Company to enter into a share exchange agreement reflecting such agreement with the Offeror. The Offer on the one hand, and Ms. Tsugihara and NF on the other hand, agree, in order to avoid excessive dilution of the shares of the Offeror through a temporary formation of the share price of the Offeror significantly below its intrinsic corporate value, to provide for a cap on the Share Exchange Ratio in the share exchange agreement upon discussion among the Offeror, Ms. Tsugihara, and NF, taking into account the stock price fluctuations of the Offeror up to the day immediately preceding the effective date of the Share Exchange.

Share Exchange Ratio = X/Y

X: purchase price under the Tender Offer

Y: the average of the closing price of the Offeror's shares during the period prior to the day immediately preceding the effective date of the Share Exchange, as separately agreed among the Offeror, Ms. Tsugihara, and NF

(2) Management structure after the Share Exchange

The Offeror, Ms. Tsugihara, and NF have confirmed that the Offeror will determine the details of the management structure of the Target Company Group in consultation with the Target Company after completion of the Tender Offer, and that, in principle, the autonomy and corporate culture of the Target Company Group will be respected, with the current management team expected to continue playing a leading role in the operation of its business. Furthermore, the Offeror, Ms. Tsugihara, and NF have agreed that any personnel secondment or dispatch from the Offeror to the Target Company Group will be considered through consultation, taking into account the wishes of the Target Company Group, and that the corporate functions of the Target Company Group will be gradually integrated, with personnel exchanges promoted in order to achieve operational optimization and ensure redundancy, thereby establishing a stable management structure.

(3) Investment, corporate branding, and management rationalization, etc., after the Share Exchange

The Offeror, Ms. Tsugihara, and NF have agreed that, following completion of the Share Exchange, they will deepen mutual understanding and engage in sufficient consultation, discussion, and consideration in order to continuously implement: (i) investments leveraging the Offeror's resources, expertise, and network to further enhance the business potential of the Offeror Group (including the Target Company Group; the same applies hereinafter in this Section 2); (ii) measures related to IR and corporate branding that contribute to enhancing the overall corporate value of the Offeror Group; and (iii) initiatives relating to management rationalization and resource reallocation.

(4) Other

The Offeror, Ms. Tsugihara, and NF have agreed that, following completion of the Share Exchange, (i) the Representative Directors of the Offeror will be Mr. Tetsuro Koda and Ms. Tsugihara, and that reasonable efforts will be made to take all reasonably necessary actions for their appointment; (ii) the trade name of the Offeror will be changed (the post-change name has not yet been determined); and (iii) the Offeror will provide reasonably necessary cooperation so that Ms. Tsugihara may continue to serve in public positions such as roles in industry associations and other similar appointments.

3. Outline of the parties to the Share Exchange

| | | Wholly owning parent company after the share exchange | Wholly-owned subsidiary after the share exchange |
|---|---|---|---|
| (1) | Name | Akatsuki Inc. | SUNNY SIDE UP GROUP, Inc. |
| (2) | Address | Oak Meguro 8F, 2-13-30 Kamiosaki, Shinagawa-ku, Tokyo | 4-23-5 Sendagaya, Shibuya-ku, Tokyo |
| (3) | Title and Name of Representative | Tetsuro Koda, President and CEO | Etsuko Tsugihara, Representative Director and President |
| (4) | Business description | Game and comic business, entertainment and lifestyle business, AI and DX solution business | Management and administration of group companies |
| (5) | Capital | 2,781 million yen | 550 million yen |
| (6) | Date of Establishment | June 2010 | July 1, 1985 |
| (7) | Number of Shares Outstanding | 14,517,100 shares | 15,197,600 shares |
| (8) | Fiscal Year End | March 31 | June 30 |
| (9) | Number of Employees | 503 (consolidated) | 403 (consolidated) |
| (10) | Main clients | General customers | Corporations, government agencies, etc. |

| | | | |
|---|---|---|---|
| (11) | Main banks | Mizuho Bank, Ltd. | Sumitomo Mitsui Banking Corporation |
| (12) | Major Shareholders and Shareholding Ratio | Tetsuro Koda 10.20%<br>Sony Group Corporation 9.69%<br>The Master Trust Bank of Japan, Ltd. (Trust Account) 8.97%<br>Koei Tecmo Holdings Co., Ltd. 7.82%<br>Owl Age Inc. 7.61%<br>Sancpia Inc. 6.73%<br>STATE STREET BANK AND TRUST COMPANY 505103 (Standing proxy agent: Settlement & Clearing Services Department of Mizuho Bank, Ltd.) 4.23%<br>Genki Shiota 2.32%<br>Custody Bank of Japan, Ltd. (Trust Account) 2.11%<br>J.P. MORGAN BANK LUXEMBOURG S.A. 381528 (Standing proxy agent: Settlement & Clearing Services Department of Mizuho Bank, Ltd.) 2.09% | Next field Co., Ltd. 36.94%<br>Etsuko Tsugihara 7.92%<br>Norihito Watanabe 5.14%<br>Hidetoshi Nakata 4.73%<br>Masaharu Kobayashi 2.70%<br>Shinji Kugai 1.97%<br>Minoru Maruta 1.56%<br>Rie Matsumoto 1.45%<br>Megumi Takahashi 1.31%<br>Guanghua SHEN (Standing proxy agent: Mita Securities Co., Ltd.) 1.16%<br>Wenzhe LI (Standing proxy agent: Mita Securities Co., Ltd.)） 1.16% |
| (13) | Relationship Between the Parties | | |
| | Capital relationship | N/A | |
| | Personnel relationship | N/A | |
| | Business relationship | The wholly-owning parent company after the share exchange and the wholly-owned subsidiary after the share exchange do not have a business relationship; however, transactions exist between the wholly-owning parent company after the share exchange and the consolidated subsidiaries of the wholly-owned subsidiary after the share exchange, including business outsourcing arrangements relating to product planning. | |
| | Status as Related Party | N/A | |
| (14) | Operating results and financial position in the last three years | | |

| Fiscal Year Ended | Akatsuki Inc. (consolidated) | | | SUNNY SIDE UP Inc.(consolidated) | | |
|---|---|---|---|---|---|---|
| | March 2023 | March 2024 | March 2025 | June 2023 | June 2024 | June 2025 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Consolidated net assets | 38,752 | 40,211 | 41,455 | 3,728 | 4,136 | 4,701 |
| Consolidated total assets | 53,156 | 52,043 | 54,632 | 8,595 | 8,472 | 10,409 |
| Consolidated net assets per share (yen) | 2,842.89 | 2,773.05 | 2,851.11 | 238.78 | 266.20 | 304.55 |
| Consolidated net sales | 24,336 | 23,972 | 23,652 | 18,956 | 17,908 | 19,587 |
| Consolidated operating profit | 5,700 | 2,676 | 3,915 | 1,296 | 1,465 | 1,597 |
| Consolidated ordinary income | 5,207 | 2,834 | 4,233 | 1,335 | 1,501 | 1,635 |
| Net income attributable to the shareholders of the parent company | 1,342 | 1,288 | 1,646 | 884 | 795 | 948 |
| Consolidated net income per share attributable to the shareholders (yen) | 98.97 | 104.01 | 114.22 | 59.28 | 53.30 | 63.58 |
| Dividend per share (yen) | 80 | 80 | 95 | 15 | 20 | 22 |

(In millions of yen, unless otherwise specified)

(Note) For the operating results and financial condition of the Offeror for the fiscal year ending March 2026, please refer to the "Summary of Consolidated Financial Results for the Fiscal Year Ended March 2026 (Japanese GAAP)" announced by the Offeror today.

4. Future Outlook

The share exchange ratio is scheduled to be ultimately agreed upon in the share exchange agreement to be entered into by the Offeror and the Target Company. In addition, other terms and conditions of the Share Exchange will be determined through future negotiations between the Offeror and the Target Company, and will be promptly announced once finalized. Furthermore, the impact of the Share Exchange on the consolidated financial results and earnings forecasts of Akatsuki Inc. will be announced as soon as the details are determined (at the time of the execution of the share exchange agreement).

III. Change of major shareholder and the largest shareholder, who is a major shareholder

1. Background for the change

If the Share Exchange is implemented, a change in major shareholders is expected to occur, and there is also a possibility that a change in the largest shareholder who is a major shareholder may occur.

(b) Overview of the shareholder subject to the change

| | |
|---|---|
| (1) Name | Next field Co., Ltd. |
| (2) Address | 1F IW Building, 2-10-31 Kanda Jimbocho, Chiyoda-ku, Tokyo |
| (3) Title and Name of Representative | Etsuko Tsugihara, Representative Director |
| (4) Description of Business | Asset management |
| (5) Capital | 10 million yen |

(c) The number of voting rights held by the shareholder (number of shares held) and the ratio to the number of voting rights of all shareholders before and after the change

As of present, the specific number and ratio has not been determined, but the ratio to the number of voting rights of all shareholders is expected to exceed 10%, making the shareholder a major shareholder, and there is also a possibility that the shareholder may become the largest shareholder who is a major shareholder.

(d) Future outlook

The specific details of the change resulting from the Share Exchange will be determined based on the share exchange ratio to be set forth in the share exchange agreement to be entered into between the Offeror and the Target Company, and will be promptly announced once finalized.

End.

**[Soliciting Regulations]**
This press release is an announcement for the purpose of announcing the Tender Offer to the general public and is not prepared for the purpose of solicitation of selling. If a shareholder tenders his/her shares for selling, the shareholder is required to tender on his/her own judgment after carefully reading the tender offer explanatory statement concerning the Tender Offer. This press release and the reference materials hereof are not, and do not constitute any part of, an offer or solicitation of selling, or a solicitation of purchase offer, of securities. This press release (or any part of it) or the fact of its distribution does not constitute a basis for any agreement pertaining to the Tender Offer, and it may not be relied upon when executing any such agreement.

**[Future Outlook]**
This information, including the information concerning the future business of the Offeror, the Target Company, and other companies, may include forward-looking expressions such as “look for,” “expect,” “aim at,” “schedule,” “convinced of,” and “anticipate.” These expressions are based on the outlook for the business of the Offeror at this point, and may change depending on the situation going forward. In respect of the information, the Offeror undertakes no obligation to change forward-looking expressions to the current state in order to reflect the actual performance, various circumstances and changes in conditions.

**[Regulations of the United States]**
The Tender Offer is not and will not be directly or indirectly made in or to the United States by using the U.S. postal service or any other means or instruments of interstate or foreign commerce (including, but not limited to, telephone, telex, facsimile, e-mail, and internet communication) or through any facilities of a securities exchange in the United States. No one may tender shares in the Tender Offer by any of the means or instruments above, through any of the facilities above, or from the United States. In addition, this press release or other related Tender Offer documents are not and may not be sent or delivered by postal service or any other means in, to, or from the United States. Any tender of shares in the Tender Offer that directly or indirectly breaches any of the restrictions above will not be accepted.
When applying for the Tender Offer, the Tendering Shareholders (or standing proxies in the case of Foreign Shareholders, etc.) may be required to provide the tender offer agent with representations and warranties stated below:
The Tendering Shareholders are not located in the United States at the time of applying for the Tender Offer or at the time of sending an application form for the Tender Offer. The Tendering Shareholders have not, directly or indirectly, received or sent any information (including its copies) related to the Tender Offer to, in, or from the United States. The Tendering Shareholders did not use, directly or indirectly, in connection with the purchase or the signature and submission of the application form for the Tender Offer, the U.S. postal mail services or any other interstate or international commercial methods or means (including, but not limited to, facsimile, e-mail, internet communication, telex, and telephone) or any stock exchange facilities in the United States. The Tendering Shareholders are not acting as an agent, entrustee or delegate, without discretion, of another person (except where such other person provides the Tendering Shareholders with all instructions relating to the purchase from outside the United States).·

**[Forward-Looking Statements]**
This press release contains “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 contents expressly or implicitly indicated in such forward-looking statements. Neither the Offeror, the Target Company nor any of their respective Affiliates gives any assurance that the results expressly or implicitly indicated in any “forward-looking statements” will be achieved. The “forward-looking statements” in this press release have been prepared based on the information held by the Offeror as of the date of this press release, and unless otherwise required by applicable laws and regulations or rules of a financial instruments exchange, neither the Offeror, the Target Company nor any of their respective Affiliates is obliged to update or modify such statements in order to reflect any events or circumstances in the future

**[Other Countries]**
In certain countries or regions, the announcement, issue, or distribution of this press release may be restricted under the laws thereof, in which case such restrictions shall be noted and observed. The announcement, issue or distribution of this press release does not constitute any solicitation of an offer for selling, etc., or offer for purchase, etc., of share certificates concerning the Tender Offer, and is deemed to be the distribution of materials merely for information.