July 15, 2026

To whom it may concern

Company name: PALTAC CORPORATION
Name of representative: Takuya Yoshida, Representative Director, President
(Securities code: 8283; TSE Prime Market)
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Notice Concerning the Decision by MEDIPAL HOLDINGS CORPORATION to Make a Demand for Share Cash-out, the Approval of Such Demand for Share Cash-out, and the Delisting of the Company's Shares

PALTAC CORPORATION (the "Company") hereby announces that, as disclosed in the "Notice Regarding the Results of the Tender Offer for the Company's Shares by MEDIPAL HOLDINGS CORPORATION, the Company's Parent Company" dated July 8, 2026, MEDIPAL HOLDINGS CORPORATION ("MEDIPAL"), the controlling shareholder (parent company) of the Company, conducted a tender offer (the "Tender Offer") for the Company's common shares (the "Company Shares") commencing on May 12, 2026. As a result, as of July 14, 2026, the commencement date of settlement of the Tender Offer, MEDIPAL held 56,319,589 shares of the Company (Voting Rights Ownership Ratio: 92.64%) (Note 1), and accordingly became a Special Controlling Shareholder as defined in the Companies Act (Act No. 86 of 2005, as amended; the same shall apply hereinafter) (the "Special Controlling Shareholder").

(Note 1) "Voting Rights Ownership Ratio" means the percentage of the voting rights represented by 607,942 voting rights attributable to 60,794,224 shares, which is the number of shares obtained by deducting the number of treasury shares held by the Company as of March 31, 2026 (1,205,776 shares), as stated in the "Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026 [Japanese GAAP]" announced by the Company on May 11, 2026 (the "Company's Financial Results"), from the total number of issued shares of the Company as of the same date (62,000,000 shares), as stated in the Company's Financial Results. The percentage is rounded to two decimal places. The same shall apply to the description of the Voting Rights Ownership Ratio unless otherwise specified.

As a result of the successful completion of the Tender Offer, MEDIPAL came to hold more than 90% of the voting rights of all shareholders of the Company. Accordingly, as described in "(4) Policy on Organizational Restructuring, etc. After the Tender Offer" under "3. Details of, Basis, and Reasons for the Opinion Regarding the Tender Offer" in the "Notice Concerning Expression of Opinion in Support of, and Recommendation of Tendering in, the Tender Offer for the Company Shares by MEDIPAL HOLDINGS CORPORATION, the Company's Parent Company" announced by the Company on May 11, 2026 (the "Opinion Release"), as part of a series of transactions (the "Transaction") intended to make the Company a wholly owned subsidiary of MEDIPAL by acquiring all of the Company Shares (excluding the Company Shares directly held by MEDIPAL and the treasury shares held by the Company), MEDIPAL has informed the Company that it resolved today to make a demand, pursuant to Article 179, Paragraph 1 of the Companies Act, that all shareholders of the Company (excluding MEDIPAL and the Company; hereinafter referred to as the "Selling Shareholders") sell all of the Company Shares held by them (the "Selling Shares") to MEDIPAL (the "Demand for Share Cash-out").

The Company hereby announces that it received a notice today from MEDIPAL regarding the Demand for Share Cash-out and that, at a meeting of the Board of Directors held today, the Company resolved to approve the Demand for Share Cash-out, as described below.

In addition, as a result of the approval of the Demand for Share Cash-out, the Company Shares will meet the delisting criteria of Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange"). Accordingly, the Company Shares are expected to be designated as securities to be delisted from today through August 9, 2026, and to be delisted on August 10, 2026. Following the delisting, the Company Shares will no longer be tradable on the Prime Market of the Tokyo Stock Exchange.

1. Overview of the Demand for Share Cash-out

(1) Overview of the Special Controlling Shareholder

(1)	Name	MEDIPAL HOLDINGS CORPORATION	
(2)	Location	3-1-1 Kyobashi, Chuo-ku, Tokyo	
(3)	Name and Title of Representative	Shuichi Watanabe Representative Director, President and CEO	
(4)	Description of Business Activities	Sale of pharmaceuticals, cosmetics, daily necessities, animal health products, etc., and provision of services	
(5)	Capital	¥22,398 million (as of March 31, 2026)	
(6)	Date of Establishment	May 6, 1923	
(7)	Major Shareholders and Ownership Ratios (as of March 31, 2026) (Note 2)	The Master Trust Bank of Japan, Ltd. (Trust Account)	14.73%
		NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST (Standing Proxy: Securities Services Operations, The Hongkong & Shanghai Banking Corporation Limited, Tokyo Branch)	4.95%
		Custody Bank of Japan, Ltd. (Trust Account)	4.23%
		STATE STREET BANK AND TRUST COMPANY 505001 (Standing Proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	2.85%
		NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS (Standing Proxy: Securities Services Operations, The Hongkong & Shanghai Banking Corporation Limited, Tokyo Branch)	2.83%
		Kobayashi Pharmaceutical Co., Ltd.	2.48%
		NORTHERN TRUST CO. (AVFC) RE NON TREATY CLIENTS ACCOUNT (Standing Proxy: Securities Services Operations, The Hongkong & Shanghai Banking Corporation Limited, Tokyo Branch)	2.11%
		MEDICEO Employee Shareholders' Association of MP Group	1.85%
		NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT (Standing Proxy: Securities Services Operations, The Hongkong & Shanghai Banking Corporation Limited, Tokyo Branch)	1.69%

	JP MORGAN CHASE BANK 380684 (Standing Proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	1.53%

(8)	Relationship Between the Company and MEDIPAL	
	Capital Relationship	As of today, MEDIPAL owns 56,319,589 Company Shares (ownership ratio: 92.64%). The Company is a consolidated subsidiary of MEDIPAL.
	Personnel Relationship	As of today, among the 13 directors of the Company, the President and Representative Director thereof concurrently serves as a director of MEDIPAL.
	Business Relationship	The Company sells products to and purchases products from companies belonging to MEDIPAL Group (Note 3) in the ordinary course of business. In addition, group insurance is managed collectively within MEDIPAL Group, and the Company bears its share of the associated costs and receives insurance proceeds and other payments under the relevant insurance policies.
	Status as Related Parties	MEDIPAL is the parent company of the Company, and MEDIPAL and the Company are related parties of each other.

(Note 2) "Major Shareholders and Ownership Ratios (as of March 31, 2026)" is quoted from the section entitled "Major Shareholders" in the Annual Securities Report for the 117th fiscal year submitted by MEDIPAL on June 23, 2026.

(Note 3) "MEDIPAL Group" means the corporate group consisting of 32 subsidiaries of MEDIPAL (including the Company) and 19 affiliated companies.

(2) Schedule of the Demand for Share Cash-out

Demand for Share Cash-out Date	July 15, 2026 (Wednesday)
Date of Resolution of the Company's Board of Directors	July 15, 2026 (Wednesday)
Last Trading Day	August 7, 2026 (Friday) (scheduled)
Delisting Date	August 10, 2026 (Monday) (scheduled)
Acquisition Date	August 13, 2026 (Thursday) (scheduled)

(3) Consideration for the Sale
¥6,650 per share of common stock

2. Details of the Demand for Share Cash-out

The Company received a notice from MEDIPAL today stating that MEDIPAL intends to make the Demand for Share Cash-out, the details of which are set forth below.

(1) If the Special Controlling Shareholder elects not to make the Demand for Share Cash-out to any wholly owned subsidiary of the Special Controlling Shareholder, a statement to that effect and the name of such wholly owned subsidiary (Article 179-2, Paragraph 1, Item 1 of the Companies Act)

Not applicable.

(2) The amount of money to be delivered to the Selling Shareholders as consideration for the Selling Shares, or the method for determining such amount, and matters relating to the allocation thereof (Article 179-2, Paragraph 1, Items 2 and 3 of the Companies Act)

MEDIPAL will deliver to each Selling Shareholder, as consideration for the Selling Shares (the "Share Sale Consideration"), cash in the amount of ¥6,650 per Selling Share owned by such Selling Shareholder.

(3) Matters relating to the Demand for Share Cash-out for Share Options (Article 179-2, Paragraph 1, Item 4 of the Companies Act)

Not applicable.

(4) Date on which the Special Controlling Shareholder will acquire the Selling Shares (the “Acquisition Date”) (Article 179-2, Paragraph 1, Item 5 of the Companies Act)
August 13, 2026

(5) Method for Securing Funds for Payment of the Share Sale Consideration (Article 179-2, Paragraph 1, Item 6 of the Companies Act and Article 33-5, Paragraph 1, Item 1 of the Ordinance for Enforcement of the Companies Act)
MEDIPAL has informed the Company that it plans to fund the entire amount of the Share Sale Consideration through borrowings based on the commitment letter obtained from Mizuho Bank, Ltd. (“Mizuho Bank”) on May 8, 2026, together with its own funds. MEDIPAL has further represented that no event has occurred that would adversely affect its ability to make payment of the Share Sale Consideration and that it is not aware of any specific circumstances that could give rise to such an event in the future.

(6) Other Terms and Conditions of the Demand for Share Cash-out (Article 179-2, Paragraph 1, Item 6 of the Companies Act and Article 33-5, Paragraph 1, Item 2 of the Ordinance for Enforcement of the Companies Act)
The Share Sale Consideration shall be delivered, within a reasonable period after the Acquisition Date, to each Selling Shareholder whose name or record appears in the Company’s final shareholder register as of the day immediately preceding the Acquisition Date, at such shareholder’s address or at any other place designated by such Selling Shareholder to the Company, in a manner equivalent to the method used by the Company for the distribution of dividend property.
Provided, however, that if delivery cannot be made by such method, the Company shall pay the Share Sale Consideration to the relevant Selling Shareholder at the Company’s head office by a method designated by the Company (or, if MEDIPAL designates any other place and method for the payment of the Share Sale Consideration, at such place and by such method).

3. Basis and Reasons for the Company’s Decision to Approve the Demand for Share Cash-out

(1) Basis and Reasons for the Company’s Approval of the Demand for Share Cash-out
The Demand for Share Cash-out is being made as part of the Transaction, and the consideration for the Selling Shares (the “Share Sale Consideration”) has been set at the same price as the purchase price per Company Share in the Tender Offer (the “Tender Offer Price”). As described in “(d) Decision-making Process of the Company’s Board of Directors” under “(2) Basis and Reasons for the Opinion” under “3. Details of, Basis, and Reasons for the Opinion Regarding the Tender Offer” in the Opinion Release, the Company concluded, based on the process and reasons set forth below, that the Transaction would contribute to the enhancement of the Company’s corporate value. Accordingly, at the meeting of the Board of Directors held on May 11, 2026, the Company resolved to express its opinion in support of the Tender Offer and to recommend that the Company’s shareholders tender their shares in the Tender Offer. Unless otherwise indicated, the descriptions concerning MEDIPAL below are based on explanations received from MEDIPAL.

(i) Background to Establishment of Review Framework
The Company received a notice from MEDIPAL on October 21, 2025, stating that it had commenced consideration towards the implementation of the Transaction. In response to this, in considering the Transaction and conducting discussions and negotiations with MEDIPAL regarding the Transaction, the Company took into consideration the fact that MEDIPAL is the controlling shareholder (parent company) of the Company whose ownership ratio of the Company Shares has reached 52.40%, and that the Transaction constitutes a transaction that typically involves issues of structural conflicts of interest and information asymmetry. In order to address these issues and ensure the fairness of the Transaction, in early November 2025, the Company appointed Oh-Ebashi LPC & Partners (“Oh-Ebashi”) as a legal advisor independent from MEDIPAL Group and the Company Group (meaning the Company and its unconsolidated subsidiaries; the same applies hereinafter. As of March 31, 2026, Company Group consisted of the Company and three unconsolidated subsidiaries), and from the success or failure of the Transaction, and appointed Daiwa Securities Co. Ltd. (“Daiwa Securities”) as a financial advisor and a third-party valuation organization independent from MEDIPAL Group and the Company

Group.

Thereafter, the Company received a Letter of Intent regarding the Transaction from MEDIPAL again on December 9, 2025. In response to such proposal, in order to ensure the fairness of the Transaction, based on the advice of Oh-Ebashi, the Company immediately commenced the establishment of a framework to consider, negotiate, and make decisions regarding the Transaction from a standpoint independent from MEDIPAL, from the perspective of enhancing the corporate value of the Company and securing the interests of the general shareholders of the Company. Specifically, the Company proceeded with preparations for the establishment of a Special Committee as stated in "(c) Establishment of Independent Special Committee by the Company and Acquisition of Report from Special Committee" of "(4) Measures to Ensure Fairness of the Tender Offer" below. By a resolution of the board of directors held on December 22, 2025, in order to constitute a meeting body with an appropriate size while ensuring a balance of knowledge, experience, and capability, the Company established a Special Committee (hereinafter referred to as the "Special Committee") composed of three members: Mr. Ichiro Yoshitake, who has extensive experience and broad insight as a business executive (Independent Outside Director of the Company, Outside Director of Unicafe Inc.), Ms. Kaori Oishi, who has specialized expertise and extensive experience as an attorney (Independent Outside Director of the Company, Outside Director and an Audit and Supervisory Committee Member of Towa Pharmaceutical Co., Ltd., Outside Director of ESLEAD CORPORATION, Partner of Kitahama Partners, Attorney), and Ms. Kyoko Hikita, who has specialized expertise and a high level of insight in finance and accounting as a certified public accountant (Independent Outside Audit and Supervisory Board Member of the Company, Outside Audit and Supervisory Board Member of AOYAMA TRADING Co., Ltd., Outside Director and an Audit and Supervisory Committee Member of UNISOL Holdings Corporation, President of Hikita CPA Office, Certified Public Accountant), as a meeting body distinct from the standing special committee within the Company (for the background of consideration and details of decision by the Special Committee, please refer to "(c) Establishment of Independent Special Committee by the Company and Acquisition of Report from Special Committee" of "(4) Measures to Ensure Fairness of the Tender Offer" below). The Company has established a standing special committee as an advisory body to the board of directors, composed of all independent outside directors and independent outside audit & supervisory board members, for the purpose of appropriately monitoring and supervising conflicts of interest with controlling shareholders, etc. and enhancing corporate governance. The aforementioned three candidates were selected from among the members of the committee. The Company has seven independent outside directors and three independent outside audit & supervisory board members. However, if all independent outside directors and independent outside audit & supervisory board members were appointed as members of the Special Committee, the possibility of impairing the agility and efficiency of deliberations and negotiations regarding the Transaction could not be ruled out, and the Company was concerned that this in turn could run counter to the interests of general shareholders. On the other hand, the Company believed that forming the Special Committee with Mr. Ichiro Yoshitake, Ms. Kaori Oishi, and Ms. Kyoko Hikita, in light of their backgrounds and expertise among those of the Company's independent outside officers, would ensure necessary and sufficient experience and knowledge for consideration and negotiations regarding the Transaction from the perspectives of corporate management, legal affairs and risk management, and finance and financial affairs, while enabling agile and efficient consideration and negotiations regarding the Transaction. Accordingly, the Company selected Mr. Ichiro Yoshitake, Ms. Kaori Oishi, and Ms. Kyoko Hikita as members of the Special Committee.

Based on the above, the Company consulted the Special Committee on: (i) the reasonableness of the purpose of the Transaction (including whether the Transaction contributes to enhancing the corporate value of the Company); (ii) the fairness and appropriateness of the terms and conditions of the Transaction (including the level of consideration, the method of implementing the Transaction, and the type of consideration); (iii) the fairness of the procedures for the Transaction; (iv) based on (i) through (iii) above, whether the Transaction is fair to the general shareholders; and (v) whether it is appropriate for the Company's board of directors to make a decision to conduct the Transaction (expressing an opinion in support of the Tender Offer and recommending that the Company's shareholders tender their shares in the Tender Offer, and conducting necessary procedures if a series of procedures to make MEDIPAL the sole shareholder of the Company (the "Squeeze-out Procedures") is implemented following the completion of the Tender Offer), and requested the Special Committee to state its opinion to the Company's board of directors (hereinafter collectively referred to as the "Advisory Matters"). Furthermore, upon the establishment of the Special Committee, the Company's board of directors resolved that it would make a decision regarding the Transaction by respecting the determination of the Special Committee to the maximum extent, and that if the Special Committee judged that the terms and conditions of the Transaction were not fair, the Company's board of directors would not support the Transaction. In addition, the Company's board of directors resolved to grant the Special Committee the authority to: (i) receive information necessary to consider and make decisions on the Transaction from the Company's officers and employees (including the authority to require attendance at Special Committee meetings); (ii) be substantially involved in the terms and conditions and the negotiation process of the Transaction (including stating opinions, giving instructions or making requests to the Company, and the Special Committee independently negotiating with the prospective purchaser); (iii) approve (including ratifying) the external professional advisors appointed by the Company; (iv) seek advice from the Company's external professional advisors at the Company's expense; (v) appoint its own external professional advisors and seek their advice, if necessary, at the Company's expense; and (vi) exercise authority regarding matters that the Special Committee deems necessary for considering and making decisions on the Transaction, such as the approval of persons assisting the duties of the Special Committee (for the method of resolution at the relevant board of directors' meeting, please refer to "(c) Establishment of Independent Special Committee by the Company and Acquisition of Report from Special Committee" of "(4) Measures to Ensure Fairness of the Tender Offer" below). Note that the Company has a standing special committee consisting of all of the Company's outside directors and outside audit & supervisory board members, as described in "(c) Establishment of Independent Special Committee by the Company and Acquisition of Report from Special Committee" of "(4) Measures to Ensure Fairness of the Tender Offer" below. However, since the Company's board of directors, including the relevant outside officers, has agreed to respect the determination of the Special Committee to the maximum extent regarding the Advisory Matters, the board of directors has resolved not to consult the standing special committee regarding the Transaction in addition to the Special Committee.

Furthermore, as described in "(c) Establishment of Independent Special Committee by the Company and Acquisition of Report from Special Committee" of "(4) Measures to Ensure Fairness of the Tender Offer" below, on January 20, 2026, based on the above authority, the Special Committee determined to appoint Anderson Mori & Tomotsune ("Anderson Mori & Tomotsune") as its own legal advisor independent from MEDIPAL Group and the Company Group and from the success or failure of the Transaction, and to appoint Plutus Consulting Co., Ltd. ("Plutus Consulting") as its own financial advisor and third-party valuation organization independent from MEDIPAL Group and the Company Group and from the success or failure of the Transaction.

In addition, as described in "(c) Establishment of Independent Special Committee by the Company and Acquisition of Report from Special Committee" of "(4) Measures to Ensure Fairness of the Tender Offer" below, after confirming that there were no issues regarding their independence from MEDIPAL Group and the Company Group, independence from the success or failure of the Transaction, and expertise/experience, etc., the Company received approval from the Special Committee for the appointment of Daiwa Securities as the Company's financial advisor and third-party valuation organization, and Oh-Ebashi as the Company's legal advisor.

Furthermore, as described in "(g) Establishment of Independent Internal Framework by the Company" of "(4) Measures to Ensure Fairness of the Tender Offer" below, the Company established a framework within the Company to consider, negotiate, and make decisions regarding the Transaction (including the scope and duties of the Company's officers and employees involved in considering, negotiating, and making decisions regarding the Transaction) from a standpoint independent from MEDIPAL Group, and received approval from the Special Committee that there were no issues regarding the independence and fairness of such consideration framework.

(ii) Background of Review and Negotiation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Then, the Company received a report dated May 9, 2026, from the Special Committee (the "Report") stating that: (a) the Transaction contributes to the enhancement of the Company's corporate value, and the purpose of the Transaction is considered reasonable; (b) the fairness and appropriateness of the terms and conditions of the Transaction (including the level of consideration, the method of implementation of the Transaction, and the type of consideration) are considered to be ensured; (c) the fairness of the procedures for the Transaction is considered to be ensured; (d) based on (a) through (c) above, the Transaction is considered to be fair to the general shareholders; and (e) it is considered appropriate for the Company's board of directors to make a decision to conduct the Transaction (expressing an opinion in support of the Tender Offer and recommending that the Company's shareholders tender their shares in the Tender Offer, and conducting necessary procedures if the Squeeze-out Procedures are implemented after the completion of the Tender Offer) (for details of the Report, please refer to Attachment 1 to the Opinion Release). In addition, together with the Report, the Company also received from the Special Committee a stock valuation report on the Company Shares dated May 8, 2026, which the Special Committee received from Plutus Consulting (the "Stock Valuation Report (Plutus Consulting)"), and a fairness opinion stating that the Tender Offer Price of 6,650 yen per share is fair from a financial perspective to the general shareholders of the Company (hereinafter referred to as the "Fairness Opinion (Plutus Consulting)") (for outlines of the Stock Valuation Report (Plutus Consulting) and the Fairness Opinion (Plutus Consulting), please refer to "(e) Acquisition of Stock Valuation Report and Fairness Opinion by Special Committee from Independent Third-Party Valuation Organization" in "(4) Measures to Ensure Fairness of the Tender Offer" below).

(iii) Details of Decision

Given the above background, at the Company's board of directors' meeting held on May 11, 2026, the Company carefully discussed and considered whether the Transaction, including the Tender Offer, contributes to enhancing the Company's corporate value, and whether the terms and conditions of the Transaction, including the Tender Offer Price, are appropriate. The Company did so by fully respecting the details of the judgment of the Special Committee indicated in the Report, while taking into account the legal advice received from Oh-Ebashi, the advice from a financial perspective received from Daiwa Securities, and the contents of the stock valuation report on the Company Shares dated May 8, 2026, received from Daiwa Securities ("Stock Valuation Report (Daiwa Securities)"), as well as the legal advice received from Anderson Mori & Tomotsune through the Special Committee, and the contents of the Stock Valuation Report (Plutus Consulting) and the Fairness Opinion (Plutus Consulting) received from Plutus

Consulting.

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

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

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

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

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

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

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

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

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

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

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

II. Expansion of Value Provision Areas through Advanced Logistics Models

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) According to the stock valuation results regarding the Company Shares conducted by Daiwa Securities, as described in "(b) Acquisition of Stock Valuation Report by the Company from Independent Third-party Valuation Organization" under "(4) Measures to Ensure Fairness of the Tender Offer" below, the results of the share valuation of the Company Shares by Daiwa Securities indicate that the valuation exceeds the upper end of the ranges calculated by the market share price method and the comparable company method, and exceeds the median of the range calculated by the discounted cash flow method (the "DCF Method").

(b) As described in "(e) Acquisition of Stock Valuation Report and Fairness Opinion by Special Committee from Independent Third-Party Valuation Organization" under "(4) Measures to Ensure Fairness of the Tender Offer" below, according to the stock valuation results regarding the Company Shares conducted by Plutus Consulting in the Stock Valuation Report (Plutus Consulting), the results of the share valuation of the Company Shares by Plutus Consulting indicate that the valuation exceeds the upper end of the ranges calculated by the market share price method and the comparable company method, and exceeds the median of the range calculated by the DCF Method. In addition, the Special Committee has acquired from Plutus Consulting the Fairness Opinion (Plutus Consulting) stating that the Tender Offer Price of 6,650 yen per share is fair from a financial perspective to the general shareholders of the Company.

(c) The Tender Offer Price of 6,650 yen includes a premium of 42.73% over 4,659 yen, the closing price of the Company Shares on the Prime Market of the TSE on May 8, 2026, the business day immediately preceding the date of announcement of the Tender Offer; a premium of 42.12% over 4,679 yen, the simple average closing price for the past one month up to the same day (from April 9, 2026 to May 8, 2026); a premium of 38.95% over 4,786 yen, the simple average closing price for the past three months up to the same day (from February 9, 2026 to May 8, 2026); and a premium of 38.80% over 4,791 yen, the simple average closing price for the past six months up to the same day (from November 10, 2025 to May 8, 2026). With respect to the premium levels of the Tender Offer Price, among 18 precedent transactions (the "Reference Transactions"), consisting of tender offers conducted by parent companies for the purpose of acquiring all shares of listed subsidiaries in Japan with a market capitalization of at least 100 billion yen and a price-to-book ratio of at least 1x that were completed between June 28, 2019 (the date on which the Ministry of Economy, Trade and Industry published the "Fair M&A Guidelines") and March 11, 2026 (excluding transactions in which the market price significantly increased or fluctuated due to speculation or media reports, and two-step tender offer transactions), the average premium rates were 33.45% based on the closing price on the business day immediately preceding the announcement date, 35.60% based on the one-month simple average of closing prices prior to the announcement, 37.19% based on the three-month simple average, and 38.24% based on the six-month simple average. The median premium rates were 25.97%, 31.58%, 34.09%, and 36.59%, respectively. Accordingly, the Tender Offer Price is considered to provide a premium comparable to those observed in the Reference Transactions.

(d) In light of the Company's long-term stock price trends, the price is equal to the highest closing price of the Company Shares (closing price on June 6, 2018) over the period since listing.

(e) Measures to Ensure Fairness of the Tender Offer as described in "(4) Measures to Ensure Fairness of the Tender Offer" below have been implemented, and it is recognized that the interests of general shareholders are secured.

(f) The Tender Offer Price is a price raised from 5,650 yen, the initial proposal price from MEDIPAL, as a result of the Company conducting sincere negotiations with MEDIPAL with substantial involvement of the Special Committee, which is independent from the Company Group and MEDIPAL Group, after sufficiently implementing measures to ensure the fairness of the terms and conditions relating to the Transaction, including the Tender Offer Price, as described in "(4) Measures to Ensure Fairness of the Tender Offer" below.

(g) In the Report acquired from the Special Committee, which is independent within the Company, as stated in "(c) Establishment of Independent Special Committee by the

Company and Acquisition of Report from Special Committee" under "(4) Measures to Ensure Fairness of the Tender Offer" below, it is judged that the fairness and appropriateness of the terms and conditions of the Transaction, including the Tender Offer Price, have been ensured.

Based on the above, at the board of directors' meeting held on May 11, 2026, the Company resolved to express its opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer.

For the method of the resolution at the Company's board of directors' meeting above, please refer to "(h) Approval of All Disinterested Directors of the Company and No Objection Opinion of All Disinterested Audit and Supervisory Board Members" under "(4) Measures to Ensure Fairness of the Tender Offer" below.

Thereafter, on July 8, 2026, the Company received a report from MEDIPAL regarding the results of the Tender Offer, stating that 24,466,104 Company Shares had been tendered and that, because the number of tendered shares exceeded the minimum number of shares to be purchased (8,676,100 shares), the Tender Offer had been successfully completed and MEDIPAL would acquire all of the tendered shares. As a result, as of July 14, 2026, the commencement date of settlement of the Tender Offer, MEDIPAL came to hold 90% or more of the voting rights of the Company and consequently became the Company's Special Controlling Shareholder. Following these developments, the Company received a notice today from MEDIPAL stating that, as described in "(4) Policy on Organizational Restructuring, etc. After the Tender Offer" under "3. Details of, Basis, and Reasons for the Opinion Regarding the Tender Offer" in the Opinion Release, MEDIPAL would make the Demand for Share Cash-out as part of the Transaction. Upon receipt of such notice, the Company carefully deliberated and considered whether to approve the Demand for Share Cash-out.

As a result, at the meeting of the Board of Directors held today, the Company resolved to approve the Demand for Share Cash-out as notified by MEDIPAL, based on the following considerations: (a) the Demand for Share Cash-out is being made as part of the Transaction, and, as described above, the Company determined at its Board of Directors meeting held on May 11, 2026, after giving the utmost respect to the opinion of the Special Committee established in connection with the Transaction, that the Transaction would contribute to the enhancement of the Company's corporate value, and no special circumstances have arisen that would require the Company to revise such determination; (b) the Share Sale Consideration of ¥6,650 per Selling Share is identical to the Tender Offer Price, and, as stated in the Report obtained from the Special Committee, which concluded that the fairness and reasonableness of the terms and conditions of the Transaction (including the level of consideration, the method of implementation of the Transaction, and the type of consideration) had been ensured after sufficient measures to ensure the fairness of the Transaction had been implemented, such consideration is considered reasonable for the Selling Shareholders and due consideration has been given to the interests of the Selling Shareholders as minority shareholders; (c) MEDIPAL plans to fund the entire amount of the Share Sale Consideration through borrowings based on the commitment letter issued by Mizuho Bank on May 8, 2026, and its own funds. MEDIPAL obtained from Mizuho Bank on May 8, 2026 a commitment letter indicating the bank's willingness to provide financing of up to ¥200,000 million, which was attached to the Tender Offer Registration Statement relating to the Tender Offer, and MEDIPAL has further represented that no event has occurred that would adversely affect its ability to make payment of the Share Sale Consideration and that it is not aware of any specific circumstances that could give rise to such an event in the future. Accordingly, it is reasonably recognized that MEDIPAL will be able to secure the funds necessary for the payment of the Share Sale Consideration; (d) no unreasonable aspects are recognized with respect to the period until payment of the Share Sale Consideration or the method of payment, and therefore the terms and conditions relating to the Demand for Share Cash-out are considered appropriate; (e) no material change has occurred in the Company's corporate value from the commencement date of the Tender Offer to today; and (f) the Special Committee established in connection with the commencement of the Tender Offer examined the entire Transaction, including the Demand for Share Cash-out, and submitted the Report stating that the Transaction is considered fair to the general shareholders of the Company. Based on the foregoing, the Company determined that the Demand for Share Cash-out gives due consideration to the interests of the Selling Shareholders and that its terms and conditions are appropriate, and therefore resolved to approve the Demand for Share Cash-out as set forth in

MEDIPAL's notice.

At the Board of Directors meeting held today, in light of the fact that, among the 13 directors of the Company, Mr. Takuya Yoshida currently also serves as a director of MEDIPAL, and that Mr. Seiichi Kasutani and Mr. Yuji Sakon (Note) previously served as directors of MEDIPAL, and in order to eliminate any possibility that the deliberations and resolutions of the Company's Board of Directors could be affected by the structural conflicts of interest and information asymmetry inherent in the Transaction, the foregoing resolution was deliberated upon and unanimously approved by the 10 directors excluding Mr. Takuya Yoshida, Mr. Yuji Sakon, and Mr. Seiichi Kasutani.

In addition, at the above-mentioned Board of Directors meeting, all five Audit & Supervisory Board Members of the Company (including three Outside Audit & Supervisory Board Members) attended the meeting, and all of them expressed the opinion that they had no objection to the foregoing resolution.

Furthermore, in light of the fact that the Transaction constitutes a transaction that typically involves structural conflicts of interest and information asymmetry issues, Mr. Takuya Yoshida, Mr. Yuji Sakon, and Mr. Seiichi Kasutani have not participated in the deliberations or resolutions of the Company's Board of Directors relating to the Transaction, including the above-mentioned Board of Directors meeting, nor have they participated in any discussions or negotiations relating to the Transaction on behalf of the Company, in order to eliminate any possibility of being influenced by such issues.

(Note) Mr. Yuji Sakon retired as a director of MEDIPAL upon the conclusion of MEDIPAL's Annual General Meeting of Shareholders held on June 23, 2026.

(2) Matters Relating to Valuation

The Demand for Share Cash-out is being made as the second step of the so-called two-step acquisition following the Tender Offer as part of the Transaction, and the Share Sale Consideration is the same as the Tender Offer Price. Accordingly, the Company did not obtain a new valuation report in connection with its decision to approve the Demand for Share Cash-out.

(3) Expected Delisting

As of today, the Company Shares are listed on the Prime Market of the Tokyo Stock Exchange. However, as a result of the approval of the Demand for Share Cash-out, the Company Shares will meet the delisting criteria of the Tokyo Stock Exchange. Accordingly, the Company Shares are expected to be designated as securities to be delisted from today through August 9, 2026, and to be delisted on August 10, 2026. Following the delisting, the Company Shares will no longer be tradable on the Prime Market of the Tokyo Stock Exchange.

(4) Measures to Ensure Fairness of the Tender Offer

The Demand for Share Cash-out is being made as the second step of the so-called two-step acquisition following the Tender Offer as part of the Transaction. As described in "(3) Measures to Ensure Fairness of the Tender Offer" under "3. Details of, Basis, and Reasons for the Opinion Regarding the Tender Offer" in the Opinion Release, MEDIPAL is the controlling shareholder (parent company) of the Company, and the Transaction constitutes a material transaction with a controlling shareholder and typically involves structural conflicts of interest and information asymmetry between MEDIPAL and the shareholders of the Company other than MEDIPAL. Accordingly, in order to ensure the fairness of the Tender Offer and avoid conflicts of interest, MEDIPAL has implemented the following measures.

As stated in "(a) Outline of the Tender Offer" under "(2) Basis and Reasons for the Opinion" above, as of May 11, 2026, MEDIPAL owns 31,853,485 Company Shares (ownership ratio: 52.40%). Therefore, MEDIPAL explained that if it sets a minimum number of shares to be purchased based on the so-called "majority of minority" requirement in the Tender Offer, this could make completion of the Tender Offer uncertain and, conversely, may not serve the interests of the Company's general shareholders who wish to tender their shares in the Tender Offer. For this reason, MEDIPAL has not set a minimum number of shares to be purchased based on the so-called "majority of minority" requirement in the Tender Offer. However, since MEDIPAL and the Company have implemented the following measures, MEDIPAL and the Company believe that due consideration has been given to the interests of the Company's general shareholders.

(a) Acquisition of Stock Valuation Report by MEDIPAL from Independent Third-Party Valuation Organization

In determining the Tender Offer Price, MEDIPAL engaged Nomura Securities Co., Ltd. ("Nomura Securities"), its financial advisor independent of MEDIPAL Group and the Company Group, to conduct a valuation of the Company Shares and obtained a stock valuation report dated May 8, 2026 regarding the valuation of the Company Shares (the "MEDIPAL Valuation Report"). For details of MEDIPAL Valuation Report obtained by MEDIPAL from Nomura Securities regarding the valuation of the Company Shares, please refer to "(a) Acquisition of Stock Valuation Report by the Tender Offeror from Independent Third-Party Valuation Organization" under "(3) Measures to Ensure Fairness of the Tender Offer" in the Opinion Release.

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

As described in "(b) Acquisition of Stock Valuation Report by the Company from Independent Third-party Valuation Organization" under "(3) Measures to Ensure Fairness of the Tender Offer" in the Opinion Release, in determining its opinion regarding the Tender Offer, the Company engaged Daiwa Securities Co. Ltd. ("Daiwa Securities"), a financial advisor and third-party valuation organization independent of MEDIPAL Group and the Company Group, to calculate the value of the Company Shares, and obtained the Stock Valuation Report (Daiwa Securities) dated May 8, 2026. For details of the valuation results of the Company Shares set forth in the Stock Valuation Report (Daiwa Securities) obtained by the Company from Daiwa Securities, please refer to "(b) Acquisition of Stock Valuation Report by the Company from Independent Third-party Valuation Organization" under "(3) Measures to Ensure Fairness of the Tender Offer" in the Opinion Release. Daiwa Securities is not a related party of either MEDIPAL Group or the Company Group and does not have any material interest in the Transaction, including the Tender Offer, that should be disclosed. The compensation payable to Daiwa Securities includes a success fee contingent upon, among other things, the completion of the Transaction. However, after taking into consideration market practice in similar transactions and other relevant factors, the Company appointed Daiwa Securities as its financial advisor and third-party valuation organization under the above compensation arrangement.

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

(i) Background to Establishment, etc.

As stated in "(1) Basis and Reasons for the Company's Approval of the Demand for Share Cash-out" above, the Company established the Special Committee by a resolution at the board of directors' meeting held on December 22, 2025. Prior to the establishment of the Special Committee, in order to construct a framework to consider, negotiate, and make judgments concerning the Transaction from a standpoint independent of MEDIPAL Group, from the perspective of enhancing the Company's corporate value and securing the interests of the Company's general shareholders, the Company obtained legal advice from Oh-Ebashi. On December 11, 2025, the Company explained to its outside directors and outside audit and supervisory board members who have no conflict of interest with MEDIPAL Group that the Company had received a Letter of Intent from MEDIPAL on December 9, 2025, stating its intention to commence consideration and discussions toward implementing the Transaction. The Company also explained that in conducting consideration and negotiations, etc., concerning the Transaction, it was necessary to sufficiently implement measures to ensure the fairness of the terms and conditions relating to the Transaction, including the establishment of the Special Committee. At the same time, the Company verified the independence and qualifications, etc., of the Company's outside directors and outside audit and supervisory board members who were candidates for the members of the Special Committee, with the advice of Oh-Ebashi. The Company also verified their independence from MEDIPAL Group and independence with respect to the success or failure of the Transaction.

After consultation among the Company's outside directors and outside audit and supervisory board members with the advice of Oh-Ebashi, it was confirmed that there were no objections. The Company selected three candidates to constitute the Special Committee:

Mr. Ichiro Yoshitake (Independent Outside Director of the Company, Outside Director of Unicafe Inc.), Ms. Kaori Oishi (Independent Outside Director of the Company, Outside Director and an Audit and Supervisory Committee Member of Towa Pharmaceutical Co., Ltd., Outside Director of ESLEAD CORPORATION, Partner of Kitahama Partners, Attorney), and Ms. Kyoko Hikita (Independent Outside Audit and Supervisory Board Member of the Company, Outside Audit and Supervisory Board Member of AOYAMA TRADING Co., Ltd., Outside Director and an Audit and Supervisory Committee Member of UNISOL Holdings Corporation, President of Hikita CPA Office, Certified Public Accountant), in order to form a Special Committee of an appropriate size while ensuring a balance of knowledge, experience, and ability as a whole. Note that the Company has established a standing special committee as an advisory body to the board of directors, composed of all independent outside directors and independent outside audit & supervisory board members, for the purpose of appropriately monitoring and supervising conflicts of interest with controlling shareholders, etc. and enhancing corporate governance. The aforementioned three candidates were selected from among the members of the committee. The Company has seven independent outside directors and three independent outside audit & supervisory board members. However, if all independent outside directors and independent outside audit & supervisory board members were appointed as members of the Special Committee, the possibility of impairing the agility and efficiency of deliberations and negotiations regarding the Transaction could not be ruled out, and the Company was concerned that this in turn could run counter to the interests of general shareholders. On the other hand, the Company believed that forming the Special Committee with Mr. Ichiro Yoshitake, Ms. Kaori Oishi, and Ms. Kyoko Hikita, in light of their backgrounds and expertise among those of the Company's independent outside officers, would ensure necessary and sufficient experience and knowledge for consideration and negotiations regarding the Transaction from the perspectives of corporate management, legal affairs and risk management, and finance and financial affairs, while enabling agile and efficient consideration and negotiations regarding the Transaction. Accordingly, the Company selected Mr. Ichiro Yoshitake, Ms. Kaori Oishi, and Ms. Kyoko Hikita as members of the Special Committee.

Based on the above, as stated in "(1) Basis and Reasons for the Company's Approval of the Demand for Share Cash-out" above, the Company established the Special Committee composed of the three candidates mentioned above by a resolution at the board of directors' meeting on December 22, 2025 (Mr. Ichiro Yoshitake, an independent outside director of the Company, assumed the position of chairperson, and the members of the Special Committee have not changed since its establishment). The Company submitted the Advisory Matters to the Special Committee. Furthermore, upon the establishment of the Special Committee, the Company's board of directors resolved that it would make a decision regarding the Transaction by respecting the determinations of the Special Committee to the maximum extent, and that if the Special Committee judged that the terms and conditions of the Transaction were not fair, the Company's board of directors would not support the Transaction. In addition, the Company's board of directors resolved to grant the Special Committee the authority to: (i) receive information necessary to consider and make decisions on the Transaction from the Company's officers and employees (including the authority to require attendance at Special Committee meetings); (ii) be substantially involved in the terms and conditions and the negotiation process of the Transaction (including stating opinions, giving instructions or making requests to the Company, and the Special Committee independently negotiating with the prospective purchaser); (iii) approve (including ratifying) the external professional advisors appointed by the Company; (iv) seek advice from the Company's external professional advisors at the Company's expense; (v) appoint its own external professional advisors and seek their advice, if necessary, at the Company's expense; and (vi) exercise authority regarding matters that the Special Committee deems necessary for considering and making decisions on the Transaction, such as the approval of persons assisting the duties of the Special Committee. In making the resolution, the board of directors, including the relevant outside officers who are members of the Company's permanent Special Committee, agreed to respect the judgment of the Special Committee to the maximum extent regarding the Advisory Matters, and therefore resolved not to consult the permanent Special Committee regarding the Transaction in addition to the Special Committee.

At the Company's board of directors' meeting mentioned above, in light of the facts including that, out of the 13 directors of the Company, Mr. Takuya Yoshida and Mr. Yuji Sakon served concurrently as directors of MEDIPAL as of December 22, 2025, and Mr. Seiichi Kasutani previously served as a director of MEDIPAL, in order to eliminate the possibility that the deliberations and resolutions at the Company's board of directors' meeting would be affected by the structural conflict of interest issue and the information asymmetry issue in the Transaction, the 10 directors excluding Mr. Takuya Yoshida, Mr. Yuji Sakon, and Mr. Seiichi Kasutani deliberated and unanimously passed the above resolution.

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

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

(ii) Background of Review

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

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

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

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

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

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

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

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

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

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

(iii) Details of Decision

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

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

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

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

As described in "(c) Establishment of Independent Special Committee by the Company and Acquisition of Report from Special Committee" above, in examining the matters referred to it, the Special Committee appointed Plutus Consulting Co., Ltd. ("Plutus Consulting"), a financial advisor and third-party valuation organization independent of MEDIPAL Group and the Company Group, and requested that it conduct a valuation of the Company Shares and provide an opinion as to the fairness, from a financial perspective to the Company's general shareholders, of the terms and conditions of the Transaction, including the Tender Offer Price. The Special Committee obtained the Stock Valuation Report (Plutus Consulting) dated May 8, 2026. In addition, the Special Committee obtained a fairness opinion from Plutus Consulting (the "Fairness Opinion (Plutus Consulting)") stating that the Tender Offer Price of ¥6,650 per Company Share is fair, from a financial perspective, to the Company's general shareholders. For an outline of the Stock Valuation Report (Plutus Consulting) and the Fairness Opinion (Plutus Consulting), please refer to "(e) Acquisition of Stock Valuation Report and Fairness Opinion by Special Committee from Independent Third-Party Valuation Organization" under "(3) Measures to Ensure Fairness of the Tender Offer" in the Opinion Release. Plutus Consulting is not a related party of either MEDIPAL Group or Company Group and does not have any material interest in the Transaction, including the Tender Offer, that is required to be disclosed. In addition, the compensation payable to Plutus Consulting in connection with the Transaction consists solely of a fixed fee payable regardless of whether the Transaction is completed, and does not include any success fee contingent upon the completion of the Transaction, including the Tender Offer.

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

As stated in "(1) Basis and Reasons for the Company's Approval of the Demand for Share Cash-out" above, the Company appointed Oh-Ebashi as a legal advisor independent from MEDIPAL Group and the Company Group, as well as from the success or failure of the Transaction, and received legal advice regarding measures to be taken to ensure the fairness of the procedures in the Transaction, various procedures for the Transaction, methods and processes of the Company's decision-making relating to the Transaction, and other points to be noted in making decisions.

Furthermore, as described in "(c) Establishment of Independent Special Committee by the Company and Acquisition of Report from Special Committee" above, the Special Committee approved the appointment of Oh-Ebashi after confirming that there were no issues regarding its independence, expertise, experience, etc. Oh-Ebashi does not fall under related parties of MEDIPAL Group or the Company Group, and has no material interest required to be disclosed concerning the Transaction, including the Tender Offer.

The remuneration for Oh-Ebashi is calculated by multiplying hours worked by an hourly rate, regardless of the success or failure of the Transaction, and does not include a contingency fee payable subject to the completion of the Transaction.

(g) Establishment of Independent Internal Framework by the Company

As described in "(1) Basis and Reasons for the Company's Approval of the Demand for Share Cash-out" above, the Company established an internal framework to consider, negotiate and make decisions regarding the Transaction from a standpoint independent of MEDIPAL Group.

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

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

The Company carefully discussed and considered whether the Transaction including the Tender Offer by MEDIPAL contributes to enhancing the Company's corporate value and whether the terms and conditions of the Transaction including the Tender Offer Price are fair and appropriate, based on the legal advice received from Oh-Ebashi, advice from a financial perspective received from Daiwa Securities, the contents of the Stock Valuation Report (Daiwa Securities), the Stock Valuation Report (Plutus Consulting) and Fairness Opinion (Plutus Consulting) received through the Special Committee, the Report obtained from the Special Committee, details of the ongoing discussions held multiple times with MEDIPAL, and other relevant materials. As a result, as described in "(1) Basis and Reasons for the Company's Approval of the Demand for Share Cash-out" above, the Company resolved at its board of directors' meeting held on May 11, 2026 to express an opinion in support of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer.

At the Company's board of directors' meeting mentioned above, in light of the facts including that, out of the 13 directors of the Company, Mr. Takuya Yoshida and Mr. Yuji Sakon served concurrently as directors of MEDIPAL as of May 11, 2026, and Mr. Seiichi Kasutani previously served as a director of MEDIPAL, in order to eliminate the possibility that the deliberations and resolutions at the Company's board of directors' meeting would be affected by the structural conflict of interest issue and the information asymmetry issue in the Transaction, the 10 directors excluding Mr. Takuya Yoshida, Mr. Yuji Sakon, and Mr. Seiichi Kasutani deliberated and unanimously passed the above resolution.

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

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

(i) Non-existence of Deal Protection Provisions

The Company and MEDIPAL have not entered into any agreement containing deal protection provisions that would prohibit the Company from contacting any competing acquisition offeror, nor have they entered into any agreement that would restrict competing acquisition offerors from contacting the Company. By not impeding opportunities for competing purchases, etc., the

Company and MEDIPAL have given due consideration to ensuring the fairness of the Tender Offer.

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

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

4. Future Outlook

With respect to the Company's management structure, policies, business plans and other matters following the Company's approval of the Demand for Share Cash-out, the Company and MEDIPAL intend to discuss and consider these matters going forward.

5. Matters Relating to MBO, etc.

(1) Compliance with the Guidelines on Measures to Protect Minority Shareholders in Transactions with Controlling Shareholders

As MEDIPAL is the controlling shareholder (parent company) of the Company, the Transaction, including the Company's approval of the Demand for Share Cash-out, constitutes a transaction with a controlling shareholder and is therefore subject to the "Matters to be Complied with Regarding MBOs, etc." set forth in Article 441 of the Securities Listing Regulations of the Tokyo Stock Exchange.

In the Corporate Governance Report disclosed on June 19, 2026, the Company set forth the following policy as its "Guidelines on Measures to Protect Minority Shareholders in Transactions with Controlling Shareholders": "With respect to the terms and conditions of transactions with controlling shareholders, the Company determines such terms and conditions reasonably based on objective information and sufficiently confirms that they do not materially differ from ordinary commercial terms. In addition, for the purpose of ensuring the fairness, transparency and objectivity of transactions and actions involving controlling shareholders, the Company has established a special committee consisting of independent outside directors and independent outside Audit & Supervisory Board Members. With respect to important transactions and actions in which the interests of the controlling shareholder and minority shareholders may conflict, such special committee deliberates and reviews the matter and submits its recommendations to the Board of Directors." (The above-mentioned special committee is a standing committee and is a body separate from the Special Committee established for the Transaction.)

With respect to the Transaction, including the Tender Offer, as described in "(4) Measures to Ensure Fairness of the Tender Offer" under "3. Basis and Reasons for the Company's Decision to Approve the Demand for Share Cash-out" the Company implemented measures to address structural conflicts of interest and to ensure the fairness of the terms and conditions of the Transaction, including the Tender Offer Price. In addition, the Company received a report from the Special Committee stating that the Transaction is fair to the general shareholders of the Company. Accordingly, the Company believes that its actions are consistent with the above guidelines.

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

As described in "(1) Compliance with the Guidelines on Measures to Protect Minority Shareholders in Transactions with Controlling Shareholders" above, the Transaction, including the Tender Offer, constitutes a transaction with a controlling shareholder of the Company. Accordingly, the Company determined that it was necessary to implement measures to ensure fairness and avoid conflicts of interest. Therefore, the Company ensured fairness and avoided conflicts of interest by implementing the measures described in “(4) Measures to Ensure Fairness of the Tender Offer” under “3. Basis and Reasons for the Company’s Decision to Approve the Demand for Share Cash-out” and made its determination on that basis.

(3) Opinion of the Special Committee Regarding the Fairness of the Transaction to the General Shareholders

On May 9, 2026, the Company received the Report from the Special Committee stating that the Transaction is considered fair to the general shareholders of the Company. For details, please refer to “(iii) Details of Decision” under “(c) Establishment of Independent Special Committee by the Company and Acquisition of Report from Special Committee” in “(4) Measures to Ensure Fairness of the Tender Offer” under “3. Basis and Reasons for the Company’s Decision to Approve the Demand for Share Cash-out” above, as well as Attachment 1 to the Opinion Release. As the Report relates to the entire Transaction, including the Demand for Share Cash-out, the Company did not obtain a new opinion from the Special Committee in connection with its approval of the Demand for Share Cash-out.