July 31, 2026

To whom it may concern

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Notice Regarding Scheduled Commencement of Tender Offer for Shares of NS United Kaiun Kaisha, Ltd. (Securities Code: 9110)

Nippon Yusen Kabushiki Kaisha (the "Tender Offeror") resolved at the board of directors meeting held today to acquire the common shares of NS United Kaiun Kaisha, Ltd. (Securities Code: 9110; the "Target Company") (the "Target Company Shares"), a company listed on the Prime Market of the Tokyo Stock Exchange, Inc. (the "TSE"), through implementation of the tender offer (the "Tender Offer") under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the "Act") as follows:

1. Overview of Purchase, Etc.

Purpose of the Tender Offer	Privatization
Period of Purchase, Etc.	The Tender Offer plans to be promptly commenced upon the satisfaction of the Conditions Precedent (as defined in "(1) Overview of Purpose of the Tender Offer" in "2. Purpose of Purchase, Etc." below; the same applies hereinafter) (or upon the waiver of such conditions by the Tender Offeror). As of today, taking into account the time required for procedures, etc., before domestic and foreign competition authorities, the Tender Offeror aims to commence the Tender Offer in late November or late December of 2026. However, due to the difficulty in accurately predicting the time required for procedures, etc. before domestic and foreign competition authorities, the

	schedule for the Tender Offer will be announced promptly upon its determination. The period for the purchase, etc. in the Tender Offer (the "Tender Offer Period") is expected to be, in principle, twenty (20) business days (However, due to differences in public holidays between Japan and the United States, this may take longer than twenty (20) business days.) (Note 1).
Price for Purchase, Etc.	Common shares: JPY 10,600 per share
Minimum Number of Shares to be Purchased	3,524,375 (shares) (Note 2)
Maximum Number of Shares to be Purchased	- (shares)
Opinion of the Target Company	Support and recommendation to tender

(Note 1) The Tender Offer Period is expected to be twenty (20) business days in the United States, in order to ensure the minimum number of business days required for a tender offer period under the U.S. securities laws. The same applies hereinafter with respect to the description of business days for the Tender Offer Period.

(Note 2) With respect to the above minimum number of shares to be purchased, the ownership ratio of shares, etc. (meaning the ownership ratio of share certificates, etc. as prescribed in Article 27-2, Paragraph 8 of the Act; and if such person has any specially related party as prescribed in Article 27-2, Paragraph 1, Item 1 of the Act, meaning the ratio obtained after addition of the ownership ratio of share certificates, etc. of such specially related party) after the purchase, etc., if the purchase, etc. is conducted, will be 66.83% (rounded to two decimal places). As it is not possible to ascertain the exact number of the Target Company Shares held by shareholders holding less than one trading unit of the Target Company as of today, the ownership ratio of shares, etc. is calculated by using, as the denominator, the number of voting rights of all shareholders (235,087 voting rights) stated in the Securities Report for the fiscal year ended March 31, 2026, filed on June 23, 2026 (the "Target Company's Securities Report").

2. Purpose of Purchase, Etc.

(1) Overview of Purpose of the Tender Offer

As of today, the Tender Offeror is a company listed on the Prime Market of the TSE and is the second-largest shareholder of the Target Company, directly holding 4,324,725 shares of the Target Company

Shares (ownership ratio (Note 1): 18.35%), which are also listed on the Prime Market of the TSE, and, when combined with 45,800 shares of the Target Company Shares indirectly held through Naikai Tug Boat Service Co., Ltd. ("Naikai Tug Boat"), a wholly-owned subsidiary of the Tender Offeror (ownership ratio: 0.19%), the Tender Offeror holds a total of 4,370,525 shares (ownership ratio: 18.55%) of the Target Company Shares and treats the Target Company as an equity-method affiliate.

(Note 1) "Ownership ratio" means the ratio with respect to the number of shares (23,565,487 shares) (the "Base Number of Shares") obtained by deducting the number of treasury shares held by the Target Company as of June 30, 2026 (405,192 shares), as stated in "First Quarterly Consolidated Financial Results for the Fiscal Year Ending March 2027 (Japanese GAAP)" (the "Target Company's Financial Results") published by the Target Company on July 31, 2026, from the total number of the Target Company's issued shares as of June 30, 2026 (23,970,679 shares), as stated in the Target Company's Financial Results, rounded to two decimal places. The same applies hereinafter in all references related to ownership ratio.

The Tender Offeror resolved at the board of directors meeting held on July 31, 2026 to execute a tender offer agreement (the "Tender Offer Agreement") with the Target Company and a basic agreement (the "Basic Agreement") with Nippon Steel Corporation ("Nippon Steel"), the largest shareholder of the Target Company holding 7,861,280 Target Company Shares (Ownership Ratio: 33.36%) and accounting for the Target Company as an equity-method affiliate (for details of the Tender Offer Agreement and the Basic Agreement, please refer to "(6) Material Agreements to the Dual Tender Offers" below) and, subject to the satisfaction (or waiver by the Tender Offeror (any of the Conditions Precedent defined below may be waived)) of the conditions precedent set forth in the Tender Offer Agreement (the "Conditions Precedent") (Note 2), to implement the Tender Offer as part of a series of transactions (the "Transactions") for the purpose of acquiring all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offeror and Nippon Steel, and the treasury shares held by the Target Company), making the Target Company a consolidated subsidiary of the Tender Offeror, and making the Tender Offeror and Nippon Steel the sole shareholders of the Target Company, and setting the respective shareholding ratios of the Tender Offeror and Nippon Steel in the Target Company following the privatization of the Target Company Shares at 83.33% and 16.67% (the "Shareholding Ratios") (Note 3).

The Transactions consist of: (i) the Tender Offer by the Tender Offeror for the purpose of acquiring all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offeror and Nippon Steel, and the treasury shares held by the Target Company); (ii) a tender offer for share repurchase by the Target Company (the "Tender Offer for Share Repurchase"; and together with the Tender Offer, the "Dual Tender Offers"), which is to be commenced subject to the successful completion of the Tender Offer and other conditions, for the purpose of acquiring a portion (4,720,438 shares, ownership ratio: 20.03%) of the Target Company Shares held by Nippon Steel (7,861,280 shares, ownership ratio: 33.36%); and (iii) a series of procedures to make the Tender Offeror and Nippon Steel the sole shareholders of the Target Company (the "Squeeze-Out Procedures") conducted in the event the Tender Offeror is unable to acquire all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offeror and Nippon Steel, and the treasury shares held by the Target Company) through the Tender Offer. As stated in "(i) Background, Purpose and Decision-Making Process Leading to Decision to Implement the Dual Tender Offers" in "(2) Background, Purpose and Decision-Making Process Leading to Decision to Implement the Tender Offer, and Management Policy after the Dual Tender Offers" below, the Tender Offeror determined that, by setting the Tender Offer Price for Share Repurchase (as defined below; the same applies hereinafter) lower than the Tender Offer Price (as defined below; the same applies hereinafter), compared to the case where the Tender Offer for Share Repurchase is not conducted after the Tender Offer, it would be possible to provide general shareholders of the Target Company an opportunity to sell their shares at a higher price through the Tender Offer, which serves the interests of the general shareholders of the Target Company. The Tender Offeror, therefore, adopted the scheme in which the Target Company conducts a Tender Offer for Share Repurchase in addition to the Tender Offer by the Tender Offeror. Consequently, if the Tender Offer is not successful then the Tender Offer for Share Repurchase is not expected to be conducted.

Since the Tender Offer requires clearance with respect to prior notifications under domestic and foreign competition laws (Japan, Australia, China and Brazil), and such procedures have not yet been completed as of today, the relevant notification procedures are scheduled to commence promptly from today. As of today, the Tender Offeror aims to obtain clearance with respect to notifications of share acquisitions under the Japanese Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of, 1947, as amended) within 30 days of the commencement of the notification process; with respect to notifications under the Australian Competition Act, within approximately two (2) to three (3) months of the commencement of the notification process; with respect to notifications under the Chinese Competition Act, within approximately 1.5 to 2.5 months of the commencement of the notification process; and with respect to notifications under the Brazilian Competition Act, within approximately one (1) to two (2) months of the commencement of the notification process. As such, it is expected that a certain period of time will be required for the relevant procedures and actions. The Tender Offeror intends to promptly commence the Tender Offer upon the completion of the relevant procedures and actions set forth in the Tender Offer Agreement (or upon their waiver by the Tender Offeror), including the satisfaction of certain conditions precedent. As of today, the Tender Offeror intends to commence the Tender Offer from late November 2026 or late December 2026. However, due to the difficulty in accurately predicting the time required for the procedures, etc., before domestic and foreign competition authorities, the schedule for the Tender Offer will be announced promptly upon its determination. Furthermore, when notifications under competition laws are made in Australia, China and Brazil, announcements regarding the Tender Offeror's acquisition of the Target Company's shares will be published by the Australian Competition and Consumer Commission, which oversees the procedures relating to notifications in Australia, the State Administration for Market Regulation, which oversees the procedures relating to notifications in China, and the Administrative Council for Economic Defense, which oversees the procedures relating to notifications in Brazil; therefore, in order to avoid such announcements being published by the Australian Competition and Consumer Commission, the State Administration for Market Regulation and the Administrative Council for Economic Defense prior to the Tender Offeror's announcement regarding the Tender Offer, the Tender Offeror is announcing its planned commencement of the Tender Offer prior to the commencement of such notifications and the commencement of the Tender Offer.

(Note 2) "Conditions Precedent" means that (i) The Target Company's board of directors has resolved to express its opinion in support of the Tender Offer (the "Expression of an Opinion in Support of the Tender Offer") and to recommend that the shareholders of the Target Company tender their shares in the Tender Offer (the "Recommendation to Tender"), such resolution has been publicly announced in accordance with applicable laws and regulations, and no change or withdrawal has occurred in respect of the Expression of an Opinion in Support of the Tender Offer nor the Recommendation to Tender, nor has any resolution contradicting the same been made; (ii) the Special Committee (as defined below; the same applies hereinafter) has provided a favorable report to the Target Company's board of directors regarding the Target Company expressing support for the Tender Offer and recommending that the shareholders of the Target Company tender their shares in the Tender Offer, and no withdrawal or change has been made with respect to the content of the report; (iii) there are no judgments, etc. (meaning, collectively, judgments, decisions, orders, judicial settlements, licenses, permits, approvals, administrative guidance and other judgments by any judicial or administrative agencies, etc.) of any judicial or administrative authority, etc. (meaning, collectively, courts, arbitrators, arbitration bodies, supervisory authorities and other domestic and foreign judicial agencies, administrative agencies and self-regulatory organizations, including domestic and foreign financial instruments exchanges; the same applies hereinafter) restricting or prohibiting any of the Transactions; (iv) there are no material changes in the business or assets of the Target Company or of its subsidiaries nor any other circumstances that would significantly compromise the Target Company's ability to achieve the purpose of the Tender Offer as stipulated in the proviso to Article 27-11, Paragraph 1 of the Act; (v) clearance with respect to competition law and other laws and regulations necessary for the execution of the Transactions has been obtained or is objectively expected to be obtained (the "Clearance");; and (vi) the commencement of the Tender Offer by the Tender Offeror has not violated any laws and regulations, etc..

(Note 3) With respect to the Shareholding Ratios, the Tender Offeror, taking into consideration, among other things, the background of the Target Company's development and growth through Nippon Steel's relationship in the Target Company's business, including business relationships involving continuous provision of ocean transport services, and personnel relationships involving the secondment of directors and other senior executives, which has enabled the Target Company to swiftly and accurately grasp trends in transport demand within the dry bulk shipping market and contributed to the Target Company's governance, and from the perspective of maintaining Nippon Steel's interest in the management and business performance of the Target Company by reflecting the Target Company's business performance in Nippon Steel's consolidated financial statements as an equity-method affiliate and maintaining the cooperative relationship with respect to business and governance described above, determined that securing a ratio at which the Target Company can be an equity-method affiliate of Nippon Steel would contribute to the enhancement of corporate value of the Target Company, and held discussions with Nippon Steel and made a final determination.

Pursuant to the Tender Offer, the Tender Offeror has, as of today, executed the Basic Agreement with Nippon Steel, which is the largest shareholder of the Target Company, holding 7,861,280 shares of the Target Company Shares (ownership ratio: 33.36%) and accounting for the Target Company as an equity-method affiliate, and has agreed that: (i) Nippon Steel will not tender all of its Target Company Shares (7,861,280 shares, ownership ratio: 33.36%) in the Tender Offer; (ii) with respect to 4,720,438 shares (ownership ratio: 20.03%; the "Shares to Be Tendered for Share Repurchase") out of the Target Company Shares held by Nippon Steel, Nippon Steel will tender such shares in the Tender Offer for Share Repurchase, and Nippon Steel will not tender the remaining 3,140,842 shares (ownership ratio: 13.33%; the "Shares Not to Be Tendered for Share Repurchase") in the Tender Offer for Share Repurchase (Note 4); (iii) in the event the Tender Offeror is unable to acquire all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offeror and Nippon Steel, and the treasury shares held by the Target Company) through the Tender Offer, as described in "(4) Policy Regarding Reorganization, Etc., Following Completion of the Dual Tender Offers" below, the Tender Offeror will, after the successful completion of the Tender Offer, request the Target Company to hold an extraordinary general meeting of shareholders (the "Extraordinary Shareholders' Meeting") at which the agenda items will include a proposal for share consolidation (the "Share Consolidation") pursuant to Article 180 of the Companies Act (Act No. 86 of 2005, as amended; the "Companies Act") and a proposal for a partial amendment to the Target Company's articles of incorporation to abolish the provisions on share units on the condition that the Share Consolidation takes effect for the purpose of making the Tender Offeror and Nippon Steel the sole shareholders of the Target Company; and (iv) Nippon Steel will vote in favor with respect to the proposal regarding the Share Consolidation at the Extraordinary Shareholders' Meeting.

In addition, the Tender Offeror has, as of today, executed a shareholders' agreement (the "Shareholders' Agreement") with Nippon Steel, which provides for the management, etc. of the Target Company following the Transactions.

For an overview of the Basic Agreement, please see "(6) Material Agreements to the Dual Tender Offers" below.

(Note 4) The Shares to Be Tendered for Share Repurchase and the Shares Not to Be Tendered for Share Repurchase have been determined, respectively, so that, upon the Share Consolidation to be conducted following the completion of the Dual Tender Offers, the shareholding ratios of the Tender Offeror and Nippon Steel in the Target Company after the delisting of the Target Company Shares will be the Shareholding Ratios; an appropriate consolidation ratio in order to realize this has been set on the basis that only 4,720,438 shares of the Target Company Shares held by Nippon Steel are required to be tendered in the Tender Offer for Share Repurchase.

In the Tender Offer, the Tender Offeror has set the minimum number of shares to be purchased at 3,524,375 shares (ownership ratio: 14.96 %), and if the total number of shares, etc. tendered in the Tender Offer (the "Tendered Shares, Etc.") is less than the minimum number of shares to be purchased, the Tender Offeror will not purchase any of the Tendered Shares, Etc. On the other hand, the intention of the Tender Offeror is to acquire all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offeror and Nippon Steel, and the treasury shares held by the Target Company) and to make the Tender Offeror and Nippon Steel the sole shareholders of the Target Company in order to take the Target Company Shares private, and therefore it has not set a maximum number of shares to be purchased. If the total number of the Tendered Shares, Etc. is equal to or greater than the minimum number of shares to be purchased, 3,524,375 shares, the Tender Offeror will purchase all of the Tendered Shares, Etc. The minimum number of shares to be purchased, 3,524,375 shares (ownership ratio: 14.96%), is obtained by: (i) multiplying the number of voting rights (235,654 rights) pertaining to the Base Number of Shares (23,565,487 shares) by two-thirds (2/3) (157,103 rights (rounded up to the nearest whole number)); (ii) deducting therefrom the number of voting rights (78,612 rights) pertaining to the Target Company Shares held by Nippon Steel (7,861,280 shares), (iii) multiplying the result (78,491 rights) by the number of shares constituting one (1) unit (100 shares) of the Target Company Shares (7,849,100 shares), and (iv) deducting therefrom the number of the Target Company Shares held by the Tender Offeror (4,324,725 shares). As the purpose of the Transactions is to take the Target Company Shares private and to make the Tender Offeror and

Nippon Steel the sole shareholders of the Target Company, and since a special resolution at a general meeting of shareholders as stipulated in Article 309, Paragraph 2 of the Companies Act is required to implement the procedures for the Share Consolidation, in order to ensure the implementation of such procedures the minimum number of shares to be purchased has been set such that, after the Tender Offer, the Tender Offeror and Nippon Steel will hold two-thirds (2/3) or more of the voting rights of all shareholders, etc., of the Target Company. The Tender Offeror has agreed with the Target Company, in the Tender Offer Agreement, that public notice concerning the setting of a record date will be made such that the date that will serve as the record date for the Extraordinary Shareholders' Meeting will be a date as close as practicable to the settlement commencement date of the Tender Offer (as of today, expected to be around early January2027). Therefore, Nippon Steel may exercise its voting rights at the Extraordinary Shareholders' Meeting with respect to all of the Target Company Shares held by it as of today. Furthermore, under the Basic Agreement, Nippon Steel has agreed to tender all of the Shares to Be Tendered for Share Repurchase in the Tender Offer for Share Repurchase and not to tender all of the Shares Not to Be Tendered for Share Repurchase in the Dual Tender Offers; however, since Nippon Steel has agreed to exercise all voting rights pertaining to all of the Target Company Shares it holds in favor at the Extraordinary Shareholders' Meeting, in setting the minimum number of shares to be purchased the number of voting rights pertaining to all of the Target Company Shares held by Nippon Steel has been deducted. The minimum number of shares to be purchased is a provisional figure based on information available as of today and may differ from the actual figure in the Tender Offer due to changes in the number of treasury shares held by the Target Company after the date of this announcement. Prior to the commencement of the Tender Offer, the Tender Offeror plans to finalize the final minimum number of shares to be purchased based on the most recent information available at the time of the commencement of the Tender Offer.

From the perspective of maintaining confidentiality in connection with the consideration of the Transactions, the Tender Offeror did not provide any explanation regarding the Dual Tender Offers to Naikai Tug Boat, a wholly-owned subsidiary of the Tender Offeror, prior to the public announcement of the Dual Tender Offers, nor has entered into any agreement with Naikai Tug Boat regarding all of the Target Company Shares held by Naikai Tug Boat with respect to the Tender Offer. However, following the public announcement of the Dual Tender Offers, the Tender Offeror plans to request that Naikai Tug Boat tender all of the Target Company Shares it holds, 45,800 shares (ownership ratio: 0.19%) in the Tender Offer. Taking into consideration the capital relationship between the Tender Offeror and Naikai Tug Boat, the Tender Offeror believes that Naikai Tug Boat will tender its shares in the Tender Offer. As such, the Tender Offeror does not plan to enter into a tender agreement with Naikai Tug Boat.

In the event the Tender Offeror is unable to acquire all of the Target Company Shares (excluding the

Target Company Shares held by the Tender Offeror and Nippon Steel, and the treasury shares held by the Target Company) through the Tender Offer, the Tender Offeror plans to implement the Squeeze-Out Procedures for the purpose of making the Tender Offeror and Nippon Steel the sole shareholders of the Target Company after the successful completion of the Tender Offer, as described in "(4) Policy Regarding Reorganization, Etc., Following Completion of the Dual Tender Offers" below.

According to the "Announcement Regarding the Planned Acquisition of Treasury Shares and Tender Offer for Share Repurchase" (the "Target Company's Press Release Concerning Proposed Tender Offer for Share Repurchase") and "Announcement of Opinion in Support of the Scheduled Commencement of the Tender Offer for the Company Shares by Nippon Yusen Kabushiki Kaisha, an Other Associated Company, and Recommendation to Tender" (the "Target Company's Press Release Concerning Expression of Opinion") published by the Target Company as of today, the Target Company resolved at its board of directors meeting held today, subject to the successful completion of the Tender Offer and other conditions, to acquire treasury shares and, as the specific method of acquisition, to conduct a tender offer for the purpose of acquiring the Shares to Be Tendered for Share Repurchase as the second phase of the Transactions following the implementation of the Tender Offer, pursuant to the provisions of the Target Company's articles of incorporation in accordance with Article 459, Paragraph 1 of the Companies Act and the provisions of Article 156, Paragraph 1 of the same Act, and the Target Company plans to resolve at its board of directors meeting to commence the Tender Offer for Share Repurchase and publicly announce the same promptly after the date of the public announcement of the Tender Offer (as of today, expected to be around early January2027), and to commence the Tender Offer for Share Repurchase on the next business day thereafter (as of today, expected to be around early January2027).

According to the Target Company's Press Release Concerning Proposed Tender Offer for Share Repurchase, the purchase, etc. price per Target Company Share in the Tender Offer for Share Repurchase (Note 5) (the "Tender Offer Price for Share Repurchase"; together with the purchase, etc. price per Target Company Share in the Tender Offer (the "Tender Offer Price"), the "Dual Tender Offer Prices") is expected to be JPY 7,676, which is JPY 2,924 (28% (rounded to the nearest whole number)) lower than the Tender Offer Price of JPY 10,600.

(Note 5) The difference between the Tender Offer Price and the Tender Offer Price for Share Repurchase (JPY 2,924) was agreed upon in the Tender Offer Agreement and the Basic Agreement after discussions among the Tender Offeror, Nippon Steel and the Target Company, taking into consideration the factors stated below. For details of the process of determining the Tender Offer Price and the Tender Offer Price for Share Repurchase, please refer to "(i) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Dual Tender Offers" in "(2) Background, Purpose and

Decision-Making Process Leading to the Decision to Implement the Dual Tender Offers, and Management Policy after the Dual Tender Offers" below.

(a) Taking into account that the dividends received deduction with respect to deemed dividends prescribed in the Corporation Tax Act (Act No. 34 of 1965, as amended; the same applies hereinafter) is expected to apply, the Tender Offer Price for Share Repurchase shall be set such that the after-tax net proceeds per share in the case that Nippon Steel tenders its Target Company Shares in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase will be equal to the after-tax net proceeds per share in the case that Nippon Steel were to tender its Target Company Shares in the Tender Offer at the Tender Offer Price. Accordingly, the after-tax net proceeds per share in the case where Nippon Steel tenders its Target Company Shares in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase will not exceed the after-tax net proceeds per share received in the case that Nippon Steel were to tender its Target Company Shares in the Tender Offer at the Tender Offer Price, and Nippon Steel will not derive any benefit compared to the general shareholders of the Target Company.

(b) Given that there is a limit on the aggregate purchase price by the Tender Offeror, by setting the Tender Offer Price for Share Repurchase lower than the Tender Offer Price, compared to the case where the Tender Offer for Share Repurchase is not conducted after the Tender Offer, it would be possible to provide general shareholders of the Target Company an opportunity to sell at a higher price through the Tender Offer, which serves the interests of the general shareholders of the Target Company.

(c) If, in the Transactions, the Tender Offer for Share Repurchase is not conducted and, after taking the Target Company Shares private, the Target Company instead acquires the treasury shares from Nippon Steel through an off-market purchase, depending on the number of shares tendered in the Tender Offer and the consolidation ratio in the subsequent share consolidation, the deduction rate applicable to Nippon Steel, which would be the counterparty to such repurchase of the treasury shares, under the dividends received deduction provisions of the Corporation Tax Act may decrease to a corresponding extent. Conducting the Tender Offer for Share Repurchase, on the other hand, would enable the price at which the Target Company acquires the Target Company Shares held by Nippon Steel as treasury shares to be set lower, thereby making it possible to set the Tender Offer Price at a higher level and to provide the general shareholders of the Target Company with an opportunity to sell through the Tender Offer at a higher price.

Taking into account that provisions with respect to exclusion of deemed dividends provided for in the Corporation Tax Act are expected to apply to the corporate shareholders of the Target Company in the Tender Offer for Share Repurchase, the Tender Offer Price for Share Repurchase is determined so that, Nippon Steel's after-tax net proceeds per share in the event that Nippon Steel tenders its shares in the Tender Offer at the Tender Offer Price are equivalent to Nippon Steel's after-tax net proceeds per share received in the event that Nippon Steel were to tender its shares in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase. The Tender Offeror expects that shareholders of the Target Company other than Nippon Steel will tender their shares in the Tender Offer rather than the Tender Offer for Share Repurchase; however, the shareholders of the Target Company should consult with tax accountants or other professionals at their own responsibility regarding the tax implications.

On the other hand, according to the Target Company's Press Release Concerning Proposed Tender Offer for Share Repurchase, in order to ensure that the Target Company can purchase all of the Shares to Be Tendered for Share Repurchase even if certain shareholders of the Target Company other than Nippon Steel were to tender their shares in the Tender Offer for Share Repurchase, the Target Company plans to set the maximum number of shares to be purchased in the Tender Offer for Share Repurchase at 5,898,713 shares (ownership ratio: 25.03%; aggregate purchase price: JPY 45,278,520,988), which exceeds the Shares to Be Tendered for Share Repurchase of 4,720,438 shares (ownership ratio: 20.03%) agreed to be tendered in the Tender Offer for Share Repurchase under the Basic Agreement by 1,178,275 shares. Furthermore, if, after the successful completion of the Tender Offer, the number of shares obtained by deducting from the total number of issued shares of the Target Company as of the settlement commencement date of the Tender Offer the number of Target Company Shares held by the Tender Offeror and the number of treasury shares held by the Target Company and the Shares Not to Be Tendered for Share Repurchase is less than 5,898,713 shares, the number of shares in circulation in the market will be such number, and such number is expected to be set as the maximum number of shares to be purchased. In addition, if the total number of share certificates, etc. tendered in the Tender Offer for Share Repurchase (the "Tendered Share Certificates, Etc. To Tender Offer for Share Repurchase") does not exceed the maximum number of shares to be purchased in the Tender Offer for Share Repurchase, the Target Company will purchase all of the Tendered Share Certificates, Etc. To Tender Offer for Share Repurchase. As stated above, the Tender Offeror expects that shareholders of the Target Company other than Nippon Steel will tender their shares in the Tender Offer; however, if the total number of the Tendered Share Certificates, Etc. To Tender Offer for Share Repurchase exceeds the maximum number of shares to be purchased (5,898,713 shares), the Target Company will not purchase all or part of the excess, and delivery and other settlement of the purchase, etc. of the share certificates, etc. will be conducted by the pro rata method prescribed in Article 27-13, Paragraph 5 of the Act as applied mutatis mutandis by Article 27-22-2, Paragraph 2 of the Act and Article 21 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Listed Share Certificates, Etc. by Issuer (Ordinance of the Ministry of Finance No. 95 of 1994, as amended). However, if the total number of the Tendered Share Certificates, Etc. To Tender Offer for Share Repurchase is expected to exceed the maximum number of shares to be purchased (5,898,713 shares), the Target Company contemplates raising the maximum number of shares to be purchased in the Tender Offer for Share Repurchase in order to purchase all of the Shares to Be Tendered for Share Repurchase.

Even if the maximum number of shares to be purchased (5,898,713 shares) in the Tender Offer for Share Repurchase are purchased etc., the relevant aggregate purchase price of JPY 45,278,520,988 is within the Target Company's distributable amount, and therefore no situation will arise where settlement of the Tender Offer for Share Repurchase cannot be conducted. The Target Company plans to fund the amount required for the settlement, etc., of the Tender Offer for Share Repurchase from the Target Company's own funds and borrowings from financial institutions or the Tender Offeror. Furthermore, with respect to shares that are not subject to the purchase, etc.: if the proposal for the Share Consolidation is approved at the Extraordinary Shareholders' Meeting, cash in an amount equal to the Tender Offer Price will be delivered as consideration per Target Company Share.

According to the Target Company's Press Release Concerning Expression of Opinion, the Target Company resolved at its board of directors meeting held today, as the Target Company's opinion as of today, to express an opinion in support of the Tender Offer, and to recommend that the shareholders of the Target Company tender their shares in the Tender Offer, if the Tender Offer is commenced.

In addition, the Target Company has also resolved at the aforementioned board of directors meeting that upon the commencement of the Tender Offer, the Target Company will request the special committee established by the Target Company's board of directors in connection with the Tender Offer (the "Special Committee") to consider whether there are any changes to the opinion expressed by the Special Committee to the Target Company's board of directors as of July 31, 2026, and to state to the Target Company's board of directors to that effect if there are no changes, or its changed opinion if there are any changes, and that the Target Company will express its opinion regarding the Tender Offer again at the time the Tender Offer is commenced, based on such opinion of the Special Committee.]

For details of the resolution of the Target Company's board of directors meeting, please refer to the Target Company's Press Release Concerning Expression of Opinion and "(vii) Approval of All Disinterested Directors of the Target Company and Opinion of All Disinterested Auditors that They Had No Objection" in "(3) Measures to Ensure Fairness of the Dual Tender Offers" below.

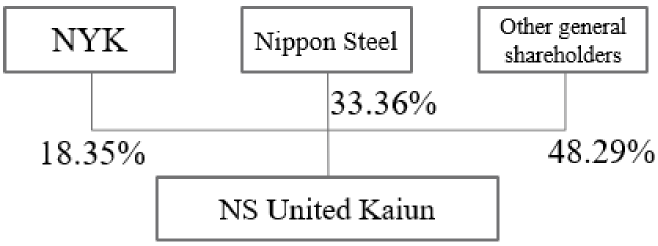
In addition to the resolution above, as described in the Target Company's Press Release Concerning Proposed Tender Offer for Share Repurchase disclosed by the Target Company today, the Target Company has also resolved at its board of directors meeting held today, as the second phase of the Transactions following the implementation of the Tender Offer, to conduct the Tender Offer for Share Repurchase for the purpose of acquiring the Shares to Be Tendered for Share

Repurchase held by Nippon Steel, subject to the successful completion of the Tender Offer and other conditions, pursuant to the provisions of the Target Company's Articles of Incorporation in accordance with Article 459, Paragraph 1 of the Companies Act and the provisions of Article 156, Paragraph 1 of the same Act.

[Schematics of the Transactions]

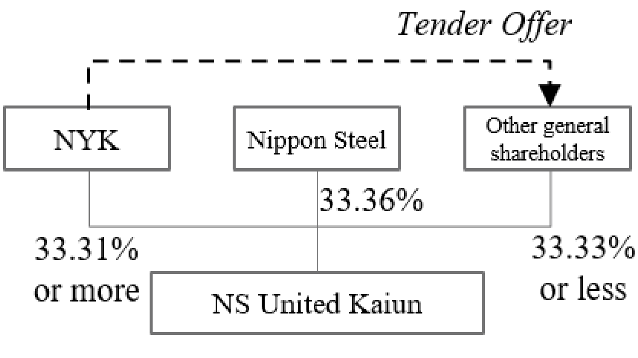
(A) Before the implementation of the Tender Offer (current status)

As of today, the Tender Offeror holds 4,324,725 shares of the Target Company Shares (ownership ratio: 18.35%), Nippon Steel holds 7,861,280 shares of the Target Company Shares (ownership ratio: 33.36%), and other general shareholders hold 11,379,482 shares of the Target Company Shares (ownership ratio: 48.29%).



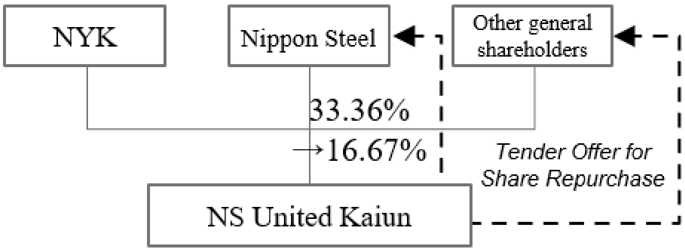
(B) Tender Offer (late November 2026 (scheduled))

The Tender Offeror will conduct the Tender Offer for the purpose of acquiring all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offeror and Nippon Steel, and the treasury shares held by the Target Company).



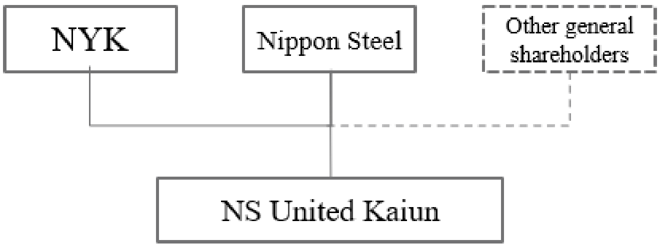
(C) Tender Offer for Share Repurchase (early January 2027 (scheduled))

The Target Company will conduct the Tender Offer for Share Repurchase for the purpose of acquiring the Shares to Be Tendered for Share Repurchase held by Nippon Steel and the Target Company Shares held by shareholders who wish to tender their shares in the Tender Offer for Share Repurchase.



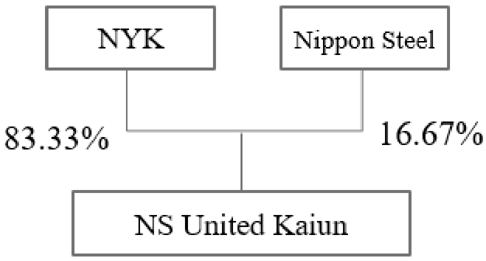
(D) Share Consolidation (mid-April 2027 (scheduled))

In the event the Tender Offeror is unable to acquire all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offeror and Nippon Steel, and the treasury shares held by the Target Company) through the Tender Offer, the Tender Offeror will, after the successful completion of the Tender Offer, request the Target Company to implement the Share Consolidation procedure and conduct a series of transactions for the purpose of making the Tender Offeror and Nippon Steel the sole shareholders of the Target Company.



(E) After the Transactions (mid-April 2027 (scheduled))

After the Transactions, the Tender Offeror and Nippon Steel will be the sole shareholders of the Target Company, and the shareholding ratios of the Tender Offeror and Nippon Steel in the Target Company will be 83.33% and 16.67%, respectively.



(2) Background, Purpose and Decision-Making Process Leading to Decision to Implement the Dual Tender Offers, and Management Policy after the Dual Tender Offers

(i) Background, Purpose and Decision-Making Process Leading to Decision to Implement the Dual Tender Offers

The Tender Offeror was established through the merger of Mitsubishi Mail Steamship Company and Kyodo Unyu Kaisha in 1885 and commenced its operations. After World War II, with the expansion of energy demand and ocean transport demand accompanying economic growth, the Tender Offeror expanded its business broadly centering on ocean transport, including the liner trade, air cargo transportation (Note 1), the liner & logistics business consisting of and logistics businesses (Note 2)), and dry bulk (Note 3), energy and automotive businesses, and has met diverse transportation needs as a comprehensive global logistics enterprise through a transportation network covering sea, land and air spanning the globe. In addition, the Tender Offeror listed its shares on the TSE, the Osaka Securities Exchange, Inc. (which merged with the TSE in 2013; the "Osaka Securities Exchange") and the Nagoya Stock Exchange, Inc. (the "Nagoya Stock Exchange") in May 1949, and listed on the Hiroshima Stock Exchange in June 1949, and on the Fukuoka Stock Exchange, the Kyoto Stock Exchange, and the Niigata Stock Exchange in July 1949. Subsequently, it was listed on the Sapporo Stock Exchange in April 1950 and on the Frankfurt Stock Exchange in July 1973, respectively.
Thereafter, in March 2000, the Niigata Stock Exchange and the Hiroshima Stock Exchange were delisted due to their mergers with the TSE, in March 2001, the Kyoto Stock Exchange was delisted due to its merger with the Osaka Securities Exchange; in January 2004, the Sapporo Stock Exchange and the Fukuoka Stock Exchange were delisted; in January 2005, the Frankfurt Stock Exchange was delisted; in July 2013, the Osaka Securities Exchange was delisted due to market integration with the TSE; and in December 2020, the Nagoya Stock Exchange was delisted, respectively. In April 2022, due to the restructuring of market classifications on the TSE, the Tender Offeror's shares were transferred from the First Section of the TSE to the Prime Market, and the Tender Offeror is currently listed only on the Prime Market of the TSE. As of June 30, 2026, the Tender Offeror consists of 575 consolidated subsidiaries and 250 equity-method affiliates (collectively the "Tender Offeror Group"). The Tender Offeror Group recognizes that it operates one of the largest fleets in the world, with 912 vessels under group operation (as of March 2026).
(Note 1) Effective August 1, 2025, the share exchange between Nippon Cargo Airlines Co., Ltd. ("NCA") and ANA HOLDINGS INC. was completed, and, as of the same date, NCA was excluded from the Tender Offeror's consolidated subsidiaries. As of today, the air cargo business is not included in the Tender Offeror Group's business.
(Note 2) Liner trade business consists of the container shipping division, which primarily transports consumer goods, and a terminal-related division, which operates container terminals in various locations. At logistics group, The Yusen Logistics Group, which operates its business from approximately 650 locations in more than 45 countries and regions, has established a global network at the core of its operations. It has expanded services beyond ocean and air freight forwarding to encompass comprehensive logistics services that optimize the entire logistics process, including the

operation of logistics centers and transportation and distribution. The liner trade business and the logistics business are collectively referred to as the "liner & logistics business."

(Note 3) Dry bulk business supports society's infrastructure with high-quality transportation services using technologies and fleets tailored to the characteristics of the solid cargo such as iron ore, coal, grain, and wood chips that are transported without packaging.

As of today, the main business and services of the Tender Offeror Group are as follows:

Business Division	Business Activities
Liner Trade	Ocean cargo shipping, ship owning and chartering, shipping agency, container terminals business, harbor transport services, tugboat operation
Logistics	Warehouse operation, cargo transport/handling business, coastal cargo shipping
Automotive	Ocean cargo shipping, automotive logistics, others (including shipping business)
Dry Bulk	Ocean cargo shipping, ship owning and chartering, others (including shipping business)
Energy	Ocean cargo shipping, ship owning and chartering, others (including shipping business)
Others	Rental, management and sale of real estate properties, ownership and operation of passenger ships, wholesaling of ship machinery and furniture, other services related to transport, information-processing business, wholesaling of oil products, others

In March 2023, the Tender Offeror Group formulated the medium-term management plan "Sail Green, Drive Transformations 2026 - A Passion for Planetary Wellbeing -," (the "Tender Offeror Current Medium-term Business Plan") setting out a new corporate vision for 2030, which reads as follows: "We go beyond the scope of a comprehensive global logistics enterprise to co-create value required for the future by advancing our core business and growing new ones," and has been advancing its business based on a four-year action plan through fiscal year 2026 aimed at realizing this vision. The Tender Offeror Group is promoting a growth strategy centered on sustainability, and as a business strategy, the Tender Offeror Group has been considering opportunities and risks for its business to decide the direction of individual businesses (AX: Ambidexterity & BX: Business Transformation) (Note 4). The Tender Offeror Group has been enhancing human capital and corporate infrastructure, such as transformation of group management, and strengthening of governance (CX: Corporate Transformation), promotion of digital infrastructure development (DX: Digital Transformation) and accelerate decarbonization efforts (EX: Energy Transformation).

The medium-term business plan sets out "advance existing core business" as one of its pillars, and in particular, the dry bulk business, which is the main business of the Target Company, is positioned as a core business in existing business, with a policy of further advancing value-addition and increasing competitiveness and profitability.

The Tender Offeror's Dry Bulk Business Division has been operating its business based on primarily the "dry four strategies" formulated in 2018: (1) Engage in advanced exposure management (Note 5) and improve market forecasting capabilities, (2) Make advancements in the non-asset tramp shipping business, (3) Accumulate stable long-term profits through a stronger bulk shipping business, and (4) Participate in the supply chain beyond the shipping industry. It will work to deepen business development around the world and pursue measures to advance decarbonization and improve capital efficiency.

(Note 4) Refers to "Advance existing core business and invest in new growth business" and "Enter strategic growth businesses" stated in the Tender Offeror Medium-term Business Plan.

(Note 5) Refers to visualizing and managing the extent to which earnings are affected by market fluctuations in freight rates.

On the following note, the Target Company was spun off from Nippon Steel Corporation (formerly Japan Iron & Steel Co., Ltd.) in April 1950, along with Yawata Iron & Steel Co., Ltd., Fuji Iron & Steel Co., Ltd., and Harima Refractories Co., Ltd., under the Elimination of Excessive Economic Power Concentration Act, establishing itself as Nittetsu Steamship Co., Ltd. In February 1962, it merged with Toho Kaiun Co., Ltd. to become Shinwa Kaiun Kaisha., Ltd., the predecessor of the Target Company, and joined the Tender Offeror Group in 1964 based on the maritime shipping industry reorganization policy (the Act on Reorganization and Rehabilitation of the Shipping Industry). Subsequently, in October 2010, it merged with Nippon Steel Shipping Co., Ltd., a shipping subsidiary of Nippon Steel Corporation (formerly Nippon Steel), and changed its trade name to the current NS United Kaiun Kaisha, Ltd. The Tender Offeror has not acquired the Target Company Shares during the five-year period preceding today. The Target Company Shares were listed on the Tokyo, Osaka, and Kobe stock exchanges in January 1951, and on the Nagoya and Fukuoka stock exchanges in August 1957. Thereafter, the Target Company Shares were delisted from the Kobe stock exchange in October 1967 in connection with its merger with the Osaka stock exchange, from the Nagoya and Fukuoka stock exchanges in March 2013, and from the Osaka stock exchange in July 2013 in connection with its merger with the TSE. Following the TSE's restructuring of market segments in April 2022, the Target Company Shares were transferred to the Prime Market of the TSE and are currently listed on the Prime Market of the TSE. The Target Company is comprised of 67 subsidiaries and 5 affiliates (collectively with the Target Company, the "Target Company Group").

The Target Company Group primarily operates maritime shipping and shipping-related businesses. Under the medium-term business plan, "FORWARD 2030 II Challenge for innovation and further growth with U," formulated by the Target Company Group in March 2024 (the "Current Medium-term

Business Plan”), the vision for 2030 is defined as “Aiming to become an indispensable presence for clean and sustainable maritime transport services, we will continue to innovate in collaboration with stakeholders and further enhance our corporate value,” and the Target Company Group is executing its management strategy toward sustainable growth and maximizing corporate value through efforts to achieve carbon neutrality. Specifically, the Target Company Group lists “Expansion of New Growth Business Areas” and “Deepening of Existing Core Business Areas” as its business strategies, and as initiatives to support these business strategies, it is further strengthening its efforts toward (i) human capital strategy, (ii) sustainable shipping strategy, (iii) enhancement of governance, and (iv) DX strategy.

Looking at the business environment surrounding the dry bulk business, this market is the largest segment of the ocean transport market, accounting for approximately 6 billion metric tons of the global maritime freight volume of approximately 13 billion metric tons (Source: 2025 Outlook for the Dry-Bulk and Tanker Shipping Markets), and the Tender Offeror recognizes it as a critical business sector that serves as social infrastructure responsible for transporting essential commodities, such as iron ore, coal, and grain, that underpin the global economy. On the other hand, this market is heavily influenced by fluctuations in the shipment volumes of iron ore, coal, grains, and other commodities, which are driven by trends in the global economy - particularly infrastructure investment, steel production, and resource and energy policies in major demand countries such as China. Furthermore, the market is highly susceptible to factors such as shifts in trade flows caused by geopolitical risks and changes in the international political situation. In addition to the market’s characteristic that changes in supply and demand for shipping capacity are easily reflected in freight rates, supply for shipping capacity is difficult to adjust in the short term. The structure of the freight market is highly susceptible to significant fluctuations. Therefore, the market is far from optimistic. With rapid changes in the external environment as stated above, and despite the existence of significant profit opportunities, having been exposed to unpredictable potential risks, the Tender Offeror believes that it is necessary to swiftly execute a fundamental business transformation. In order to achieve stable earnings in such a highly uncertain business and to gain customer trust, it is vital that the Tender Offeror continually rebalance its fleet portfolio to adapt to market fluctuations, agilely identify changes in the market environment, and operate its business with a long-range perspective and a consistent strategy. In recent years, the intensity of changes in the external environment surrounding the dry bulk business has been increasingly amplified, and responding swiftly and flexibly to these intense changes has become extremely important for the development of the dry bulk business. For example, tighter environmental regulations taking climate change into account and the formulation of decarbonization policies by cargo owners are driving a rapid rise in the need for low-carbon solutions in shipping. From the demand-side perspective, structural reforms of the dry bulk business in response to medium- to long-term demand changes, including (i) changes in demand locations due to economic growth in India and Southeast Asia, the slowdown of the Chinese economy, geopolitical factors, etc., and (ii) changes in cargo type due to the decline in coal demand and the increase in demand for transportation of liquid cargoes, such as ammonia and liquefied carbon dioxide (CO_2), are necessary for continuous strengthening of competitiveness. At the same time, from the supply-side perspective, it is anticipated that: (1) due to the worsening industry-wide labor shortage, it will become increasingly urgent to ensure the efficient deployment of crews and secure stable crew retention in order to maintain operational stability and safety; and (2) as newbuilding prices rise, it will be necessary to establish an even stronger financial base and accumulate new investment know-how and practices, including for environmental investments, in order to achieve efficient investment.

Given this situation, the Tender Offeror believes that in order to implement the above measures, it is necessary to establish a strong partnership between the Tender Offeror and the Target Company. Furthermore, the Tender Offeror highly values the Target Company's human resources, expertise, and organizational strengths, particularly in the transportation of steel raw materials; its customer base; its long-standing business relationships and trust; its track record of providing high-quality transportation services; and its presence not only in the international shipping business but also in the domestic coastal shipping business. The Tender Offeror Group also believes that, by further strengthening its capital ties and collaboration with the Target Company, it will be possible to realize strategic benefits such as (a) further expanding its presence in the dry bulk shipping market; (b) continuously securing stable shipping demand - even in a business environment susceptible to fluctuations in shipping market conditions - through the Target Company's business and customer base; and accurately identifying customers' decarbonization needs and demands for supply chain advancement to create medium- to long-term collaboration opportunities, and (c) by enhancing collaboration, including the integration of the Target Company's domestic coastal shipping business with the Tender Offeror's international shipping business, strengthening the domestic logistics infrastructure that supports the transportation of steel, energy, and resources, as well as utilizing this collaboration as a platform for implementing next-generation technologies and developing maritime professionals.

However, since the Target Company is a listed company and remains an equity-method affiliate of the Tender Offeror with limited capital relationships, and independent business operations are required as they are competing companies from the perspective of competition law, it has been subject to certain limitations in the sharing of customer information, technical information, etc., and the mutual utilization of management resources.

Furthermore, while the Tender Offeror believes that implementing the measures listed above and below from a medium- to long-term perspective will contribute to enhancing the corporate value of the Target Company and the Tender Offeror Group as a whole, from a short-term perspective, there is a risk of deterioration in the Target Company's business performance and financial condition, and it is not necessarily the case that such measures would serve the interests of the Target Company's general shareholders. Therefore, it may not be easy to obtain the understanding of the general shareholders regarding the implementation of such measures while maintaining the listing of the Target Company Shares. In order to resolve these issues, the Tender Offeror determined that it would be desirable to make the Target Company a consolidated subsidiary of the Tender Offeror and to take the Target Company Shares private.

The Tender Offeror believes that, with a view to maximizing the corporate value of both the Tender Offeror and the Target Company, the Transactions will enable the realization of the following synergies:

(A) Improvement of fleet allocation efficiency and cost reduction through scale expansion

The Tender Offeror recognizes that the Target Company is a global dry bulk shipping company with a fleet of 211 ships under group operation (as of March 2026), and a transportation network connecting locations around the world. Furthermore, during the previous medium-term business plan period (fiscal years 2018 through 2022), the Target Company took resolute steps to carry out structural reforms such as by selling high-cost vessels and implementing early termination of contracts for time charter vessels, while promoting fleet development centering on newly built vessels, including iron ore carriers of the 400,000-ton class, and also planned replacement investments for vessels in its existing businesses in the Current Medium-term Business Plan, and the Tender Offeror understands that the Target Company has been continuously focusing on maintaining and expanding a fleet with cost competitiveness and high quality. By combining the Target Company's fleet with the Tender Offeror's fleet of 414 ships in its dry bulk business (as of March 2026), the Tender Offeror believes it is possible to pursue economies of scale in vessel deployment optimization and procurement of fuel, vessels, funds, etc., in addition to its existing business activities, by building a stronger transportation network based on a larger fleet. Specifically, the Tender Offeror believes that the following could be examined: (i) improvement in operational efficiency through optimal deployment considering the overall operated vessels and shipper portfolio of both companies; (ii) further acquisition of projects through enhanced proposal capabilities to customers by strengthening the global transportation network; (iii) cost reduction through bulk procurement and review of terms for fuel, marine supplies, repairs, insurance, etc., and cross-functional cost reduction activities; and (iv) improvement in financing terms through enhanced creditworthiness.

Although no specific decisions have been made at this time, the Tender Offeror also believes that it would be possible to pursue cost benefits by partially introducing shared services for both companies' corporate departments. In this regard, the Tender Offeror believes it can provide knowledge and existing frameworks based on its prior examples.

(B) Capturing new transportation demand resulting from decarbonization

The Tender Offeror recognizes that, while the Target Company has established the ability to provide a high degree of expertise capable of flexibly responding to customer needs, through its track record of handling ocean transport of a wide range of cargoes, including steel raw materials, over many years, and high-quality ocean transport services, the Target Company is actively promoting environmental investments in order to respond to the demand for decarbonization that is increasing from customers and society.

The Tender Offeror understands that the Target Company promotes environmental investments, including methanol DF vessels and is advancing the expansion of its transportation business in the next-generation energy field, such as ammonia, hydrogen, etc., in order to realize its 2030 vision of becoming "an indispensable presence for clean and sustainable marine transportation." Specifically, the Tender Offeror recognizes that the Target Company is steadily implementing measures in the decarbonization and next-generation energy field, including establishing the "Next-Generation Fuel Project Team" and entering into contracts for building Liquefied Petroleum Gas, LPG dual-fuel VLGCs (an abbreviation for Very Large Gas Carrier, referring to large LPG carriers) capable of carrying ammonia.

Meanwhile, the Tender Offeror has also promoted environmental investments to meet society's demand for decarbonization and changing market needs. It positioned participation in the hydrogen and ammonia value chain as one of its new businesses and is aiming to expand its business in the next-generation energy field, leveraging the transportation expertise and know-how accumulated in its energy business.

In the field of transporting decarbonization-related cargoes - such as reduced iron, scrap, liquefied CO_2, ammonia, and hydrogen - while the market is expected to grow, the Tender Offeror believes that advanced technical capabilities, transportation know-how, dedicated assets, and a customer base will be the sources of its competitive advantage. In this field, the Tender Offeror believes that it would be possible, through the combination of the technical capabilities, transportation know-how, assets, and customer bases that the Target Company and the Tender Offeror have each cultivated, to achieve: (i) increase in the number of projects and project pipeline through coordinated sales to shippers; (ii) increase in the possibility of participating in large-scale projects and partnerships with other companies that would be difficult to undertake independently; and (iii) reduction in maintenance and operating costs through the standardization of vessel management.

Furthermore, with regard to environmental responsiveness, the Tender Offeror believes that by combining and mutually leveraging both companies' technical expertise and know-how regarding next-generation vessels - such as methanol DF vessels and ammonia DF vessels - it will be possible to improve investment efficiency and accelerate the capture of demand driven by environmental responsiveness. Specifically, the following are anticipated: (i) compression of initial investment amounts through joint development of next-generation fuel vessels and consolidation of specifications and technical knowledge; and (ii) increase in orders for contracts from shippers that emphasize environmental responsiveness. Environmental investments are a relatively new theme for the industry as a whole, and it is an area that requires significant investment. Therefore, the Tender Offeror believes that by combining the expertise of both parties it will be able to promote investment in next-generation vessels more efficiently and reliably.

(C) Strengthening logistics infrastructure and next-generation marine transportation infrastructure, starting with domestic coastal shipping business

The Tender Offeror recognizes that the Target Company has not only built a long track record in the transportation of steel raw materials, energy, and resources, but also possesses one of the strongest operational foundations in the domestic coastal shipping business. In particular, the domestic coastal shipping business serves as a vital logistics infrastructure supporting Japan’s key industries, and the Tender Offeror understands that the Target Company has, through long-term business relationships with its customers, accumulated a high standard of transportation quality, stable operational capabilities, and operational know-how enabling it to respond promptly to customer needs.

On the other hand, the Tender Offeror Group possesses a wide range of logistics capabilities - including not only a maritime transport network focused on international transportation but also land transportation and warehouse management - and has been meeting the diverse logistics needs of its customers both domestically and internationally. The Tender Offeror believes that by integrating the logistics functions of the Tender Offeror Group, including international transportation, land transportation, and warehouse management, with the Target Company’s domestic coastal shipping business infrastructure, it will be able to further strengthen its ability to provide comprehensive logistics services that support the entire supply chain in an integrated manner, from international transportation to domestic transportation, domestic delivery, and warehousing. The Tender Offeror also recognizes that the relationships of trust with customers that the Target Company has cultivated through its domestic coastal shipping business, as well as its operational know-how rooted in the field, constitute important management resources that will contribute to strengthening relationships with existing customers and capturing new demand.

Furthermore, the Tender Offeror believes that the domestic coastal shipping business plays an important role from the perspectives of implementing next-generation technologies and developing maritime professionals. Domestic vessels can easily serve as a venue for the phased introduction and verification of autonomous vessels, environmentally friendly vessels, energy-saving technologies, and digital technologies within a stable domestic operating environment, and can thus serve as a platform for demonstration and the accumulation of know-how with a view to future deployment on international vessels. Furthermore, the Tender Offeror believes that on-the-job experience in areas such as operations management, vessel management, and safety management within the domestic coastal shipping business is valuable for the development of maritime professionals and the transfer of skills, and will contribute to enhancing the vessel operations and safety management capabilities of the Tender Offeror Group as a whole.

(D) Optimal placement of personnel, including overseas locations, and promoting recruitment of personnel for growth through mutual deployment of personnel

In recent years, crew shortages have become a serious problem in the maritime industry, and with this trend expected to continue, the importance of ensuring stability and effective utilization of crew has been increasing further, not only for the realization of sustainable transportation but also for ensuring growth in new business fields going forward. In addition, in order to respond to changes in demand locations accompanying economic growth in India and Southeast Asia, etc., prompt and efficient development of overseas bases is also required.

Under such a business environment, the Tender Offeror expects that by utilizing the human resources bases, including the crews of both companies in a complementary manner, optimal deployment, including domestic and overseas locations, and strengthening of personnel recruitment necessary for growth areas can be achieved. At the same time, the Tender Offeror believes that improvement in skills and operational efficiency of personnel of both companies can be pursued.

Based on the above understanding, from September 2025 to mid-October of the same year, the Tender Offeror conducted an initial review regarding making the Target Company a consolidated subsidiary, including the possibility of taking the Target Company Shares private, as part of a strategy to maximize the corporate value of the Tender Offeror and the Target Company, particularly in the Tender Offeror’s dry bulk business. Subsequently, on October 28, 2025, the Tender Offeror made a preliminary approach to Nippon Steel, the largest shareholder of the Target Company, regarding the Transactions, and commenced discussions, whereby it confirmed that Nippon Steel had an interest in the Transactions and in selling a certain portion of its equity in the Target Company through the Transactions. Thereafter, from early December 2025 to late January 2026, the Tender Offeror exchanged views with Nippon Steel on the overall structure of the Transactions and the management structure and business operations of the Target Company following the Transactions. During these discussions, the Tender Offeror confirmed that Nippon Steel also believed that making the Target Company a consolidated subsidiary of the Tender Offeror Group through the Transactions would contribute to the enhancement of the corporate value of the Target Company through the realization of the synergies described in (i) through (iv) above. Meanwhile, the Tender Offeror confirmed Nippon Steel’s intention to maintain a certain level of capital ties with the Target Company and to maintain its business relationships and communication with the Target Company, taking into consideration, among other things, the background of the Target Company's development and growth through Nippon Steel's relationship in the Target Company's business, including business relationships involving continuous provision of ocean transport services, and personnel relationships involving the secondment of directors and other senior executives, and the Tender Offeror has agreed to Nippon Steel's continued holding of the Target Company Shares.

Based on this background, from the perspective of (i) maintaining Nippon Steel's interest in the management and business performance of the Target Company above a certain level and (ii) establishing a cooperative relationship that contributes to the improvement of the Target Company's business performance, the Tender Offeror determined that ensuring a ratio that would enable the Target Company to be an equity-method affiliate of Nippon Steel would contribute to the enhancement of the corporate value of the Target Company, and ultimately decided to set the Shareholding Ratios of Nippon Steel in the Target Company after the Squeeze-Out Procedures at approximately 15% to 20%, and submitted a letter of intent regarding the Transactions (the "Letter of Intent") to the Target Company on January 30, 2026.

Furthermore, in proceeding with a full-scale review of the Transactions, the Tender Offeror appointed (i) Nagashima Ohno & Tsunematsu as an independent legal adviser independent of the Tender Offeror Group, the Target Company Group and Nippon Steel, on October 9, 2025 and (ii) Nomura Securities Co., Ltd. ("Nomura Securities") as a financial adviser and third-party valuation institution independent of the Tender Offeror Group, the Target Company Group and Nippon Steel, on -January 20, 2026, and has proceeded with the full-scale review of the Transactions. In addition, on February 17, 2026, the Target Company established the Special Committee (for the composition of the Special Committee, the specific matters referred to such Committee, the background of its deliberations, and the details of its decision, please see "(iv) Establishment of an Independent Special Committee by the Target Company and Obtainment by the Target Company of a Report from the Special Committee" in "(3) Measures to Ensure Fairness of the Dual Tender Offers" below) and established a structure to commence a full-scale review of the Transactions, and the Tender Offeror received a notice from the Target Company that it would engage in discussions and negotiations towards the implementation of the Transactions. Thereafter, the Tender Offeror conducted due diligence on the Target Company from mid-March to late June, 2026.

Furthermore, after submitting the Letter of Intent to the Target Company, the Tender Offeror engaged in discussions with Nippon Steel from early February to early July, 2026 regarding the scheme of the Transactions. Initially, the Tender Offeror and Nippon Steel discussed the method of, after taking the Target Company Shares private, acquiring the treasury shares from Nippon Steel through an off-market purchase, on the grounds that, by setting the share repurchase price lower than the Tender Offer Price, it would be possible to provide the general shareholders of the Target Company with an opportunity to sell through the Tender Offer at a higher price than in the case where Nippon Steel tenders in the

Tender Offer, thereby serving the interests of the general shareholders of the Target Company; however, taking into account that, if, in the Transactions, the Tender Offer for Share Repurchase is not conducted and the Target Company instead acquires the treasury shares from Nippon Steel through an off-market purchase after the privatization, depending on the number of shares tendered in the Tender Offer and the consolidation ratio in the subsequent share consolidation, the deduction rate applicable to Nippon Steel, which would be the counterparty to such repurchase of the treasury shares, under the dividends received deduction provisions of the Corporate Tax Act may decrease to a corresponding extent, the Tender Offeror and Nippon Steel discussed a scheme in which the Target Company conducts a tender offer for a share repurchase in order to acquire the Shares to Be Tendered by Nippon Steel after the successful completion of the Tender Offer. In the course of considering the structure of the Transactions, the Tender Offeror determined that the scheme in which the Target Company conducts a Tender Offer for Share Repurchase in addition to the Tender Offer by the Tender Offeror for the Target Company Shares, with a difference between the Tender Offer Price and the Tender Offer for Share Repurchase Price, is reasonable because (i) by setting the Tender Offer for Share Repurchase Price lower than the Tender Offer Price, compared to the case where the Tender Offer for Share Repurchase is not conducted after the Tender Offer, it is possible to provide general shareholders of the Target Company with an opportunity to sell their shares at a higher price through the Tender Offer, which serves the interests of general shareholders of the Target Company, and (ii) if, in the Transactions, the Tender Offer for Share Repurchase is not conducted and, after taking the Target Company Shares private, the Target Company instead acquires the treasury shares from Nippon Steel through an off-market purchase, as described above, depending on the number of shares tendered in the Tender Offer and the consolidation ratio in the subsequent share consolidation, the deduction rate applicable to Nippon Steel, which would be the counterparty to such repurchase of the treasury shares, under the dividends received deduction provisions of the Corporate Tax Act may decrease to a corresponding extent, whereas conducting the Tender Offer for Share Repurchase would enable the price at which the Target Company acquires the Target Company Shares held by Nippon Steel as treasury shares to be set lower, thereby making it possible to provide the general shareholders of the Target Company with an opportunity to sell through the Tender Offer at a higher price. The Tender Offeror therefore examined the adoption of a structure in which the Tender Offer and the Tender Offer for Share Repurchase are conducted together.

On that basis, the Tender Offeror engaged in repeated discussions and negotiations with the Target Company regarding the terms of the Transactions, including the Tender Offer Price, and, after comprehensively taking into account the information obtained through the due diligence conducted by the Tender Offeror with respect to the Target Company and, on the premise of such information, an initial analysis of the value of the Target Company Shares conducted by Nomura Securities, the financial advisor to the Tender Offeror, and other factors, on June 29, 2026, submitted to the Target

Company and the Special Committee a proposal letter stating that (i) it intends to adopt a structure in which the Tender Offer and the Tender Offer for Share Repurchase will be implemented in combination, (ii) the Tender Offer Price will be JPY 8,000 (representing a premium of 20.12% (rounded to two decimal places; the same shall apply hereinafter for the premium rate calculation) over the closing price of JPY 6,660 on June 26, 2026, the business day immediately preceding the proposal date), (iii) the Tender Offer Price for Share Repurchase is undetermined as of the time of the submission (the "First Proposal Letter") and (iv) that the minimum number of shares to be purchased would be the number of shares obtained by multiplying 100 shares (one trading unit of the Company Shares) by the number of voting rights calculated by deducting the voting rights attached to the Target Company Shares owned by the Tender Offeror and Nippon Steel from two-thirds of the voting rights attached to the number of shares outstanding after deducting treasury shares held by the Target Company from the total number of issued shares of the Target Company. In response, on July 7, 2026, Tender Offeror received from the Target Company and the Special Committee a written request to reconsider the terms of the proposal set forth in the First Proposal Letter, including the Tender Offer Price, on the grounds that, as a result of comprehensive consideration based on (a) the results of the discounted cash flow analysis (the "DCF Analysis") of the value of the Target Company Shares conducted by the Target Company's financial adviser and the Special Committee's third-party valuation institution (including consideration of the reflection of gains on sales of vessels, unrealized gains and asset values of existing vessels, and the value inherent in the vessel portfolio in the value of the Target Company Shares), as well as whether the Special Committee's financial adviser would be able to issue a fairness opinion, (b) trends in the market price of the Target Company Shares, (c) a comparison with the value expected to be realized if the Target Company were dissolved and liquidated at the present time (the "Liquidation Value") (including consideration of the feasibility of the dissolution and liquidation of the Target Company), (d) premium levels in comparable transactions, specifically, successful tender offer transactions announced between June 28, 2019 (the date on which the Ministry of Economy, Trade and Industry published the Fair M&A Guidelines (the "M&A Guidelines")) and May 18, 2026, involving the take-private of listed companies that were equity-method affiliates, and (e) the expected synergies to be realized through the Transactions. The Tender Offeror was also informed that, with respect to the minimum number of shares to be purchased, the Target Company and the Special Committee considered that, at that time, they could not conclude that a majority of minority ("MoM") condition (For this purpose, the MoM threshold means more than a majority of the 11,379,482 shares remaining after deducting the 4,324,725 Company shares held by the Tender Offeror and the 7,861,280 Company shares held by Nippon Steel from the Base Number of Shares (23,565,487 shares), namely, more than 5,689,742 shares) was unnecessary.

In response to such request, on July 10, 2026, the Tender Offeror submitted to the Target Company and the Special Committee a letter proposing that the Tender Offer Price be set at JPY 8,600 (representing a premium of 26.10% over the closing price of JPY 6,820 on July 9, 2026, the business day immediately preceding the proposal date), the Tender Offer Price for Share Repurchase be set at JPY 6,289, and that the minimum number of shares to be purchased would remain unchanged from that set forth in the First Proposal Letter (the "Second Proposal Letter"). In response thereto, on July 16, 2026, the Tender Offeror received from the Target Company and the Special Committee a written request to reconsider the terms of the proposal, on the grounds that, as a result of comprehensive consideration based on the matters described in (a) through (e) above, the Tender Offer Price set forth in the Second Proposal Letter could not be said to be fair to the general shareholders of the Target Company, and stating that, with respect to the minimum number of shares to be purchased, the Target Company and the Special Committee considered that, at that time, they could not conclude that a MoM condition was unnecessary.

In response to such request, on July 17, 2026, the Tender Offeror submitted to the Target Company and the Special Committee a letter proposing that the Tender Offer Price be set at JPY 9,300 (representing a premium of 32.10% over the closing price of JPY 7,040 on July 16, 2026, the business day immediately preceding the proposal date), the Tender Offer Price for Share Repurchase be set at JPY 6,774, and that the minimum number of shares to be purchased would remain unchanged from that set forth in the First Proposal Letter (the "Third Proposal Letter"). In response thereto, on July 21, 2026, the Tender Offeror received from the Target Company and the Special Committee a written request for reconsideration, on the grounds that, as a result of comprehensive consideration based on the matters described in (a) through (e) above, the Tender Offer Price set forth in the Third Proposal Letter could not be said to be fair to the general shareholders of the Target Company, and stating that, with respect to the minimum number of shares to be purchased, the Target Company and the Special Committee considered that, at that time, they could not conclude that a MoM condition was unnecessary.

In response to such request, on the same day, the Tender Offeror submitted to the Target Company and the Special Committee a final letter proposing that the Tender Offer Price be set at JPY 9,900 (representing a premium of 41.23% over the closing price of JPY 7,010 on July 17, 2026, the business day immediately preceding the proposal date), the Tender Offer Price for Share Repurchase be set at JPY 7,190, and that the minimum number of shares to be purchased would remain unchanged from that set forth in the First Proposal Letter (the "Fourth Proposal Letter"), stating that it would be extremely difficult to increase the price any further. In response thereto, on July 23, 2026, the Tender Offeror received a letter from the Target Company and the Special Committee stating that, while the Tender Offer Price set forth in the Fourth Proposal Letter could be evaluated positively to a certain extent as a result of comprehensive consideration based on the matters described in (a) through (e) above, (i) the Target Company and the Special Committee considered that a comprehensive assessment was necessary with respect to a MoM condition and, at that time, could not conclude that such condition was unnecessary, and (ii) because matters requiring confirmation remained in order to consider and determine whether the Transactions could be said to be fair to the general shareholders of the Target Company, the Taregt Company requested reconsideration of the Tender Offer Price and a response regarding the status of discussions with Nippon Steel concerning Tender Offer Price for Share Repurchase

Meanwhile, the Tender Offeror was also proceeding in parallel with discussions with Nippon Steel regarding the Tender Offer Price for Share Repurchase. On July 24, 2026, the Tender Offeror proposed to Nippon Steel that the Tender Offer Price be JPY 10,600 and the Tender Offer Price for Share Repurchase be JPY 7,676, and, on the same day, received notice from Nippon Steel that it would accept such proposal, subject to the approval of the Transactions at Nippon Steel's management meeting to be held on July 29, 2026.

Based on the foregoing, on July 25, 2026, stating that it would be extremely difficult to increase the price any further and as its final proposal, and on the premise that no MoM condition would be set for the minimum number of shares to be purchased, the Tender Offeror submitted to the Target Company and the Special Committee a letter proposing that the Tender Offer Price be JPY 10,600 (representing a premium of 44.02% over the closing price of JPY 7,360 on July 24, 2026, the business day immediately preceding the date of the proposal) and that the Tender Offer Price for Share Repurchase be JPY 7,676, and stating that such Tender Offer Price and Tender Offer Price for Share Repurchase had also been accepted by Nippon Steel, subject to the approval of the Transactions at Nippon Steel's management meeting to be held on July 29, 2026(the "Final Proposal Letter").

In response, on July 28, 2026, the Tender Offeror received from the Target Company and the Special Committee a letter stating that, as a result of comprehensive consideration based on the matters described in (a) through (e) above, the Special Committee, having received the Final Proposal Letter, was scheduled to submit to the Board of Directors of the Target Company, on July 30, 2026, its written report concluding that the Transactions would be fair to the Target Company's general shareholders, and that the Board of Directors of the Target Company, while giving the utmost respect to the contents of such report, was scheduled to adopt a resolution on July 31, 2026 expressing its opinion with respect to the Tender Offer (the "July 28 Response Letter").

Thereafter, on July 29, 2026, the Tender Offeror received notice from Nippon Steel that the Transactions, including setting the Tender Offer Price at JPY 10,600 and the Tender Offer Price for Share Repurchase at JPY 7,676, had been approved at the management meeting of Nippon Steel held on the same day, and the Tender Offeror informed the Target Company of such fact.

Thereafter, on July 30, 2026, the Tender Offeror received notice from Nippon Steel that the Transactions, including setting the Tender Offer Price at JPY 10,600 and the Tender Offer Price for Share Repurchase at JPY 7,676, had been approved at the management meeting of Nippon Steel held on July 29, 2026, and the Tender Offeror informed the Target Company of such fact.

Thereafter, on July 30, 2026, the Tender Offeror received notice from the Target Company and the Special Committee confirming that, in light of stock market trends and other circumstances as of that date, there had been no change to the views expressed in the July 28 Response Letter and that the Special Committee was scheduled to submit to the Board of Directors of the Target Company, on July 31, 2026, its written report concluding that the Transactions would be fair to the Target Company's general shareholders.

Following the above negotiations, on July 31, 2026, the Tender Offeror decided to implement the Transactions with the Tender Offer Price set at JPY 10,600 and the Tender Offer Price for Share Repurchase set at JPY 7,676.

The Tender Offer Price and the Tender Offer Price for Share Repurchase are based on the assumption that the Company will not pay an interim dividend or a year-end dividend for the fiscal year ending March 2027. In addition, the Tender Offer Price for Share Repurchase is an amount set, taking into account the fact that the dividends received deduction with respect to deemed dividends is applicable pursuant to the Corporation Tax Act, so that (i) the after-tax net proceeds per share that Nippon Steel would receive if it tendered its Target Company Shares in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase would be equal to (ii) the after-tax net proceeds per share that Nippon Steel would receive if it tendered its Target Company Shares in the Tender Offer at the Tender Offer Price.

Following the above discussions and negotiations with Nippon Steel and the Target Company, the Tender Offeror resolved at its board of directors meeting on July 31, 2026, to execute the Shareholders' Agreement and the Basic Agreement with Nippon Steel, to execute the Tender Offer Agreement with the Target Company, and to conduct the Tender Offer as part of the Transactions.

(ii) Process and Basis for Determination of Price of Purchase, Etc.

In order to ensure the fairness of the Tender Offer Price, the Tender Offeror requested Nomura Securities, its financial adviser, in its capacity as a third-party valuation institution independent of the Tender Offeror, Nippon Steel and the Target Company, to conduct a valuation of the Target Company Shares in connection with the determination of the Tender Offer Price.

Nomura Securities, having examined the financial condition of the Target Company, market price trends of the Target Company Shares, and other factors, and having determined that it is appropriate to evaluate the Target Company Shares from multiple perspectives, examined the valuation method to be adopted for the valuation of the Target Company Shares from among multiple share valuation analyses, and conducted a valuation of the share value of the Target Company Shares using the following analyses: (i) the average market price analysis, because the Target Company Shares have a market price, (ii) the comparable company analysis, because there are several listed companies engaged in businesses comparable to the Target Company's business and because it is possible to estimate the share value of the Target Company Shares through the comparable company analysis, and (iii) the DCF Analysis, so as to reflect the status of future business activities in the evaluation. The Tender Offeror obtained a share valuation report (the "Share Valuation Report (Tender Offeror)") dated July 30, 2026 from Nomura Securities. As described in "(i) Obtainment by the Tender Offeror of a Share Valuation Report from an Independent Third-Party Valuation Institution" in "(3) Measures to Ensure Fairness of the Dual Tender Offers" below, Nomura Securities is not a related party of the Tender Offeror, Nippon Steel or the Target Company, and does not have any material interest in the Transactions. The Tender Offeror has not obtained a fairness opinion from Nomura Securities regarding the fairness of the Tender Offer Price, as the Tender Offeror evaluated and determined the Tender Offer Price through comprehensive consideration of the various factors described below and through discussions and negotiations with the Target Company.

The ranges of the share value per Target Company Share calculated by Nomura Securities using each of the above analysis are as follows:

Average market price analysis:	JPY 7,046 to JPY 7,740
Comparable company analysis:	JPY 3,721 to JPY 9,022
DCF Analysis:	JPY 5,544 to JPY 11,912

Under the average market price analysis, using July 30, 2026 as the reference date, and based on the Target Company Shares' closing price of JPY 7,740 on the Prime Market of the TSE on the reference date, the simple average closing price of JPY 7,546 for the most recent five business days, the simple average closing price of JPY 7,046 for the most recent one (1) month, the simple average closing price of JPY 7,299 for the most recent three (3) months, and the simple average closing price of JPY 7,358 for the most recent six (6) months, the range of the share value per Target Company Share was calculated to be from JPY 7,046 to JPY 7,740.

Under the comparable company analysis, the share value of the Target Company Shares was evaluated by comparing the market prices and financial indicators representing profitability of listed companies engaged in businesses comparable to the Target Company's business, and the range of the share value per Target Company Share was calculated to be from JPY 3,721 to JPY 9,022.

Under the DCF Analysis, based on future earnings forecasts for the Target Company from the fiscal year ending March 2027 onward, and taking into account various factors such as (i) revenues and investment plans in the financial projections for the four (4) fiscal years from the fiscal year ending March 2027 through the fiscal year ending March 2030, which were received from the Target Company (free cash flows were not included in the business plan received from the Target Company) and , after being reviewed by the Tender Offeror, provided to Nomura Securities, (ii) recent business performance trends, and (iii) generally publicly available information, the enterprise value and the share value of the Target Company were analyzed and evaluated by discounting the free cash flows expected to be generated by the Target Company in the future to their present value based on a certain discount rate, and the range of the share value per Target Company Share was calculated to be from JPY 5,544 to JPY 11,912. Note that, with respect to the Target Company's financial projections used as the basis for the DCF Analysis, fiscal years in which a significant increase or decrease in profit is expected are not included, while fiscal years in which a significant increase or decrease in free cash flow is expected are included. Specifically, for the fiscal year ending March 2027 and the fiscal year ending March 2028, a significant decrease in free cash flow is expected, due to an increase in the amount of capital expenditures during the planning period as compared with prior fiscal years. In addition, such financial projections are not premised upon the implementation of the Transactions, and the synergies expected to be realized through the implementation of the Transactions have not been factored into such financial projections, as it is currently difficult to specifically estimate them.

In addition to the valuation results for the Target Company Shares contained in the Share Valuation Report (Tender Offeror) obtained from Nomura Securities, the Tender Offeror, comprehensively considered factors such as the results of the due diligence conducted on the Target Company from mid-March to late-June 2026, whether the Target Company's board of directors supports the Tender Offer, and the prospects for shares to be tendered in the Tender Offer and, based on the results of discussions and negotiations with the Target Company, ultimately determined today that the Tender Offer Price shall be JPY 10,600.

The Tender Offer Price of JPY 10,600 represents a premium of 36.95% over the Target Company Shares' closing price of JPY 7,740 on the Prime Market of the TSE on July 30, 2026, the business day immediately preceding the date of announcement of the scheduled commencement of the Tender Offer (today), a premium of 50.44% over the simple average closing price of JPY 7,046 for the most recent one (1) month, a premium of 45.23% over the simple average closing price of JPY 7,299 for the most recent three (3) months, and a premium of 44.06% over the simple average closing price of JPY 7,358 for the most recent six (6) months.

(Note 1) Nomura Securities assumed that the public information and all information provided to Nomura Securities are accurate and complete when evaluating the share value of the Target Company Shares and has not independently verified the accuracy and/or completeness of such information. Nomura Securities has not independently evaluated, appraised or assessed the assets or liabilities (including derivatives, unrecorded assets and liabilities, and other contingent liabilities) of the Target Company or its affiliates, including an method and valuation of individual assets and liabilities, nor has it requested an appraisal or assessment by a third-party institution. With respect to the Target Company's financial forecast (including income plans and other information), Nomura Securities assumes that they were reasonably examined and prepared by the Tender Offeror's management team based on the best projections and judgments made in good faith and to the best of their ability at the present time. The evaluation by Nomura Securities reflects the information and economic conditions obtained by Nomura Securities up to July 30, 2026. The sole purpose of the evaluation by Nomura Securities is to assist the Tender Offeror's board of directors in examining the share value of the Target Company Shares.

(iii) Opinion of the Target Company Regarding the Tender Offer, Its Basis and Reason

(A) Background to the Establishment of an Internal Framework

As described in "(i) Background, Purpose, and Decision-Making Process Leading to Decision to Implement the Dual Tender Offerors" above, the Target Company received the Letter of Intent from the Tender Offeror on January 30, 2026. In response, in order to ensure the fairness of the Tender Offer Price and other fairness of the Transactions, including the Tender Offer, the Target Company appointed Tokyo International Law Office ("TKI") on February 3, 2026 as a legal advisor independent of the Target Company Group, the Tender Offeror Group, Nippon Steel and the success or failure of the Transactions. The Target Company also appointed Mizuho Securities Co., Ltd. ("Mizuho Securities") on February 17, 2026 as a financial advisor and third party valuation institution independent of the Target Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions.

Furthermore, given that the Transactions constitute an acquisition of an equity-method affiliate by a major shareholder of the Target Company, and that structural conflicts of interest and information asymmetry issues exist between the Tender Offeror and the Target Company or its general shareholders, the Target Company acted with the utmost caution in making decisions regarding the Transactions. For the purpose of eliminating any potential arbitrariness and conflicts of interest in the decision-making process of the Target Company's board of directors and ensuring its fairness, the Target Company, by resolution of its board of directors meeting held on February 17, 2026, established the Special Committee consisting of four members: Mr. Setsu Onishi (outside director of the Target Company and independent director of the Target Company), Ms. Masako Yoshida (outside director of the Target Company and independent director of the Target Company), Mr. Keisuke Takegahara (outside director of the Target Company and independent director of the Target Company), and Ms. Riyo Kano (outside director of the Target Company and independent director of the Target Company), who are independent of the Target Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions. (For the background to the establishment of the Special Committee, the background of its considerations, and the details of its judgment, please refer to "(iv) Establishment of an Independent Special Committee by the Target Company and Obtainment by the Target Company of a Report from the Special Committee" in "(3) Measures to Ensure Fairness of the Dual Tender Offers" below.) On March 19, 2026, the Special Committee also decided to appoint Plutus Consulting Co., Ltd. ("Plutus") as the Special Committee's own third-party valuation institution, based on its expertise and track record, as well as its independence from the Target Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions. In addition, as described in "(vi) Establishment of an Independent Examination Framework at the Target Company" in "(3) Measures to Ensure Fairness of the Dual Tender Offers" below, the Target Company has established an internal system to consider, negotiate, and make decisions regarding the Tender Offer from a standpoint independent of the Target Company Group, the Tender Offeror Group, and Nippon Steel (including the scope of the Target Company's officers and employees involved in the consideration, negotiation, and decision-making of the Tender Offer and their duties) and has proceeded with its consideration.

(B) Background of Considerations and Negotiations

After the establishment of the system described above, the Target Company and the Special Committee, with the advice of Mizuho Securities and TKI, engaged in discussions and negotiations with the Tender Offeror through Mizuho Securities, the Target Company's financial advisor, regarding the terms and conditions of the Transactions, including the Tender Offer Price. Specifically, on June 29, 2026, the Target Company and the Special Committee received the Tender Offeror's initial proposal regarding the Transactions. The proposal contemplated (i) a Tender Offer Price of JPY 8,000, representing a premium of 20.12% over the closing price of the Target Company Shares of JPY 6,660 on June 26, 2026, the business day immediately preceding the date of the proposal, (ii) that the Tender Offer Price for Share Repurchase had not yet been determined as of the date of the proposal, and (iii) that the minimum number of shares to be purchased would be the number of shares obtained by multiplying 100 shares (one trading unit of the Target Company Shares) by the number of voting rights calculated by deducting the voting rights attached to the Target Company Shares owned by the Tender Offeror and Nippon Steel from two-thirds of the voting rights attached to the number of shares outstanding after deducting treasury shares held by the Target Company from the total number of issued shares of the Target Company. Upon receipt of the proposal, the Target Company and the Special Committee comprehensively considered the Tender Offer Price in light of, among other things: (a) the results of the DCF Analyses of the value of the Target Company Shares prepared by Mizuho Securities and Plutus including consideration of the reflection in the share value of gains on vessel disposals, unrealized gains and asset values of existing vessels, and the value inherent in the Target Company's vessel portfolio, as well as whether

Plutus could issue a fairness opinion; (b) the historical market price trends of the Target Company Shares; (c) a comparison of the Liquidation Value; (d) the premium levels observed in comparable transactions, specifically successful tender offer transactions announced between June 28, 2019, when the Ministry of Economy, Trade and Industry published the Fair M&A Guidelines, and May 18, 2026, involving the going-private of listed equity-method affiliates; and (e) the synergies expected to be realized through the Transactions.

As a result, the Target Company and the Special Committee concluded that the proposed terms were insufficient to establish that the Transactions would be fair to the Target Company's general shareholders. Accordingly, on July 7, 2026, they requested that the Tender Offeror reconsider its proposal, including the Tender Offer Price.

In addition, with respect to the minimum number of shares to be purchased, the Target Company and the Special Committee noted that a comprehensive assessment based on the factors described in (a) through (e) above was necessary in determining whether MoM condition should be imposed. For this purpose, the MoM threshold means more than a majority of the 11,379,482 shares remaining after deducting the 4,324,725 Target Company shares held by the Tender Offeror and the 7,861,280 Target Company shares held by Nippon Steel from the Base Number of Shares (23,565,487 shares), namely, more than 5,689,742 shares. Accordingly, they stated that, at that time, they could not conclude that a MoM condition was unnecessary.

Thereafter, on July 10, 2026, the Target Company and the Special Committee received the Tender Offeror's second proposal, pursuant to which (i) the Tender Offer Price would be increased to JPY 8,600, representing a premium of 26.10% over the closing price of the Target Company Shares of JPY 6,820 on July 9, 2026, the business day immediately preceding the date of the proposal, (ii) the Tender Offer Price for Share Repurchase would be JPY 6,289 per share, and (iii) the minimum number of shares to be purchased would remain unchanged from that set forth in the initial proposal.

Upon receipt of the second proposal, the Target Company and the Special Committee comprehensively considered the proposed terms in light of the factors described in (a) through (e) above. As a result, they concluded that the proposed terms were insufficient to establish that the Transactions would be fair to the Target Company's general shareholders. Accordingly, on July 16, 2026, they requested that the Tender Offeror reconsider its proposal, including the Tender Offer Price. They also reiterated that, with respect to the minimum number of shares to be purchased, they could not conclude at that time that a MoM condition was unnecessary.

Thereafter, on July 17, 2026, the Target Company and the Special Committee received the Tender Offeror's third proposal, pursuant to which (i) the Tender Offer Price would be increased to JPY 9,300, representing a premium of 32.10% over the closing price of the Target Company Shares of JPY 7,040 on July 16, 2026, the business day immediately preceding the date of the proposal, (ii) the Tender Offer Price for Share Repurchase would be JPY 6,774, and (iii) the minimum number of shares to be purchased would remain unchanged from that set forth in the initial proposal.

Upon receipt of the third proposal, the Target Company and the Special Committee comprehensively considered the proposed terms in light of the factors described in (a) through (e) above. As a result, they concluded that the proposed terms were insufficient to establish that the Transactions would be fair to the Target Company's general shareholders. Accordingly, on July 21, 2026, they requested that the Tender Offeror reconsider its proposal, including the Tender Offer Price. They also reiterated that, with respect to the minimum number of shares to be purchased, they could not conclude at that time that a MoM condition was unnecessary.

Thereafter, on the same date, the Target Company and the Special Committee received the Tender Offeror's fourth proposal, which the Tender Offeror stated was its final proposal on the basis that any further increase in the offer price would be extremely difficult. Under the proposal, (i) the Tender Offer Price would be increased to JPY 9,900, representing a premium of 41.23% over the closing price of the Target Company Shares of JPY 7,010 on July 17, 2026, the business day immediately preceding the date of the proposal, (ii) the Tender Offer Price for Share Repurchase would be JPY 7,190, and (iii) the minimum number of shares to be purchased would remain unchanged from that set forth in the initial proposal.

Upon receipt of the fourth proposal, the Target Company and the Special Committee comprehensively considered the proposed terms in light of the factors described in (a) through (e) above. As a result, although they considered that the proposal could be evaluated favorably to a certain extent, they determined that further consideration was necessary because (i) they could not conclude at that time that a MoM condition was unnecessary, and (ii) certain matters requiring further confirmation remained in order to determine whether the Transactions would be fair to the Target Company's general shareholders. Accordingly, on July 23, 2026, the Target Company and the Special Committee requested that the Tender Offeror reconsider its proposal, including the Tender Offer Price.

Thereafter, on July 25, 2026, the Target Company and the Special Committee received the Tender Offeror's fifth proposal. The Tender Offeror stated that any further increase in the offer price would be extremely difficult and, as its final proposal, proposed that, on the premise that no MoM condition would be imposed with respect to the minimum number of shares to be purchased, (i) the Tender Offer Price would be JPY 10,600, representing a premium of 44.02% over the closing price of the Target Company Shares of JPY 7,360 on July 24, 2026, the business day immediately preceding the date of the proposal, and (ii) the Tender Offer Price for Share Repurchase would be JPY 7,676.

Upon receipt of the fifth proposal, the Target Company and the Special Committee comprehensively considered the proposed terms in light of the factors described in (a) through (e) above. As a result, on July 28, 2026, the Target Company informed the Tender Offeror that the

Special Committee was scheduled to submit the Special Committee's report to the Target Company's board of directors on July 30, 2026, expressing its opinion that the Transactions would be fair to its general shareholders. The Target Company also informed the Tender Offeror that, giving the utmost respect to the contents of the Special Committee's report, its board of directors was scheduled to resolve, at the board meeting to be held on July 31, 2026, to express its opinion with respect to the Tender Offer.

(C) Details of the Target Company's Decision-Making

On that basis, at the board of directors meeting held on July 31, 2026, the Target Company carefully discussed and considered the Transactions from the perspectives of whether the Transactions would enhance corporate value and whether the terms and conditions of the Transactions are appropriate, while taking into account the details of the share valuation report obtained from Mizuho Securities as of July 30, 2026 (the "Target Company Share Valuation Report (Mizuho Securities)"), the details of the share valuation report submitted by Plutus through the Special Committee as of July 30, 2026 (the "Special Committee Share Valuation Report (Plutus)"), a fairness opinion (the "Fairness Opinion") and legal advice from TKI, the legal advisor, regarding points to note in making decisions on the Transactions including the Tender Offer, and giving the utmost respect to the contents of the report submitted by the Special Committee as of July 31, 2026 (the "Special Committee Report").

As a result, the Target Company has determined that the Transactions will contribute to the enhancement of the Target Company's corporate value from the following perspectives. Specifically, the Target Company determined that the Transactions will contribute to the enhancement of the Target Company's corporate value because it believes that the following synergies (a) through (d) can be realized through the Transactions.

(a) Improvement in vessel deployment efficiency and reduction in costs through expansion of scale

The Target Company is a global dry bulk shipping company with a fleet of 211 ships under group operation (as of March, 2026), and a transportation network connecting locations around the world. Furthermore, during the previous medium-term business plan period (fiscal years 2018 through 2022), the Target Company took resolute steps to carry out structural reforms such as by selling high-cost vessels and implementing early termination of contracts for time charter vessels, while promoting fleet development centering on newly built vessels, including iron ore carriers of the 400,000-ton class, and also planned replacement investments for vessels in its existing businesses in the Current Medium-term Business Plan, and the Target Company has been continuously focusing on maintaining and expanding a fleet with cost competitiveness and high quality. By combining the Target Company's fleet with the Tender Offeror's fleet of 414 ships in its dry bulk business (as of

March 2026), it is possible to pursue economies of scale in vessel deployment optimization and procurement of fuel, vessels, funds, etc., in addition to its existing business activities, by building a stronger transportation network based on a larger fleet. Specifically, the following could be examined: (i) improvement in operational efficiency through optimal deployment considering the overall operated vessels and shipper portfolio of both companies; (ii) further acquisition of projects through enhanced proposal capabilities to customers by strengthening the global transportation network; (iii) cost reduction through bulk procurement and review of terms for fuel, marine supplies, repairs, insurance, etc., and cross-functional cost reduction activities; and (iv) improvement in financing terms through enhanced creditworthiness.

Although no specific decisions have been made at this time, it would be possible to pursue cost benefits by partially introducing shared services for both companies' corporate departments. In this regard, it can receive the benefit of the Tender Offeror's knowledge and existing frameworks based on its prior examples.

(b) Capturing new transportation demand resulting from decarbonization

While the Target Company has established the ability to provide a high degree of expertise capable of flexibly responding to customer needs, through its track record of handling ocean transport of a wide range of cargoes, including steel raw materials, over many years, and high-quality ocean transport services, the Target Company has actively promoted environmental investments in order to respond to the demand for decarbonization that is increasing from customers and society.

The Target Company promotes environmental investments, including methanol DF vessels and is advancing the expansion of its transportation business in the next-generation energy field, such as ammonia, hydrogen, etc., in order to realize its 2030 vision of becoming "an indispensable presence for clean and sustainable marine transportation." Specifically, the Target Company recognizes that it has steadily implemented measures in the decarbonization and next-generation energy field, including establishing the "Next-Generation Fuel Project Team" and entering into contracts for building Liquefied Petroleum Gas, LPG dual-fuel VLGCs (an abbreviation for Very Large Gas Carrier, referring to large LPG carriers) capable of carrying ammonia.

Meanwhile, the Tender Offeror has also promoted environmental investments to meet society's demand for decarbonization and changing market needs. It positioned participation in the hydrogen and ammonia value chain as one of its new businesses and is aiming to expand its business in the next-generation energy field, leveraging the transportation expertise and know-how accumulated in its energy business.

In the field of transporting decarbonization-related cargoes - such as reduced iron, scrap, liquefied CO_2, ammonia, and hydrogen - while the market is expected to grow, the Tender Offeror believes that advanced technical capabilities, transportation know-how, dedicated assets, and a customer base will be the sources of its competitive advantage. In this field, it would be possible, through the combination of the technical capabilities, transportation know-how, assets, and customer bases that the Target Company and the Tender Offeror have each cultivated, to achieve: (i) increase in the number of projects and project pipeline through coordinated sales to shippers; (ii) increase in the possibility of participating in large-scale projects and partnerships with other companies that would be difficult to undertake independently; and (iii) reduction in maintenance and operating costs through the standardization of vessel management.

Furthermore, with regard to environmental responsiveness, by combining and mutually leveraging both companies' technical expertise and know-how regarding next-generation vessels - such as methanol DF vessels and ammonia DF vessels - it will be possible to improve investment efficiency and accelerate the capture of demand driven by environmental responsiveness. Specifically, the following are anticipated: (i) compression of initial investment amounts through joint development of next-generation fuel vessels and consolidation of specifications and technical knowledge; and (ii) increase in orders for contracts from shippers that emphasize environmental responsiveness. Environmental investments are a relatively new theme for the industry as a whole, and it is an area that requires significant investment. Therefore, by combining the expertise of both parties it will be possible to promote investment in next-generation vessels more efficiently and reliably.

(c) Strengthening logistics infrastructure and next-generation marine transportation infrastructure, starting with domestic coastal shipping business

The Target Company has not only built a long track record in the transportation of steel raw materials, energy, and resources, but also possesses one of the strongest operational foundations in the domestic coastal shipping business. In particular, the domestic coastal shipping business serves as a vital logistics infrastructure supporting Japan's key industries, and the Target Company has, through long-term business relationships with its customers, accumulated a high standard of transportation quality, stable operational capabilities, and operational know-how enabling it to respond promptly to customer needs.

On the other hand, the Tender Offeror Group possesses a wide range of logistics capabilities - including not only a maritime transport network focused on international transportation but also land transportation and warehouse management - and the Target Company recognizes that it has been meeting the diverse logistics needs of its customers both domestically and internationally. By integrating the logistics functions of the Tender Offeror Group, including international transportation, land transportation, and warehouse management, with the Target Company's domestic coastal shipping business infrastructure, it will be able to further strengthen its ability to provide comprehensive logistics services that support the entire supply chain in an integrated manner, from international transportation to domestic transportation, domestic delivery, and warehousing. The relationships of trust with customers that the Target Company has cultivated through its domestic coastal shipping business, as well as its operational know-how rooted in the field, constitute important management resources that will contribute to strengthening relationships with existing customers and capturing new demand.

Furthermore, the domestic coastal shipping business plays an important role from the perspectives of implementing next-generation technologies and developing maritime professionals. Domestic vessels can easily serve as a venue for the phased introduction and verification of autonomous vessels, environmentally friendly vessels, energy-saving technologies, and digital technologies within a stable domestic operating environment, and can thus serve as a platform for demonstration and the accumulation of know-how with a view to future deployment on international vessels. Furthermore, on-the-job experience in areas such as operations management, vessel management, and safety management within the domestic coastal shipping business is valuable for the development of maritime professionals and the transfer of skills, and will contribute to enhancing the vessel operations and safety management capabilities of the Tender Offeror Group as a whole.

(d) Optimal placement of personnel, including overseas locations, and promoting recruitment of personnel for growth through mutual deployment of personnel

In recent years, crew shortages have become a serious problem in the maritime industry, and with this trend expected to continue, the importance of ensuring stability and effective utilization of crew has been increasing further, not only for the realization of sustainable transportation but also for ensuring growth in new business fields going forward. In addition, in order to respond to changes in demand locations accompanying economic growth in India and Southeast Asia, etc., prompt and efficient development of overseas bases is also required.

Under such a business environment, by utilizing the human resources bases of both companies including their crews in a complementary manner, optimal deployment, including domestic and overseas locations, and strengthening of personnel recruitment necessary for growth areas can be achieved. At the same time, improvement in the skills and operational efficiency of personnel of both companies can be pursued.

As a result of discussions between the Tender Offeror and the Target Company, the Tender Offeror and the Target Company have recognized the disadvantages associated with taking the Target Company Shares private as follows.

Specifically, as disadvantages associated with delisting, it is generally cited that it will no longer be possible to raise funds from the capital market, and that the benefits of being a listed company, such as obtaining social credibility from the outside and maintaining name recognition, can no longer be enjoyed. However, for each item, the Target Company believes that the likelihood of such disadvantages arising from the execution of the Transactions is low, and their impact will be limited for the following reasons:

(a) Employees (recruitment, employee motivation, etc.)

The Target Company believes that the Target Company's social credibility and name recognition will not be lost due to delisting, as the Target Company has accumulated high social credibility and name recognition through its business operations to date, and both the Tender Offeror and Nippon Steel, who will become shareholders after taking the Target Company private, also have reasonably high name recognition and creditworthiness. Rather, through this transaction, as the Target Company and the Tender Offeror unite as one to maintain and improve competitiveness both domestically and overseas, the Target Company considers it possible to pursue further strengthening of recruitment capabilities and enhancement of employee motivation.

(b) Business partners

As a premise, regarding Nippon Steel, a key customer of the Target Company, the Target Company has confirmed its intention to maintain a certain level of capital relationship with the Target Company in the future and to maintain its business relationship and communication with the Target Company. On top of that, with respect to business partners other than Nippon Steel as well, the Company has already established sufficient trustful relationships, and the reason why each business partner conducts business with the Target Company is considered to be that the Target Company's services, creditworthiness, and track record are highly evaluated, rather than the fact that it is a listed company; therefore, the Target Company believes that existing business relationships will not be lost due to delisting. Rather, through this transaction, as the Target Company and the Tender Offeror unite as one to maintain and improve competitiveness both domestically and overseas, the Target Company considers it possible to further expand business partners and scale. In addition, from an external perspective, while the Target Company already has a certain capital relationship with the Tender Offeror and Nippon Steel, the Transactions are part of efforts to further strengthen three-party cooperation, and the Target Company believes that external surprise will also be reduced to a certain extent.

(c) Financing

In financing, although direct financing such as public stock offerings will become unavailable, the Target Company believes this will not pose a substantial disadvantage because the Target Company possesses a reasonable level of liquidity on hand and is expected to continue to be able to raise funds through indirect financing such as borrowings by leveraging its trustful relationships with existing financial institutions.

Note that even after the Transactions, funds necessary for business at the Target Company are expected to be raised by the Target Company itself in principle, and therefore it is assumed that good relationships with the Target Company's existing financial institutions can be maintained. Furthermore, depending on the Target Company's needs, it is assumed that the Tender Offeror's group financing system can also be utilized for the Target Company's funding needs.

In addition, based on the discussions and negotiations described above and taking into account points (i) through (viii) below, the Target Company has determined that the Tender Offer Price is appropriate and provides a reasonable opportunity for the Target Company's shareholders to sell their shares.

(i) According to the results of the valuation of the Target Company Shares set forth in the Target Company Share Valuation Report (Mizuho Securities) prepared by Mizuho Securities, as described in "(B) Receipt by the Target Company of a Share Valuation Report from an Independent Third-Party Valuation Institution" under "(3) Measures to Ensure the Fairness of the Dual Tender Offers" below, the Tender Offer Price exceeds the upper end of the valuation range derived from the market price reference method, falls within the valuation range derived from the DCF Analysis, and exceeds the median of such valuation range.

(ii) According to the results of the valuation of the Target Company Shares set forth in the Special Committee Share Valuation Report (Plutus) prepared by Plutus, as described in "(C) Receipt by the Special Committee of a Share Valuation Report and the Fairness Opinion from an Independent Third-Party Valuation Institution" under "(3) Measures to Ensure the Fairness of the Dual Tender Offers" below, the Tender Offer Price exceeds the upper end of the valuation range derived from the market price analysis and falls within the valuation range derived from the DCF Analysis. In addition, in the Fairness Opinion described in "(C) Receipt by the Special Committee of a Share Valuation Report and the Fairness Opinion from an Independent Third-Party Valuation Institution" under "(3) Measures to Ensure the Fairness of the Dual Tender Offers" below, Plutus has expressed the opinion that, in light of the results of the valuation of the Target Company Shares and other relevant matters, the Tender Offer Price of JPY 10,600 per share is fair, from a financial point of view, to the Target Company's general shareholders.

(iii) The Tender Offer Price exceeds JPY 8,350, the highest closing market price of the Target Company Shares since 2010, when Shinwa Kaiun Kaisha, Ltd. and Nittetsu Shipping Co., Ltd. merged and the resulting company changed its trade name to the current NS United Kaiun Kaisha, Ltd., which highest closing price was recorded on May 7, 2026.

(iv) In light of the unrealized gains on the vessel assets owned by the Target Company, the Target Company considered its Liquidation Value and determined that: (a) the Target Company intends to continue its business operations within the Tender Offeror Group following the Transactions, and the dissolution or liquidation of the Target Company is not contemplated; the Target Company has also confirmed with the Tender Offeror on multiple occasions that the Tender Offeror has no intention of dissolving or liquidating the Target Company following the Transactions; and, under the Shareholders Agreement, the dissolution or liquidation of the Target Company is reportedly a matter requiring the consent of Nippon Steel, and therefore the Tender Offeror cannot independently resolve to dissolve or liquidate the Target Company. Accordingly, the Target Company believes that there is only a low likelihood that the Liquidation Value per share would be realized. In addition, (b) solely for the purpose of examining the appropriateness of the terms and conditions of the Transactions, the Target Company estimated its Liquidation Value based on a number of assumptions and obtained an estimate under which the Liquidation Value per share was below the Tender Offer Price.

(v) The Tender Offer Price represents a price that includes the respective premiums set forth below over the closing price of the Target Company Shares on the Prime Market of the TSE on July 30, 2026, being the business day immediately preceding the date of announcement of the Tender Offer, and over the simple averages of the closing prices of the Target Company Shares during the respective periods ending on such date. The Target Company considers the level of such premiums to be comparable to those observed in similar transactions for the following reasons. Specifically, when compared with the average and median premium levels (Note 1), ranging from 48.43% to 58.45%, in 26 completed tender offer transactions announced between June 28, 2019, when the Ministry of Economy, Trade and Industry published the M&A Guidelines, and May 18, 2026, that contemplated the privatization of a listed equity-method affiliate, the premiums over the closing price on the base date and the simple averages of the closing prices for the most recent three-month and six-month periods ending on the reference date are below the premium levels in such comparable transactions, while the premium over the simple average of the closing prices for the most recent one-month period ending on the reference date falls within the range of the premium levels in such comparable transactions. In addition, when compared with the first-quartile premium levels (Note 2), ranging from 36.05% to 44.27%, the premiums over the closing price on the reference date and the simple average of the closing prices for the most recent six-month period ending on the reference date fall within the range of the premium levels in such comparable transactions, while the premiums over the simple averages of the closing prices for the most recent one-month and three-month periods ending on the reference date exceed the premium levels in such comparable transactions. Accordingly, the Target Company considers the premium represented by the Tender Offer Price to be at a level that compares favorably with those observed in similar transactions.

(Valuation Reference Date: July 30, 2026)

	Closing Price on Base Date	Simple Average Closing Price for the Most Recent		
		One-Month Period	Three-Month Period	Six-Month Period
Market Price	JPY 7,740	JPY 7,046	JPY 7,299	JPY 7,358
Premium	36.95%	50.44%	45.23%	44.06%

Note 1: The first quartile, median and average premium levels for the 26 transactions are as follows:

	Business Day Immediately Preceding the Announcement Date	Most Recent One-Month Period	Most Recent Three-Month Period	Most Recent Six-Month Period
		Ending on the Business Day Immediately Preceding the Announcement Date		
Median	48.43%	51.50%	53.33%	55.58%
Average	52.44%	54.93%	57.86%	58.45%
First Quartile	36.05%	42.46%	44.27%	38.63%

(vi) The Tender Offer Price represents premiums of 130.59%, 108.83% and 63.99%, respectively, over the simple averages of the closing prices of the Target Company Shares on the Prime Market of the TSE or the First Section of the TSE prior to the restructuring of the market segments of the TSE in April 2022 during the past five-year, three-year and one-year periods.

(vii) Nippon Steel, the largest shareholder of the Target Company, has entered into the Shareholders Agreement and the Basic Agreement with the Tender Offeror and intends to continue holding the Target Company Shares following the Transactions. Accordingly, its interests are not necessarily aligned with those of the Target Company's general shareholders. Nevertheless, because Nippon Steel is considered to be a party independent of the Tender Offeror, the negotiations between Nippon Steel and the Tender Offeror were expected to be conducted on an arm's-length basis. In addition, because the Tender Offer Price for Share Repurchase has been set so that the after-tax net proceeds per share to be received by Nippon Steel would be equivalent whether Nippon Steel were to tender its Target Company Shares in the Tender Offer at the Tender Offer Price or in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase, Nippon Steel is not considered to receive a materially greater benefit than the Target Company's general shareholders. Under these circumstances, the fact that Nippon Steel has indicated its intention to tender a portion of the Target Company Shares held by it (4,720,438 shares, Ownership Ratio: 20.03%) in the Tender Offer for Share Repurchase may be regarded as one of the factors supporting the fairness of the Tender Offer Price.

(viii) The Tender Offer Price was determined following discussions and negotiations conducted by the Target Company and the Special Committee with the Tender Offeror through Mizuho Securities, taking into account, among other matters, the results of the analyses of the value of the Target Company Shares conducted by Mizuho Securities and Plutus and the legal advice received from TKI. Through such discussions and negotiations, the Tender Offer Price was increased to a level at which the Tender Offeror repeatedly asserted that any further increase in the Tender Offer Price would be extremely difficult.

In addition, the Target Company also considered the structure of the Transactions and determined that the fairness and reasonableness of such structure had been ensured, taking into account, among other things, the following items (i) through (iii):

(i) Given that there is a limit on the aggregate purchase price by the Tender Offeror, by setting the Tender Offer Price for Share Repurchase lower than the Tender Offer Price, compared to the case where the Tender Offer for Share Repurchase is not conducted after the Tender Offer, it would be possible to provide the Target Company's general shareholders with an opportunity to sell their Target Company Shares at a higher price through the Tender Offer, thereby serving the interests of the Target Company's general shareholders.

(ii) With respect to the Tender Offer Price for Share Repurchase, taking into account that the dividends received deduction with respect to deemed dividends prescribed in the Corporation Tax Act is expected to apply to corporate shareholders in the Tender Offer for Share Repurchase, the Tender Offer Price for Share Repurchase has been set so that the after-tax net proceeds per share that Nippon Steel, which is expected to tender its Target Company Shares in the Tender Offer for Share Repurchase, would receive if it tendered its Target Company Shares in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase would be equal to the after-tax net proceeds per share that Nippon Steel would receive if it tendered its Target Company Shares in the Tender Offer at the Tender Offer Price. Accordingly, the Target Company has confirmed that the after-tax net proceeds per share that Nippon Steel would receive if it tendered its Target Company Shares in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase would not exceed the after-tax net proceeds per share that Nippon Steel would receive if it tendered its Target Company Shares in the Tender Offer at the Tender Offer Price, and that Nippon Steel would not derive any benefit compared to the Target Company’s general shareholders.

(iii) The Target Company intends to fund the settlement and other expenses required for the Tender Offer for Share Repurchase primarily through its own funds and, to the extent necessary, through intragroup financing and borrowings from external financial institutions. Accordingly, the Target Company has found no particular reason to question the feasibility of the Tender Offer for Share

Repurchase from the perspective of securing the necessary funds, nor does it believe that the Tender Offer for Share Repurchase would cause such deterioration in the Target Company's financial condition as would have a material adverse effect on the Target Company's corporate value.

Based on the above, the Target Company determined that the Transactions, including the Tender Offer, will contribute to the enhancement of the Target Company’s corporate value, and that the terms and conditions of the Transactions, including the Tender Offer Price, will contribute to the common interests of shareholders, including the interests of general shareholders. Therefore, at the board of directors meeting held today, the Target Company resolved to express, as its opinion at present, its opinion in support of the Tender Offer if the Tender Offer is commenced, and to recommend that the Target Company’s shareholders tender their shares in the Tender Offer.

In addition, the Tender Offer is scheduled to be commenced promptly upon the satisfaction or waiver by the Tender Offeror of the Conditions Precedent. As of today, although it is difficult for the Tender Offeror to precisely predict the period required for procedures at the authorities with jurisdiction over the clearance procedures, the Tender Offeror intends to aim to commence the Tender Offer from late November 2026 to late December 2026. For this reason, the Target Company has also resolved at the aforementioned board of directors meeting that upon the commencement of the Tender Offer, the Target Company will request the Special Committee to consider whether there are any changes to the opinion expressed by the Special Committee to the Target Company’s board of directors as of July 31, 2026, and to state to the Target Company’s board of directors to that effect if there are no changes, or its changed opinion if there are any changes, and that the Target Company will express its opinion regarding the Tender Offer again at the time the Tender Offer is commenced, based on such opinion of the Special Committee.

For details of the aforementioned resolution of the board of directors, please refer to “(G) Unanimous Approval by All Disinterested Directors and a No-Objection Opinion from All Disinterested Audit & Supervisory Board Members of the Target Company” under “(3) Measures to Ensure the Fairness of Dual Tender Offers” below.

(iv) Management Policy after the Tender Offer

The Tender Offeror and the Target Company believe that, through the Transactions, by combining the Target Company’s expertise and track record, which have long supported mainly the marine transportation of steel raw materials and steel products, with the Tender Offeror’s global network, technological capabilities and broad business portfolio covering areas such as the energy sector, thereby strategically leveraging the strengths of the Tender Offeror and the Target Company, they will enable to continue to provide competitive transportation services as an industrial carrier through the maintenance and improvement of safe and high-quality transportation services, the further enhancement of cost competitiveness, the establishment of a steel supply chain in overseas growth markets, and the responses to decarbonization in the steelmaking process, and also enable further enhancement of the Target Company's corporate value and promoting its growth as a dry bulk operator group having high competitiveness in the global market, formed through the integration of the Tender Offeror and the Target Company

As described in "(1) Overview of Purpose of the Tender Offer" above, after the successful completion of the Dual Tender Offers, the Tender Offeror intends, through the Share Consolidation, to ultimately set the respective shareholding ratios of the Tender Offeror and Nippon Steel in the Target Company at 83.33% and 16.67%, respectively, thereby making the Target Company a consolidated subsidiary of the Tender Offeror. In addition, as described in "(1) Overview of Purpose of the Tender Offer" in "2. Purpose of Purchase, Etc." above, the Tender Offeror believes that maintaining the Shareholding Ratios will contribute to the enhancement of the corporate value of the Target Company, and, therefore, as of today, has no specific plan to additionally acquire the Target Company Shares after the successful completion of the Two Tender Offers. The Tender Offeror and Nippon Steel have agreed in the Shareholders' Agreement that, after the Stock Consolidation takes effect, the number of directors of the Target Company shall be such number from five (5) to seven (7) as the Tender Offeror determines from time to time, that Nippon Steel shall have the right to nominate such number of directors as is obtained by multiplying the total number of directors of the Target Company by Nippon Steel's voting rights ratio (rounding any fraction at the first decimal place to the nearest whole number, and if the resulting number is less than one (1), one (1) director), and that the Tender Offeror shall have the right to nominate the remaining directors.

The Tender Offeror and the Target Company contemplate that, with respect to the vessels owned or operated by the Target Company Group, even after the Transactions, the quality and safety of the transportation services that the Target Company Group has provided to date will be maintained, and the stable provision of services will be continued. In addition, the Tender Offeror and the Target Company believe that maintaining and developing the value of the "U" brand based on the security and trust cultivated by the Target Company will contribute to the further enhancement of the corporate value of the Target Company Group.

Notably, the Tender Offeror contemplates, as the management policy of the Target Company after successful completion of the Transactions, managing the Target Company in light of the personnel, expertise and organizational strengths that support the business operations of the Target Company Group. In addition, as a general rule, the Tender Offeror expects to maintain the current employment conditions of the employees of the Target Company Group after the Transactions, and does not expect any substantive reduction in the treatment or employment conditions of employees set forth in the current work rules, the Article 36 Agreement (*saburoku kyotei*), etc. Furthermore, the Tender Offeror intends to seek to enhance the medium- to long-term corporate value of the Tender Offeror and the Target Company Group through the utilization of the human resources bases of both parties, while respecting the autonomous management of the Target Company Group, within the framework of the Tender Offeror Group's governance.

(3) Measures to Ensure Fairness of the Dual Tender Offers

Based on the fact that, since the Tender Offeror falls under other affiliated company of the Target Company, the "Matters to be Observed Pertaining to MBOs, etc." stipulated in Article 441 of the Securities Listing Regulations stipulated by the Tokyo Stock Exchange, Inc. applies to the Tender Offer , and there is a risk that structural conflicts of interest may exist, the Tender Offeror and the Target Company have implemented the following measures stated in (i) through (ix) below respectively in order to ensure the fairness of the Transactions, including the Tender Offer, from the perspective of ensuring the fairness of the Tender Offer Price as well as of eliminating arbitrariness in the decision-making process leading to the decision to conduct the Tender Offer, and avoiding conflicts of interest.

As of today, the Tender Offeror has not set a minimum number of shares to be purchased equivalent to MoM because the Tender Offeror directly holds 4,324,725 shares of the Target Company Shares (ownership ratio: 18.35%), combined with the 45,800 shares of the Target Company Shares (ownership ratio: 0.19%) that it holds indirectly through Naikai Tug Boat, a wholly-owned subsidiary of the Tender Offeror, this totals 4,370,525 shares (ownership ratio: 18.55%), and Nippon Steel, which has entered into the Basic Agreement with the Tender Offeror and agreed not to tender any of the Target Company Shares it holds in the Tender Offer, holds 7,861,280 shares (ownership ratio: 33.36%), and the Tender Offeror Group and Nippon Steel hold 12,231,805 shares of the Target Company Shares (ownership ratio: 51.91%), due to which the setting of a minimum number of shares to be purchased equivalent to MoM in the Tender Offer may make the successful completion of the Tender Offer uncertain, which, in turn, may be disadvantageous for general shareholders that wish to tender their shares in the Tender Offer. However, the Tender Offeror and the Target Company have implemented the following measures, and thus the Tender Offeror and the Target Company believe that the interests of general shareholders of the Target Company are fully considered.

Of the measures set out below, statements regarding the measures that have been implemented by the Target Company are based on the explanations given by the Target Company.

(i) Obtainment by the Tender Offeror of a Share Valuation Report from an Independent Third-Party Valuation Institution

In order to ensure the fairness of the Tender Offer Price, and in determining the Tender Offer Price, the Tender Offeror requested Nomura Securities, a financial advisor, to calculate the value of the Target Company Shares as a third-party valuation institution independent of the Tender Offeror, Nippon Steel and the Target Company and obtained the Share Valuation Report (Tender Offeror) dated July 30, 2026.

Nomura Securities is not a related party of the Tender Offeror Group, Nippon Steel or the Target Company Group, and does not have any material interest in the Transactions. The Tender Offeror has not obtained a fairness opinion from Nomura Securities regarding the fairness of the Tender Offer Price, as the Tender Offeror evaluated and determined the Tender Offer Price through comprehensive consideration of the various factors described below and through discussions and negotiations with the Target Company.

For details of the Share Valuation Report (Tender Offeror), please refer to "(ii) Process and Basis for the Determination of Price of Purchase, etc." in "(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Tender Offer, and Management Policy after the Tender Offer."

(ii) Obtainment by the Target Company of a Share Valuation Report from an Independent Third-Party Valuation Institution

(i) Name of Valuation Institution and Relationship with the Target Company and the Tender Offeror

The Target Company, in order to ensure the fairness of the valuation, requested Mizuho Securities, a third-party valuation institution independent of the Target Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions, to estimate the value of the Target Company Shares, and received the Target Company Share Valuation Report (Mizuho Securities) on July 30, 2026. Mizuho Securities is not a related party of the Target Company Group, the Tender Offeror Group, or Nippon Steel, and does not have any material interest in the Transactions. Mizuho Securities is a member of the Mizuho Financial Group, Inc., the same group to which Mizuho Bank, Ltd. ("Mizuho Bank") belongs. While Mizuho Bank holds positions as a shareholder of the Target Company, the Tender Offeror, and Nippon Steel, and has lending and other transactions with the Target Company, the Tender Offeror, and Nippon Steel as part of ordinary banking transactions, it does not have any material interest to be disclosed in connection with the Transactions. Furthermore, in accordance with applicable laws and regulations, including Article 36 of the Act and Article 70-4 of the Cabinet Office Order on Financial Instruments Business, etc. (Cabinet Office Order No. 52 of 2007, as amended), Mizuho Securities has established and implemented an appropriate conflict of interest management system, including information barrier measures, between Mizuho Securities and Mizuho Bank, and has estimated the share value of the Target Company from a standpoint independent of Mizuho Bank's status as a shareholder and lender. The Target Company determined that Mizuho Securities has established and implemented an appropriate conflict of interest management system for estimating the Target Company's share value, and selected Mizuho Securities as its third-party valuation institution. Since the Tender Offeror and the Target Company have implemented measures to ensure the fairness of Dual Tender Offer Prices and to avoid conflicts of interest, the Target Company believes that sufficient consideration has been given to the interests of the Target Company's general shareholders, and therefore has not obtained an opinion on the fairness of the prices for Dual Tender Offers (a fairness opinion) from Mizuho Securities. The remuneration payable to Mizuho Securities for the Transactions does not include a contingency fee to be paid conditional upon the successful completion of the Transactions. In addition, after confirming that there are no issues with Mizuho Securities' expertise and independence, the Special Committee approved Mizuho Securities as the Target Company's third-party valuation institution.

(ii) Overview of Valuation

As a result of considering the valuation analyses to be applied in the Tender Offer, based on the analysis that it is appropriate to evaluate the share value of the Target Company Shares from multiple perspectives on the assumption that the Target Company is a going concern, Mizuho Securities calculated the per-share value of the Target Company Shares by using: the market price reference method, as the Target Company Shares are listed on the Prime Market of the TSE and a market price exists; and the DCF Analysis, in order to reflect the status of the Target Company's future business activities in the valuation. The ranges of the per-share value of the Target Company Shares calculated by Mizuho Securities based on the above analyses are as follows:

Market Price Reference Method: JPY 7,046 to JPY 7,040
DCF Analysis: JPY 8,277 to JPY 11,124

Under the market price reference method, with the valuation base date set as July 30, 2026, the range of the per-share value of the Target Company Shares was calculated at JPY 7,046 to JPY 7,740, based on the closing price of JPY 7,740 of the Target Company Shares on the Prime Market of the TSE on the base date, the simple average of the closing prices for the most recent one (1) month of JPY 7,046, the simple average of the closing prices for the most recent three (3) months of JPY 7,299, and the simple average of the closing prices for the most recent six (6) months of JPY 7,358.

Under the DCF Analysis, the corporate value and share value of the Target Company were calculated by discounting the free cash flows expected to be generated by the Target Company from the fiscal year ending March 31, 2027 onward, to the present value at a certain discount rate, based on various factors such as the earnings forecasts and investment plans in the business plan from the fiscal year ending March 31, 2027, through the fiscal year ending March 31, 2030 (the "Business Plan"), prepared by the Target Company based on the current earnings environment, the Target Company's business performance and other relevant factors and covers the period that the Target Company currently considers reasonably foreseeable, and publicly available information, and the range of the per-share value of the Target Company Shares was calculated at JPY 8,277 to JPY 11,124. The weighted average cost of capital (WACC) was used as the discount rate, adopting a range of 8.4% to 9.4%. It should be noted that size risk premium was not taken into account in calculating the discount rate. In addition, in calculating the terminal value, the perpetual growth analysis was adopted, and, after comprehensively taking into account external factors and other relevant circumstances, the perpetual growth rate was assumed to range from 1.5% to 2.5%, resulting in a terminal value ranging from JPY 169,851 million to JPY 236,634 million. In calculating the terminal value, gains on the sale of vessels expected to be realized after the period covered by the Business Plan were taken into consideration.

The financial forecasts based on the Business Plan that Mizuho Securities used as the assumption for the calculation under the DCF Analysis are as follows. These financial forecasts include fiscal years in which significant increases or decreases in profits and free cash flows are expected compared to the previous fiscal year. Specifically, in the fiscal year ending March 31, 2029, operating profit is expected to decrease by JPY 6,424 million and free cash flow is expected to decrease by JPY 2,939 million from the previous fiscal year, primarily because the current freight market, which has been affected by higher fuel costs and disruptions to certain shipping routes resulting from the deterioration of the situation in the Middle East, is expected to return to the level prevailing prior to such deterioration.

Furthermore, regarding the synergy effects expected to be realized through the execution of the Transactions, because it is difficult at this stage to specifically estimate their impact on earnings, such effects have not been reflected in the financial forecasts contained in the Business Plan or in Mizuho Securities' valuation based thereon.

The Business Plan was prepared solely for the purpose of assessing the fairness and reasonableness of the terms and conditions of the Transactions. It was prepared by the Project Team (defined in "(vi) Establishment of an Independent Internal Framework by the Target Company" below; the same applies hereinafter), and neither the Tender Offeror Group nor Nippon Steel (including individuals originally employed by or seconded from the Tender Offeror or Nippon Steel) was involved in its preparation. In addition, in preparing the Business Plan, TKI, the Target Company's legal advisor, and the Special Committee confirmed the fairness of the preparation process, including the independence of the Target Company's officers and employees involved in its preparation. Furthermore, Mizuho Securities, Plutus and the Special Committee conducted multiple rounds of questions and answers regarding the contents of the draft Business Plan and its material assumptions, etc. Based on the foregoing, the Special Committee confirmed and approved the reasonableness of the contents of the Business Plan, its material assumptions and the process by which it was prepared.

Although the Business Plan differs from the Current Medium-term Management Plan (which targets operating profit of JPY 20.0 billion for the fiscal year ending March 31, 2028), such differences reflect changes in market conditions since the Current Medium-term Management Plan was formulated. Specifically, when the Current Medium-term Management Plan was formulated, it was assumed that environmental initiatives would advance across the international shipping industry following the introduction of environmental regulations. However, in October 2025, the International Maritime Organization resolved to postpone by one year the adoption of proposed amendments to an international convention aimed at reducing greenhouse gas emissions from international shipping. In light of this, the Target Company recognizes that environmental initiatives have stalled globally. Taking into account that the investments in environmentally friendly vessels contemplated under the Current Medium-term Management Plan have not progressed as initially anticipated, the Target Company prepared the Business Plan, which it considers to be more objective, reasonable and reflective of current circumstances. The Special Committee also confirmed the reasonableness of the differences between the figures in the Current Medium-term Management Plan and those in the Business Plan.

(Unit: JPY million)

	Fiscal year ending March 31, 2027 (9 months)	Fiscal year ending March 31, 2028	Fiscal year ending March 31, 2029	Fiscal year ending March 31, 2030
Net Sales	155,617	225,018	223,603	233,726
Operating Profit	18,376	25,568	19,144	20,036
EBITDA	36,712	44,806	41,153	45,670
Free Cash Flow	21,118	7,494	4,554	3,420

Note 1 In valuing the Target Company Shares, Mizuho Securities analyzed and reviewed the following materials and information. The materials and information listed below include those relating to the Target Company’s subsidiaries and affiliates (as defined in Article 8 of the Regulation on Terminology, Forms and Preparation Methods of Financial Statements (Ministry of Finance Ordinance No. 59 of 1963, as amended); collectively, the “Affiliates”).

(1) Financial information publicly disclosed in the Target Company’s securities reports, quarterly reports and other disclosure documents;

(2) Various materials relating to the Target Company’s business and financial condition prepared by the Target Company and provided to Mizuho Securities;

(3) Various materials relating to the Target Company’s financial forecasts prepared by the Target Company and provided to Mizuho Securities (including the

Business Plan);

(4) The results of interviews with the Target Company's management concerning the Target Company's historical and projected business and financial condition, and responses to Q&A lists received from the relevant departments of the Target Company;

(5) The market price and trading status of the Target Company's common shares; and

(6) Other materials that Mizuho Securities received from the Target Company or obtained through its own general investigation and considered necessary and appropriate.

In addition, Mizuho Securities made the following assumptions in valuing the Target Company Shares:

(1) Mizuho Securities relied upon and assumed the accuracy and completeness of all publicly available information reviewed by Mizuho Securities and all financial and other information provided by, or discussed with, the Target Company that formed a material basis for its analysis (the "Information"). Mizuho Securities has not independently verified, and assumes no responsibility or obligation to independently verify, the accuracy or completeness of the Information. Accordingly, if the Information contains any material errors, or if any facts or circumstances not disclosed as of the valuation date, or any facts or circumstances arising after the valuation date (including facts that existed potentially as of the valuation date but became apparent thereafter), exist, the valuation results may differ. Mizuho Securities also assumed that the Target Company's management was not aware of any facts that would render the financial or other information provided to, or discussed with, Mizuho Securities incomplete or misleading.

(2) Mizuho Securities assumed that the financial forecasts and other forward-looking information provided to it (including forecasts of future revenues and expenses, anticipated cost reductions and the Business Plan) had been reasonably prepared by the Target Company based on the best currently available forecasts and judgments regarding the future operating results and financial condition of the Target Company and its Affiliates. Mizuho Securities relied upon such financial forecasts and the Business Plan without independently verifying their achievability and expressed no opinion as to the analyses or projections referred to in the Target Company Share Valuation Report (Mizuho Securities) or the assumptions underlying them. In addition, with respect to the synergies expected to be realized through the Transactions, Mizuho Securities was not aware, as of the date of the Target Company Share Valuation Report

(Mizuho Securities), of any matters that could be quantitatively evaluated as having a material impact on the valuation, and therefore did not incorporate such synergies into its valuation.

(3) To the extent that any information requested by Mizuho Securities in connection with the preparation of the Target Company Share Valuation Report (Mizuho Securities) was not provided or disclosed by the Target Company, or although provided or disclosed, its impact on the enterprise value of the Target Company remained uncertain at this time, or such information could not otherwise be used by Mizuho Securities as a basis for its valuation, Mizuho Securities, with the Target Company's consent, adopted assumptions that it considered reasonable and appropriate. If any such assumptions are found to differ materially from the actual facts, the valuation results may differ.

(4) Mizuho Securities assumed that the Transactions would not be taxable to the Target Company under the Corporation Tax Act of Japan and that no other tax consequences of the Transactions would affect the value of the Target Company Shares. In addition, without conducting any independent verification, Mizuho Securities assumed that the Transactions would be completed in a timely manner; that all material governmental, regulatory and other consents and approvals required for the completion of the Transactions (whether pursuant to applicable laws and regulations or contractual arrangements) would be obtained without adversely affecting the Target Company or the benefits expected from the Transactions; that the terms and conditions of such consents and approvals would not affect the value of the Target Company Shares; and that, except as disclosed by the Target Company, any orders, measures or other dispositions issued or imposed on the Target Company by governmental or regulatory authorities would not have, and would not in the future have, any impact on the Target Company's future operating results. Mizuho Securities is not a legal, regulatory, accounting or tax expert and relied on the evaluations made by the Target Company's external advisers with respect to such matters.

(5) Mizuho Securities has not conducted any independent appraisal or evaluation of the assets or liabilities (including derivative transactions, off-balance sheet assets or liabilities and other contingent liabilities) or reserves of the Target Company or its Affiliates, has not analyzed the appropriateness of their accounting or tax valuations or accounting or tax treatments, and has neither obtained nor requested any independent appraisal, evaluation or analysis from any third party. Mizuho Securities has no obligation to inspect the properties or facilities of the Target Company or its Affiliates and has not evaluated the shareholders' equity or solvency of the Target

Company or its Affiliates under any insolvency, bankruptcy or similar laws.

(6) Mizuho Securities assumed that neither the Target Company nor any of its Affiliates has entered into, or made any decision to enter into, any contract, agreement or other arrangement that would have a material effect on the value of the Target Company Shares, and will not enter into or make any such decision in the future. Mizuho Securities also assumed that the execution of the Transactions would not result in any breach of any material agreement binding on the Target Company or its Affiliates, or give rise to any right to terminate any such agreement or to declare a default or exercise any remedy thereunder.

(7) Except as disclosed in the Information, Mizuho Securities assumed that neither the Target Company nor its Affiliates has any contingent liabilities relating to litigation, disputes or other matters, or any off-balance sheet liabilities relating to environmental matters, taxation, intellectual property rights or otherwise, and that the Target Company's current insurance coverage is adequate for the operation of its business.

(iii) Obtainment by the Special Committee of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Institution

(a) Name of Valuation Institution and Relationship with the Target Company and the Tender Offeror

The Special Committee appointed Plutus as a third-party valuation institution independent of the Target Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions, and requested Plutus to conduct a valuation of the Target Company Shares and express an opinion on the fairness of the Tender Offer Price (a fairness opinion). The Special Committee received the Special Committee Share Valuation Report (Plutus) and the Fairness Opinion on July 30, 2026. Plutus is not a related party of the Target Company Group, Nippon Steel, or the Tender Offeror Group, and does not have any material interest in the Transactions, including the Tender Offer. The remuneration payable to Plutus for the Transactions does not include a contingency fee to be paid conditional upon the successful completion of the Transactions.

(b) Overview of Valuation

As a result of considering the valuation analyses to be applied in the Tender Offer, based on the analysis that it is appropriate to evaluate the share value of the Target Company Shares from multiple perspectives on the assumption that the Target Company is a going concern, Plutus calculated the per-share value of the Target Company Shares by using: the market price reference method, as the Target Company Shares are listed on the Prime Market of the TSE and a market share price exists; the

comparable company analysis, and the DCF Analysis, in order to reflect the status of the Target Company's future business activities in the valuation.
The ranges of the per-share value of the Target Company Shares calculated by Plutus based on the above analyses are as follows:

Market Price Reference Method: JPY 7,046 to JPY 7,740
DCF Analysis: JPY 8,972 to JPY 17,622

Under the market price reference method, with the valuation base date set as July 30, 2026, the range of the per-share value of the Target Company Shares was calculated at JPY 7,046 to JPY 7,740, based on the closing price of JPY 7,740 of the Target Company Shares on the Prime Market of the TSE on the base date, the simple average of the closing prices for the most recent one (1) month of JPY 7,046, the simple average of the closing prices for the most recent three (3) months of JPY 7,299, and the simple average of the closing prices for the most recent six (6) months of JPY 7,358.
Under the DCF Analysis, the corporate value and share value of the Target Company were calculated by discounting the free cash flows expected to be generated by the Target Company in and after the fiscal year ending March 31, 2027, to the present value at a certain discount rate, based on various factors such as the earnings forecasts and investment plans in the Business Plan from the fiscal year ending March 31, 2027, through the fiscal year ending March 31, 2030, prepared by the Target Company, and publicly available information, and the range of the per-share value of the Target Company Shares was calculated at JPY 8,972 to JPY 17,622. The WACC was used as the discount rate, adopting a range of 5.7% to 7.0%. In calculating the terminal value, the perpetual growth analysis and the exit multiple analysis were applied, resulting in a range of JPY 182,387 million to JPY 234,020 million. Under the perpetual growth analysis, the perpetual growth rate was assumed to range from 0% to 1%, with the lower end reflecting the long-term economic environment that could theoretically be expected and the upper end reflecting inflation, demographic trends and other macroeconomic factors. Under the exit multiple analysis, an EV/EBITDA multiple ranging from 8.7x to 12.6x was applied, taking into account, among other things, the valuation multiples of comparable companies in the industry.
In addition, the Business Plan was prepared by the Project Team. In the process of its preparation, there is no fact that the Tender Offeror Group and Nippon Steel (including persons originally from or seconded from the Tender Offeror and Nippon Steel) were involved. In connection with the Target Company's preparation of the Business Plan for the Transactions, the Special Committee conducted a Q&A session regarding the contents of the draft business plan and material assumptions, and confirmed and approved the reasonableness of the final contents of the Business Plan, material assumptions, and the background of its preparation.

The financial forecasts based on the Business Plan that Plutus used as the assumption for the calculation under the DCF Analysis are as follows. These financial forecasts include fiscal years in which significant increases or decreases in profits and free cash flows are expected compared to the previous fiscal year. Specifically, for the fiscal year ending March 2029, operating profit is expected to decrease by JPY 6,424 million year on year, and free cash flow is expected to decrease by JPY 3,034 million year on year, primarily because the current freight market, which has been affected by higher fuel costs and disruptions to certain shipping routes resulting from the deterioration of the situation in the Middle East, is expected to return to the level that prevailed before the deterioration of the situation in the Middle East.
Furthermore, regarding the synergy effects expected to be realized through the execution of the Transactions, as it is difficult to estimate such effects specifically at this time, they have not been reflected in the financial projections set forth below. The financial projections that formed the basis for the DCF Analysis are as follows.

(Unit: JPY million)

	Fiscal year ending March 31, 2027 (9 months)	Fiscal year ending March 31, 2028	Fiscal year ending March 31, 2029	Fiscal year ending March 31, 2030
Net Sales	155,617	225,018	223,603	233,726
Operating Profit	18,376	25,568	19,144	20,036
EBITDA	36,666	44,607	40,955	45,472
Free Cash Flow	17,546	7,428	4,394	3,735

Note 1: In conducting its valuation of the Target Company Shares, Plutus principally relied, without independent verification, on the information provided by the Target Company and publicly available information, assuming that all such materials and information were accurate and complete. Plutus did not independently appraise or evaluate the assets or liabilities of the Target Company or its affiliates (including off-balance-sheet assets and liabilities and other contingent liabilities), nor did it request any third-party appraisal or valuation thereof. In addition, Plutus assumed that the information regarding the Target Company’s financial projections had been reasonably prepared based on the best forecasts and judgments currently available to the Project Team. However, with respect to the Business Plan that formed the basis for its valuation, Plutus held multiple discussions with the Target Company and confirmed that the Business Plan had been reasonably prepared based on the best forecasts and judgments currently available to the Project Team. Plutus also reviewed the reasonableness of the Business Plan from the perspective of whether any unreasonable

assumptions or other deficiencies existed, based on its understanding of the Target Company's current business condition. Furthermore, the Special Committee confirmed the reasonableness of the contents of the Business Plan, its material assumptions and the process by which it was prepared.

(c) Overview of the Fairness Opinion

The Special Committee obtained the Fairness Opinion from Plutus, dated July 30, 2026, stating that the Tender Offer Price of JPY 10,600 per share is fair, from a financial point of view, to the Target Company's general shareholders. The Fairness Opinion expresses Plutus's opinion that the Tender Offer Price of JPY 10,600 per share is fair, from a financial point of view, to the Target Company's general shareholders, based on, among other things, the results of its valuation of the Target Company Shares prepared on the basis of the Business Plan prepared by the Target Company. The Fairness Opinion was issued after Plutus had received from the Target Company disclosures regarding the current status of the Target Company's business, the Business Plan and other relevant information, as well as explanations thereof, and had conducted its valuation of the Target Company Shares. In addition, Plutus conducted discussions with the Target Company regarding the outline, background and purpose of the Tender Offer, reviewed the Target Company's business environment, economic, market and financial conditions to the extent deemed necessary by Plutus, and completed a review by an internal review committee independent from Plutus's engagement team (Note 2).

Note 2: In preparing the Fairness Opinion, Plutus assumed that the underlying materials provided by the Target Company, publicly available information and the information obtained from the Target Company were accurate and complete. Plutus neither conducted, nor assumed any obligation to conduct, any independent investigation or verification of the accuracy or completeness of such information and, accordingly, assumes no responsibility for any deficiency in such materials or for any failure to disclose material facts. Plutus further assumed that the Business Plan and the other materials used as the basis for the Fairness Opinion had been reasonably prepared based on the best forecasts and judgments available at the time they were prepared. Plutus does not guarantee the achievability of the Business Plan or other projections and expresses no opinion regarding the analyses or forecasts underlying such materials or the assumptions on which they are based. As Plutus is not an expert in legal, accounting or tax matters, it neither expresses nor assumes any responsibility for expressing any opinion on legal, accounting or tax matters relating to the Tender Offer. Plutus has not conducted any independent appraisal or valuation of the assets or liabilities of the Target Company or its affiliates (including off-balance-sheet assets and liabilities and other contingent liabilities), including any analysis or valuation of individual assets and liabilities, nor has it received any appraisal reports or valuation reports relating thereto. Accordingly, Plutus has not evaluated the solvency of the Target Company or its affiliates. The Fairness Opinion has been prepared solely for the purpose of assisting the Target Company in considering whether to express its opinion regarding the Tender Offer and constitutes an opinion, from a financial point of view, as to the fairness of the Tender Offer Price. Accordingly, the Fairness Opinion expresses no opinion as to the relative merits of the Tender Offer compared with any alternative transaction, the benefits that may result from the implementation of the Tender Offer, or whether the Tender Offer should be consummated. The Fairness Opinion does not express any opinion to the holders of the Target Company's securities, creditors or any other interested parties. Accordingly, Plutus assumes no responsibility to any shareholder or third party who may rely on the Fairness Opinion. Plutus is not soliciting investments in the Target Company and has no authority to do so. Accordingly, the Fairness Opinion does not constitute a recommendation to the Target Company's shareholders as to whether they should tender their shares in the Tender Offer or take any other action. The Fairness Opinion expresses Plutus's opinion, as of the date on which it was rendered, as to whether the Tender Offer Price is fair, from a financial point of view, to the Target Company's general shareholders, based on the financial and capital markets, economic conditions and other circumstances existing as of that date and on the information made available to or obtained by Plutus on or before that date. Plutus assumes no obligation to revise, amend or supplement its opinion if any of those assumptions subsequently change. The Fairness Opinion does not permit any inference or implication regarding any matter other than those expressly stated therein or with respect to any period after the date on which the Fairness Opinion was rendered.

In conducting its valuation of the Target Company Shares, Plutus principally relied, without independent verification, on the information provided by the Target Company and publicly available information, assuming that all such materials and information were accurate and complete. Plutus has not independently appraised or evaluated, nor has it requested any third-party appraisal or valuation of, the assets or liabilities of the Target Company or its affiliates (including off-balance-sheet assets and liabilities and other contingent liabilities). In addition, Plutus assumed that the financial projections of the Target Company had been reasonably prepared based on the best forecasts and judgments currently available to the Target Company's management. The Special Committee, however, conducted discussions with the Target Company regarding such financial projections and confirmed the reasonableness of their contents and underlying assumptions. Plutus also conducted discussions with the Target Company regarding the Business Plan used as the basis for its valuation and analyzed and reviewed its contents.

(iv) Establishment of an Independent Special Committee by the Target Company and Obtainment by the Target Company of a Report from the Special Committee

According to the Target Company's Press Release Concerning Expression of Opinion, in order to ensure careful decision-making by the Target Company regarding the Transactions, eliminate arbitrariness and the risk of conflicts of interest in the decision-making process of the board of directors of the Target Company, and ensure its fairness, and for the purpose of examining and deciding on the propriety of implementing the Transactions, and the appropriateness, fairness, and reasonableness of the transaction terms, etc., the Target Company established the Special Committee consisting of four members Mr. Setsu Onishi, Ms. Masako Yoshida (audit and supervisory board member of Tokio Marine Millea SAST Insurance Co., Ltd., audit and supervisory board member of Tokio Marine West SAST Insurance Co., Ltd., outside director (audit and supervisory committee member) of Matsuya Co., Ltd., and audit and supervisory board member of Tokio Marine Trust SAST Insurance Co., Ltd.), Mr. Keisuke Takegahara (professor at the National Graduate Institute for Policy Studies), and Ms. Riyo Kano (partner at Tanabe & Partners and outside director of The Yamanashi Chuo Bank, Ltd.), who are outside directors and independent directors of the Target Company by a resolution of the board of directors held on February 17, 2026. The Special Committee is independent of the Target Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions. In addition, each member of the Special Committee receives fixed remuneration, and no success fee contingent upon the completion of the Transactions or otherwise has been adopted. The Special Committee elected Mr. Setsu Onishi as its chairman by mutual vote. The Target Company appointed these four individuals as members of the Special Committee from the time of its establishment, and the composition of the Special Committee has not been changed thereafter.

Upon deciding to establish the Special Committee, the board of directors of the Target Company also resolved that, in making any decision regarding the Transactions, it would respect the opinions of the Special Committee to the maximum extent possible, and that if the Special Committee determined that the implementation of the Transactions or the terms and conditions thereof was not appropriate, the board of directors would not make a decision to implement the Transactions.

In addition, the board of directors of the Target Company granted the Special Committee the authority to: (i) participate in negotiations with the Tender Offeror regarding the terms and conditions of the Transactions; (ii) appoint, at the Target Company's expense, its own external advisors (including legal counsel, financial advisors, and third-party valuation institutions) and seek their advice; and (iii) request the Target Company, at the Target Company's expense, to provide information and materials necessary for its deliberations. In response, the Special Committee approved Mizuho Securities, the Target Company's third-party valuation institution and financial advisor, and TKI, the Target Company's legal advisor, as the Target Company's third-party valuation institution, financial advisor, and legal advisor, respectively, after confirming that there were no issues regarding their independence or expertise. The Special Committee also confirmed that it could receive professional advice from these advisors as necessary.

Thereafter, on July 21, 2026, the board of directors of the Target Company consulted the Special Committee regarding: (i) the legitimacy and reasonableness of the purpose of the Transactions (including whether the Transactions would contribute to the enhancement of the Target Company's corporate value); (ii) the fairness and reasonableness of the terms and conditions of the Transactions (including whether the level of the purchase price in the Dual Tender Offers, the acquisition structure, the form of consideration, and other transaction terms are fair); (iii) the fairness of the procedures relating to the Transactions (including whether sufficient measures have been taken to ensure the fairness of the transaction terms); (iv) whether, in light of the matters described in (i) through (iii) and all other relevant circumstances, the Transactions should be considered fair to the Target Company's general shareholders; and (v) whether, in light of the matters described in (i) through (iv) and all other relevant circumstances, it would be appropriate for the board of directors of the Target Company to express its opinion in support of the Tender Offer and recommend that the Target Company's shareholders tender their shares in the Tender Offer (collectively, the "Consultation Matters").

The Special Committee met a total of 15 times between February 27, 2026, when it held its first meeting, and July 30, 2026, when it held its 15th meeting, and carefully discussed and considered the Consultation Matters. Specifically, the Special Committee conducted: (i) interviews with the Tender Offeror regarding the background and history leading to the proposal of the Transactions, the synergies expected to result from the Transactions, the Tender Offeror's management policy following the Transactions, and the terms and proposed structure of the Transactions; (ii) interviews with members of the Target Company's project team regarding, among other things, management's evaluation of the Tender Offeror's proposal, the status of discussions with the Tender Offeror, and the contents of, and preparation process of the Business Plan used as the basis for the valuation of the Target Company Shares by Mizuho Securities and Plutus; (iii) interviews with Mizuho Securities regarding the details and progress of the Transactions and the valuation analyses and results of its valuation of the Target Company Shares; (iv) receipt of the Special Committee Share Valuation Report (Plutus) and the Fairness Opinion from Plutus, as well as interviews with Plutus regarding the valuation analyses and results of its valuation of the Target Company Shares; and (v) interviews with TKI regarding legal advice, including the measures to be taken to ensure procedural fairness in the Transactions, the procedures for implementing the Transactions, the manner in which the Special Committee should conduct its deliberations, and negotiations with the Tender Offeror concerning the Tender Offer Price and other transaction terms.

After carefully discussing and considering the Consultation Matters as described above, the Special Committee unanimously submitted to the board of directors of the Target Company, on July 31, 2026, the Special Committee Report, the contents of which are attached hereto. For the details of the opinions expressed by the Special Committee regarding the Consultation Matters and the reasons therefor, please refer to the Special Committee Report. The contents of the Report and the reasons for its recommendations of the Special Committee are cited below. Please note that the definitions of terms used in the quote from the Report are presented exactly as stated in the Report itself.

(Quote begins here.)

THE SPECIAL COMMITTEE REPORT

To: NS UNITED KAIUN KAISHA, LTD.

July 31, 2026

Special Committee of NS UNITED KAIUN KAISHA, LTD.

Chairperson: Setsu Onishi
(Independent outside director, NS UNITED KAIUN KAISHA, LTD.)
Member: Masako Yoshida
(Independent outside director, NS UNITED KAIUN KAISHA, LTD.)
Member: Keisuke Takegahara
(Independent outside director, NS UNITED KAIUN KAISHA, LTD.)
Member: Riyo Kano
(Independent outside director, NS UNITED KAIUN KAISHA, LTD.; Attorney-at-Law)

I. Matters Submitted to the Special Committee

The matters submitted by the board of directors of NS UNITED KAIUN KAISHA, LTD. (the "Company") to the Special Committee (as defined below; the same shall apply hereinafter) for consultation (the "Consultation Matters") in connection with (i) the tender offer by Nippon Yusen Kabushiki Kaisha (the "Tender Offeror") for all of the common shares of the Company (the "Company Shares") (excluding, however, the Company Shares owned by the Tender Offeror and Nippon Steel Corporation ("Nippon Steel") and the treasury shares owned by the Company) (the "Tender Offer"), (ii) the tender offer by the Company for its own shares (the "Tender Offer for Share Repurchase" and together with the Tender Offer, the "Dual Tender Offers"), and (iii) a series of transactions to be implemented for the purpose of taking the Company private, including the squeeze-out procedures to be conducted thereafter (the "Squeeze-Out Procedures") (collectively, the "Transactions"), are as follows:

(1) The legitimacy and reasonableness of the purpose of the Transactions (including whether the Transactions would contribute to the enhancement of the Company's corporate value);
(2) The fairness and reasonableness of the terms and conditions of the Transactions (including whether the level of the purchase price in the Dual Tender Offers, the acquisition structure, the form of consideration, and other transaction terms are fair);
(3) The fairness of the procedures relating to the Transactions (including whether sufficient measures have been taken to ensure the fairness of the transaction terms);
(4) Whether, in light of the matters described in (1) through (3) and all other relevant circumstances, the Transactions should be considered fair to the Company's general shareholders; and
(5) Whether, in light of the matters described in (1) through (4) and all other relevant circumstances, it would be appropriate for the board of directors of the Company to express its opinion in support of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer.

II. Composition of the Special Committee

The Special Committee consists of the following members. Each of the four members listed below is independent from the Company Group (meaning the corporate group consisting of the Company, its 67 subsidiaries and 5 affiliated companies as of the date of this Special Committee Report; the same shall apply hereinafter), the Tender Offeror Group (meaning the corporate group consisting of the Tender Offeror, its 575 consolidated subsidiaries and 250 equity-method affiliates (including the Company) as of June 30, 2026; the same shall apply hereinafter), Nippon Steel, and the success or failure of the Transactions.

- Chairperson Setsu Onishi (Independent outside director of the Company)
- Member Masako Yoshida (Independent outside director of the Company)
- Member Keisuke Takegahara (Independent outside director of the Company)
- Member Riyo Kano (Independent outside director of the Company; Attorney-at-Law)

III. Process and Method of Deliberations by the Special Committee

The Special Committee held a total of 15 meetings during the period from its first meeting on February 27, 2026 to its 15th meeting on July 30, 2026 (collectively or individually, the "Committee Meetings"). In addition, outside the Committee Meetings, the members collected information through e-mail and other means and conducted discussions whenever necessary. Following careful deliberation and examination of the Consultation Matters, the Special Committee completed its deliberations and, at its fifteenth Committee Meeting, resolved to issue its report on the Consultation Matters. The specific process and method of the Special Committee's deliberations with respect to the Consultation Matters are as follows (the various materials submitted to the Special Committee are hereinafter collectively referred to as the "Review Materials"):

(1) The Special Committee approved the appointment of Mizuho Securities Co., Ltd. ("Mizuho Securities"), which had been appointed by the Company as its financial advisor and third-party valuation institution, and Tokyo International Law Office ("TKI"), which had been appointed by the Company as its legal advisor, after determining that each possessed sufficient expertise and experience and was independent from the Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions. The Special Committee also received professional advice from Mizuho Securities and TKI as necessary. In addition, after determining that Plutus Consulting Co., Ltd. ("Plutus") possessed sufficient expertise and experience and was likewise independent from the Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions, the Special Committee appointed Plutus as its own independent third-party valuation institution and received professional advice from Plutus as necessary.

(2) The Company explained, through written responses and interviews conducted at the Committee Meetings, the status of its evaluation of and deliberations on the Tender Offeror's proposal, the discussions with the Tender Offeror, its evaluation of and deliberations on the Company's business environment and the impact of the Transactions on the Company's corporate value, and the contents of and process for preparing the Company's business plan entitled Business Plan (From the Fiscal Year Ending March 2027 to the Fiscal Year Ending March 2030), dated April 28, 2026 (the "Business Plan"). The Special Committee conducted questions and answers regarding these matters.

(3) The Tender Offeror explained, through written responses and interviews conducted at the Committee Meetings, the background leading to its proposal of the Transactions, the significance and purpose of the Transactions, the anticipated synergies, its management policy and business collaboration following the Transactions, the structure and anticipated schedule of the Transactions, the purchase price of the Tender Offer and the other transaction terms. The Special Committee conducted questions and answers regarding these matters.

(4) Nippon Steel explained, through written responses, the background and substance of its discussions with the Tender Offeror concerning the Transactions, as well as the reasons why it intends to continue holding the Company Shares following the Transactions. The Special Committee conducted questions and answers regarding these matters.

(5) Mizuho Securities, acting as the Company's financial advisor and third-party valuation institution, provided timely explanations regarding the details and progress of the Transactions, the methodologies and results of its valuation of the Company Shares, and the status of discussions and negotiations with Nomura Securities Co., Ltd. ("Nomura Securities"), the Tender Offeror's financial advisor. The Special Committee conducted questions and answers regarding these matters and, by expressing its views to the Company on multiple occasions regarding the purchase price of the Tender Offer, and the other transaction terms, was substantively involved in the negotiation process with the Tender Offeror.

(6) Plutus, acting as the Special Committee's own third-party valuation institution, explained the valuation analyses and results of its valuation of the Company Shares, and the Special Committee conducted questions and answers regarding these matters.

(7) TKI, acting as the Company's legal advisor, provided legal advice regarding the measures taken to ensure the fairness of the procedures for the Transactions and to avoid conflicts of interest, the procedures relating to the Transactions, the manner in which the Special Committee should conduct its deliberations, and all legal matters relating to the Transactions, including negotiations with the Tender Offeror concerning the purchase price of the Tender Offer and the other transaction terms. The Special Committee conducted questions and answers regarding these matters.

IV. Conclusions of the Special Committee

The Special Committee, as a result of the foregoing review and careful deliberations, unanimously resolved to respond to the Consultation Matters as follows (the contents of such response are hereinafter referred to as the "Conclusions"):

(1) The Transactions would contribute to the enhancement of the Company's corporate value, and accordingly, the purpose of the Transactions is considered to be legitimate and reasonable.

(2) The terms and conditions of the Transactions, including the level of the purchase price in the Dual Tender Offers, the acquisition structure, the form of consideration, and the other transaction terms, are considered to be fair and reasonable.

(3) The procedures relating to the Transactions are considered to be fair.

(4) In light of the matters described in (1) through (3) above and all other relevant circumstances, the Transactions are considered to be fair to the Company's general shareholders.

(5) In light of the matters described in (1) through (4) above and all other relevant circumstances, it is considered appropriate for the board of directors of the Company to express its opinion in support of the Tender Offer and recommend that the Company's shareholders tender their

shares in the Tender Offer.

V. Reasons for the Conclusions

The reasons for the Conclusions are as follows.

1. Overview of the Transactions

The Transactions are expected to be implemented in accordance with the following transaction structure (the “Transaction Structure”):

(1) Implementation of the Tender Offer

The Tender Offeror will commence the Tender Offer for the Company Shares. Nippon Steel will not tender any of the 7,861,280 Company Shares that it owns in the Tender Offer.

(2) Implementation of the Tender Offer for Share Repurchase

The Company will commence the Tender Offer for Share Repurchase, subject to, among other things, the successful completion of the Tender Offer. Of the Company Shares owned by Nippon Steel, Nippon Steel will tender 4,720,438 shares (ownership ratio: 20.03%; the “Shares to Be Tendered for Share Repurchase”) in the Tender Offer for Share Repurchase, and will not tender the remaining 3,140,842 shares (ownership ratio: 13.33%; the “Shares Not to Be Tendered for Share Repurchase”) in the Tender Offer for Share Repurchase.

(3) Implementation of the Squeeze-Out Procedures

If, as a result of the Tender Offer, the Tender Offeror is unable to acquire all of the Company Shares (excluding, however, the Company Shares owned by the Tender Offeror and Nippon Steel and the treasury shares owned by the Company), then, following the settlement of the Tender Offer for Share Repurchase, the Company will implement the Squeeze-Out Procedures in order to make the Tender Offeror and Nippon Steel the only shareholders of the Company. Such procedures will include the implementation of a share consolidation pursuant to Article 180 of the Companies Act (the “Share Consolidation”) and the convening of an extraordinary shareholders' meeting (the “Extraordinary Shareholders’ Meeting”) at which a proposal will be submitted to amend the Articles of Incorporation to abolish the share unit provisions, conditional upon the Share Consolidation becoming effective. Upon completion of the

Squeeze-Out Procedures, the Tender Offeror and Nippon Steel will be the only shareholders of the Company, and their respective ownership ratios in the Company will be 83.33% and 16.67%.

2. Legitimacy and Reasonableness of the Purpose of the Transactions (Consultation Matter (1))

(1) The Company's Business, Business Environment and Management Challenges

(a) The Company's Business

Based on the explanations received by the Special Committee from the Company and the Review Materials, the Company's business is as described below. The Special Committee also considers that there is nothing unreasonable in the Company's understanding of its business.

The Company Group primarily operates the dry bulk business as part of its maritime shipping and shipping-related businesses. Under the medium-term business plan, "FORWARD 2030 II Challenge for innovation and further growth with U," formulated by the Company Group in March 2024 (the "Current Medium-term Business Plan"), the vision for 2030 is defined as "Aiming to become an indispensable presence for clean and sustainable maritime transport services, we will continue to innovate in collaboration with stakeholders and further enhance our corporate value," and the Company Group is executing its management strategy toward sustainable growth and maximizing corporate value through efforts to achieve carbon neutrality. Specifically, the Company Group lists "Expansion of New Growth Business Areas" and "Deepening of Existing Core Business Areas" as its business strategies, and as initiatives to support these business strategies, it is further strengthening its efforts toward (i) human capital strategy, (ii) sustainable shipping strategy, (iii) enhancement of governance, and (iv) DX strategy.

(b) The Company's Business Environment and Management Challenges

Based on the explanations received by the Special Committee from the Tender Offeror and the Company and the Review Materials, the Tender Offeror recognizes the Company's business environment and management challenges as described below. The Company has also explained that it generally shares the same understanding. The Special Committee likewise considers that such understanding is consistent with the business and market environment generally described for the industry to which the Company belongs and that there is nothing unreasonable in such understanding.

Turning to the environment surrounding the dry bulk business, this market is the largest segment of the ocean transportation market, accounting for approximately 6 billion metric tons of the global maritime freight volume of approximately 13 billion metric tons (Source: 2025 Outlook for the Dry-Bulk and Tanker Shipping Markets), and the Tender Offeror recognizes it as an important business sector that serves as social infrastructure responsible for transporting essential commodities, such as iron ore, coal and grain, that underpin the global economy. On the other hand, this market is heavily influenced by fluctuations in the shipment volumes of iron ore, coal, grain and other commodities, which are driven by trends in the global economy, particularly infrastructure investment, steel production, and resource and energy policies in major demand countries such as China. Furthermore, the market is highly susceptible to factors such as shifts in trade flows caused by geopolitical risks and changes in the international political situation. In addition to having the characteristic that changes in the supply of and demand for shipping capacity are readily reflected in freight rates, shipping capacity is difficult to adjust in the short term, resulting in a market structure in which freight rates are prone to significant fluctuations.

Therefore, the market is far from one about which the Tender Offeror can be optimistic. With rapid changes in the external environment as described above, and while significant profit opportunities exist, the market has also been exposed to unpredictable potential risks; therefore, the Tender Offeror believes that it is necessary to swiftly execute a fundamental business transformation. In order to achieve stable earnings in such a highly uncertain business and to gain customer trust, the Tender Offeror believes that it is important to continually build a fleet portfolio that is prepared for market fluctuations, flexibly capture changes in the market environment and, at the same time, operate the business based on a consistent strategy from a long-term perspective.

In recent years, changes in the external environment surrounding the dry bulk business have become increasingly rapid, and responding swiftly and flexibly to these rapid changes has become extremely important for the development of the dry bulk business. For example, tighter environmental regulations taking climate change into account and the formulation of decarbonization policies by shippers are driving a rapid rise in the need for low-carbon transportation.

From the demand-side perspective, structural reforms of the dry bulk business in response to medium- to long-term changes in demand, including (i) changes in areas of demand due to economic growth in India and Southeast Asia, the slowdown of the Chinese economy, geopolitical factors and other factors, and (ii) changes in cargoes due to the decline in coal demand and the increase in demand for transportation of liquid cargoes, such as ammonia and liquefied carbon dioxide (CO2), are necessary to continuously strengthen competitiveness. At the same time, from the supply-side perspective, it is anticipated that: (i) due to the worsening industry-wide labor shortage, the efficient deployment of seafarers and the stable securing of seafarers will become urgently necessary to ensure operational stability and safety; and (ii) as newbuilding prices rise, it will be necessary to secure an even stronger financial base, accumulate new investment know-how and practices, including those relating to environmentally responsive investments, and thereby achieve efficient investment.

(2) Significance of the Transactions

(a) Purpose of the Transactions and Measures to Enhance Corporate Value Envisioned by the Tender Offeror

Based on the explanations received by the Special Committee from the Tender Offeror and the Review Materials, the purpose of the Transactions and the measures to enhance corporate value envisioned by the Tender Offeror are as described below.

Specifically, the Tender Offeror believes that, in order to implement the measures described in (1)(b) above, it is necessary to establish a strong partnership between the Tender Offeror and the Company. The Tender Offeror highly values the Company's human resources, expertise and organizational strengths, particularly in the transportation of steel raw materials, as well as its customer base, long-standing business relationships and relationships of trust, track record of providing high-quality transportation services, and presence not only in the international shipping business but also in the domestic coastal shipping business. The Tender Offeror believes that, by further strengthening the capital relationship and cooperation between the Tender Offeror Group and the Company, it will be possible to realize strategic benefits such as: (a) further expanding its presence in the dry bulk transportation market; (b) continuously securing stable transportation demand through the Company's business and customer bases even in a business environment susceptible to fluctuations in shipping market conditions, accurately identifying customers' decarbonization and supply-chain enhancement needs, and creating opportunities for medium- to long-term collaboration; and (c) strengthening Japan's domestic logistics infrastructure supporting the transportation of steel, energy and resources by enhancing cooperation, including connectivity between the Company's domestic coastal shipping business and the Tender Offeror's international shipping business, and utilizing such infrastructure as a platform for the implementation of next-generation technologies and the development of maritime professionals.

However, the Tender Offeror believes that certain constraints currently apply to the sharing of customer and technical information and the mutual utilization of management resources because the Company remains a listed company and an equity-method affiliate of the Tender Offeror, with only a limited capital relationship between them, and because, from the perspective of competition law, each company is required to operate its business independently as a competitor of the other.

Furthermore, although the Tender Offeror believes that implementing measures from a medium- to long-term perspective, including the measures described above and below, will contribute to enhancing the corporate value of the Company and the Tender Offeror Group as a whole, such measures may, from a short-term perspective, result in a deterioration of the Company's business performance or financial condition and may not necessarily benefit the Company's minority shareholders. Accordingly, the Tender Offeror believes that, if the listing of the Company Shares were maintained, it might not be easy to obtain the understanding of the Company's minority shareholders regarding the implementation of such measures. In order to resolve these issues, the Tender Offeror determined that it would be desirable to make the Company a consolidated subsidiary of the Tender Offeror and to take the Company Shares private.

The Tender Offeror believes that, with a view to maximizing the corporate value of both the Tender Offeror and the Company, the Transactions will enable the realization of the following synergies:

a) Improvement in vessel deployment efficiency and reduction in costs through expansion of scale

The Tender Offeror recognizes that the Company is a global dry bulk shipping company with a fleet of 211 vessels under group operation (as of March 2026) and a transportation network connecting locations around the world. Furthermore, the Tender Offeror understands that, during the period covered by the previous medium-term business plan, from fiscal 2018 to fiscal 2022, the Company implemented structural reforms, including the sale of high-cost vessels and the early termination of time charter contracts, while developing its fleet primarily through newly built vessels, including 400,000-deadweight-ton iron ore carriers, and has continued to focus on maintaining and expanding a highly cost-competitive and high-quality fleet, including by planning replacement investments in vessels used in its existing businesses under the Current Medium-term Business Plan. By combining the Company's fleet with the Tender Offeror's fleet of 414 vessels operated in its dry bulk business (as of March 2026), the Tender Offeror believes that, by building a robust transportation network based on a larger fleet, it will be possible, in addition to their existing business activities, to pursue vessel deployment optimization and economies of scale in the procurement of fuel, vessels, funds and other resources. Specifically, the Tender Offeror believes that the following could be considered: (i) improving operational efficiency through optimal vessel deployment that takes into account the entire portfolios of vessels operated by, and shippers of, both companies; (ii) acquiring additional projects by improving the ability to make proposals to customers through the strengthening of the global transportation network; (iii) reducing costs through collective procurement, the review of terms and cross-company cost reduction initiatives relating to fuel, marine supplies, repairs, insurance and other items; and (iv) improving financing terms through enhanced creditworthiness.

Although no specific decisions have been made at this time, the Tender Offeror also believes that it would be possible to pursue cost benefits by partially introducing shared services for the corporate departments of both companies. In this regard, the Tender Offeror believes that it can provide its knowledge and existing frameworks based on precedents within the Tender Offeror Group.

b) Capturing new transportation demand resulting from decarbonization

The Tender Offeror recognizes that the Company has, through its long-standing track record in the ocean transportation of a wide range of cargoes, including steel raw materials, established a high level of expertise enabling it to respond flexibly to customer needs and the capability to provide high-quality ocean transportation services, and has also been actively making environmentally responsive investments in order to address the increasing demand for decarbonization from customers and society. The Tender Offeror also understands that, in order to realize its stated vision for 2030 of becoming "an indispensable presence in clean and sustainable ocean transportation," the Company is promoting environmentally responsive investments, including investments in methanol dual-fuel vessels, and expanding its transportation business in next-generation energy fields such as ammonia and hydrogen. Specifically, the Tender Offeror recognizes that the Company is steadily implementing measures for decarbonization and in next-generation energy fields, including establishing the “Next-Generation Fuel Acquisition Project Team” and entering into a shipbuilding contract for an LPG dual-fuel VLGC capable of carrying ammonia (VLGC being an abbreviation for “Very Large Gas Carrier” and referring to a large LPG carrier).

Meanwhile, the Tender Offeror has also been actively promoting environmentally responsive investments to meet society’s demand for decarbonization and changing market needs. It has identified participation in the hydrogen and ammonia value chain as one of its new businesses and is aiming to expand its business in next-generation energy fields by leveraging the transportation expertise and know-how accumulated in its energy business.

In the field of transporting decarbonization-related cargoes, such as direct reduced iron, scrap, liquefied CO2, ammonia and hydrogen, the market is expected to grow, while advanced technological capabilities, transportation know-how, dedicated assets and customer bases are expected to constitute sources of competitiveness. In these fields, the Tender Offeror believes that, by combining the technological capabilities, transportation know-how, assets and customer bases that the Company and the Tender Offeror have each cultivated, the following will become possible: (i) increasing the number of projects and the project pipeline through coordinated sales activities directed at shippers; (ii) increasing the possibility of participating in large-scale projects and partnerships with other companies that would be difficult to undertake independently; and (iii) reducing maintenance and operating costs through the standardization of vessel management.

Furthermore, with regard to environmentally responsive measures, the Tender Offeror believes that, by combining and mutually utilizing the technological knowledge and know-how of both companies regarding next-generation vessels, such as methanol dual-fuel vessels and ammonia dual-fuel vessels, it will be possible to improve investment efficiency and accelerate the capture of demand arising from environmental initiatives. Specifically, the following are anticipated: (i) reducing initial investment amounts through the joint development of next-generation fuel vessels and the consolidation of specifications and technological knowledge; and (ii) increasing orders for projects from shippers that place importance on environmental responsiveness. Environmentally responsive investment is a new theme for the industry as a whole and is an area requiring significant investment. Therefore, the Tender Offeror believes that, by combining the knowledge of both companies, they will be able to promote investments in next-generation vessels more efficiently and reliably.

c) Strengthening logistics infrastructure and next-generation shipping infrastructure, starting with the domestic coastal shipping business

The Tender Offeror recognizes that the Company has accumulated a long track record in the transportation of steel raw materials, energy, resources and other cargoes and also has a leading business foundation in Japan's domestic coastal shipping business. In particular, the domestic coastal shipping business serves as important logistics infrastructure supporting Japan's key industries, and the Tender Offeror understands that the Company has accumulated, through long-term business relationships with its customers, high-quality transportation capabilities, stable operational capabilities and operational know-how enabling it to respond promptly to customer needs.

Meanwhile, the Tender Offeror Group possesses a wide range of logistics capabilities, including not only a maritime transportation network focused on international transportation but also land transportation and warehouse management, and has been meeting the diverse logistics needs of its customers both domestically and internationally. The Tender Offeror believes that, by combining the logistics functions of the Tender Offeror Group, including international transportation, land transportation and warehouse management, with the Company's domestic coastal shipping business foundation, it will be possible to further strengthen the capability to provide comprehensive logistics services that integrally support customers' entire supply chains, from international transportation through domestic coastal transportation, domestic delivery and storage. The Tender Offeror also recognizes that the relationships of trust with customers that the Company has cultivated through its domestic coastal shipping business, as well as its operational know-how rooted in on-site operations, constitute important management resources that will contribute to strengthening relationships with existing customers and capturing new demand.

Furthermore, the Tender Offeror believes that the domestic coastal shipping business plays an important role from the perspectives of implementing next-generation technologies and developing maritime professionals. Domestic vessels can readily be used, under a stable domestic operating environment, as a venue for the phased introduction and verification of autonomous vessels, environmentally responsive vessels, energy-saving technologies and digital technologies, and may serve as a platform for demonstrations and the accumulation of know-how with a view to future deployment on oceangoing vessels. The Tender Offeror also believes that on-site experience in operations management, vessel management, safety management and other areas within the domestic coastal shipping business is useful for the development of maritime professionals and the transfer of skills, and will contribute to enhancing the vessel operation capabilities and safety management capabilities of the Tender Offeror Group as a whole.

d） Optimizing personnel allocation, including at overseas locations, and facilitating the securing of personnel for growth through the mutual deployment of personnel

In recent years, seafarer shortages have become a serious problem in the shipping industry, and, with this trend expected to continue, the Tender Offeror believes that the importance of stably securing and effectively utilizing seafarers will further increase, not only to achieve sustainable transportation but also to ensure growth in new business fields going forward. In addition, in order to respond to shifts in areas of demand accompanying economic growth in India, Southeast Asia and other regions, the rapid and efficient establishment of overseas bases is also required.

Under such a business environment, the Tender Offeror envisages utilizing the human resource bases of both companies, including their seafarers, in a mutually complementary manner to achieve optimal personnel deployment, including at domestic and overseas locations, and to strengthen the securing of personnel required in growth areas, while also believing that it will be possible to improve the skills of the personnel of both companies and operational efficiency.

(b) The Company's View

Based on the explanations received by the Special Committee from the Company and the Review Materials, the Company believes that the synergies described in a) through d) below can be realized through the Transactions, and has determined that the Transactions will contribute to the enhancement of the Company's corporate value.

a) Improvement in vessel deployment efficiency and reduction in procurement costs through expansion of scale

The Company is a global dry bulk shipping company with a fleet of 211 vessels under group operation (as of March 2026) and a transportation network connecting locations around the world. Furthermore, during the previous medium-term business plan period from fiscal 2018 to fiscal 2022, the Company took resolute steps to carry out structural reforms, including the sale of high-cost vessels and the early termination of time charter contracts, while promoting fleet development centered on newly built vessels, including 400,000-deadweight-ton iron ore carriers, and has continued to focus on maintaining and expanding a cost-competitive, high-quality fleet, including by planning replacement investments in vessels used in its existing businesses under the Current Medium-term Business Plan. By combining the Company's fleet with the Tender Offeror's fleet of 414 vessels operated in its dry bulk business (as of March 2026), the Tender Offeror believes that, by building a robust transportation network based on a larger fleet, it will be possible, in addition to their existing business activities, to pursue vessel deployment optimization and economies of scale in the procurement of fuel, vessels, funds and other resources. Specifically, the Tender Offeror believes that the following could be considered: (i) improving operational efficiency through optimal vessel deployment that takes into account the overall portfolios of vessels operated by, and shippers of, both companies; (ii) acquiring additional projects by improving the ability to make proposals to customers through the strengthening of the global transportation network; (iii) reducing costs through bulk procurement, the review of terms and cross-company cost reduction initiatives relating to fuel, marine supplies, repairs, insurance and other items; and (iv) improving financing terms through enhanced creditworthiness.

Although no specific decisions have been made at this time, the Tender Offeror also believes that it would be possible to pursue cost benefits by partially introducing shared services for the corporate departments of both companies. In this regard, the Tender Offeror believes that it would be possible to provide its knowledge and existing frameworks based on its prior experience.

b） Capturing new transportation demand resulting from decarbonization

The Company has, through its long-standing track record in the ocean transportation of a wide range of cargoes, including steel raw materials, established a high level of expertise enabling it to respond flexibly to customer needs and the capability to provide high-quality ocean transportation services, and has also actively promoted environmentally responsive investments in order to address the increasing demand for decarbonization from customers and society. In addition, in order to realize its stated vision for 2030 of becoming "an indispensable presence in clean and sustainable ocean transportation," the Company has been promoting environmentally responsive investments, including investments in methanol dual-fuel vessels, and expanding its transportation business in next-generation energy fields such as ammonia and hydrogen. Specifically, the Company recognizes that it has steadily implemented measures for decarbonization and in next-generation energy fields, including establishing the "Next-Generation Fuel Acquisition Project Team" and entering into a shipbuilding contract for an LPG dual-fuel VLGC capable of carrying ammonia (VLGC being an abbreviation for "Very Large Gas Carrier" and referring to a large LPG carrier).

Meanwhile, the Company recognizes that the Tender Offeror has also actively promoted environmentally responsive investments to meet society's demand for decarbonization and changing market needs. The Company also recognizes that the Tender Offeror has identified participation in the hydrogen and ammonia value chain as one of its new businesses and is aiming to expand its business in next-generation energy fields by leveraging the transportation expertise and know-how accumulated in its energy business.

In the field of transporting decarbonization-related cargoes, such as direct reduced iron, scrap, liquefied CO2, ammonia and hydrogen, the market is expected to grow, while advanced technological capabilities, transportation know-how, dedicated assets and customer bases are expected to constitute sources of competitiveness. In these fields, the Tender Offeror believes that, by combining the technological capabilities, transportation know-how, assets and customer bases that the Company and the Tender Offeror have each cultivated, the following will become possible: (i) increasing the number of projects and the project pipeline through coordinated sales activities directed at shippers; (ii) increasing the possibility of participating in large-scale projects and partnerships with other companies that would be difficult to undertake independently; and (iii) reducing maintenance and operating costs through the standardization of vessel management.

Furthermore, with regard to environmentally responsive measures, the Tender Offeror believes that, by combining and mutually utilizing the technological knowledge and know-how of both companies regarding next-generation vessels, such as methanol dual-fuel vessels and ammonia dual-fuel vessels, it will be possible to improve investment efficiency and accelerate the capture of demand arising from environmental initiatives. Specifically, the following are anticipated: (i) reducing initial investment amounts through the joint development of next-generation fuel vessels and the consolidation of specifications and technological knowledge; and (ii) increasing orders for projects from shippers that place importance on environmental responsiveness. Environmentally responsive investment is a new theme for the industry as a whole and is an area requiring significant investment. Therefore, the Tender Offeror believes that, by combining the knowledge of both companies, they will be able to promote investments in next-generation vessels more efficiently and reliably.

c) Strengthening logistics infrastructure and next-generation shipping infrastructure, starting with the domestic coastal shipping business

The Company has accumulated a long track record in the transportation of steel raw materials, energy, resources and other cargoes and also has a leading business foundation in Japan’s domestic coastal shipping business. In particular, the domestic coastal shipping business serves as important logistics infrastructure supporting Japan’s key industries, and the Company has accumulated, through long-term business relationships with its customers, high-quality transportation capabilities, stable operational capabilities and operational know-how enabling it to respond promptly to customer needs.

Meanwhile, the Company recognizes that the Tender Offeror Group possesses a wide range of logistics capabilities, including not only a maritime transportation network focused on international transportation but also land transportation and warehouse management, and has been meeting the diverse logistics needs of its customers both domestically and internationally. By combining the logistics functions of the Tender Offeror Group, including international transportation, land transportation and warehouse management, with the Company’s domestic coastal shipping business foundation, the Tender Offeror believes that it will be possible to further strengthen the capability to provide comprehensive logistics services that integrally support customers’ entire supply chains, from international transportation through domestic coastal transportation, domestic delivery and storage. The Tender Offeror also recognizes that the relationships of trust with customers that the Company has cultivated through its domestic coastal shipping business, as well as its operational know-how rooted in on-site operations, constitute important management resources that will contribute to strengthening relationships with existing customers and capturing new demand.

Furthermore, the Tender Offeror believes that the domestic coastal shipping business plays an important role from the perspectives of implementing next-generation technologies and developing maritime professionals. Domestic vessels can readily be used, under a stable domestic operating environment, as a venue for the phased introduction and verification of autonomous vessels, environmentally responsive vessels, energy-saving technologies and digital technologies, and may serve as a platform for demonstrations and the accumulation of know-how with a view to future deployment on oceangoing vessels. The Tender Offeror also believes that on-site experience in operations management, vessel management, safety management and other areas within the domestic coastal shipping business is useful for the development of maritime professionals and the transfer of skills, and will contribute to enhancing the vessel operation capabilities and safety management capabilities of the Tender Offeror Group as a whole.

d) Optimizing personnel allocation, including at overseas locations, and facilitating the securing of personnel for growth through the mutual deployment of personnel

In recent years, seafarer shortages have become a serious problem in the shipping industry, and, with this trend expected to continue, the Tender Offeror believes that the importance of stably securing and effectively utilizing seafarers will further increase, not only to achieve sustainable transportation but also to ensure growth in new business fields going forward. In addition, in order to respond to shifts in areas of demand accompanying economic growth in India, Southeast Asia and other regions, the rapid and efficient establishment of overseas bases is also required.

Under such a business environment, the Tender Offeror envisages utilizing the human resource bases of both companies, including their seafarers, in a mutually complementary manner to achieve optimal personnel deployment, including at domestic and overseas locations, and to strengthen the securing of personnel required in growth areas, while also believing that it will be possible to improve the skills of the personnel of both companies and operational efficiency.

(c) Evaluation by the Special Committee

The significance of the Transactions as contemplated by the Tender Offeror described in (a) above is based on the Company's management issues discussed above, and may be evaluated as being consistent with the significance of the Transactions as contemplated by the Company described in (b) above. In addition, the significance of the Transactions as contemplated by the Company described in (b) above does not appear to be unreasonable in light of the Company's management issues.

(3) Disadvantages of the Transactions

Based on the explanations received by the Special Committee from the Company and the Review Materials, the Company's understanding, as a result of its discussions with the Tender Offeror, regarding the disadvantages associated with the privatization of the Company Shares is as described below. The Special Committee also considers that there are no unreasonable aspects in such understanding.

Specifically, the disadvantages generally associated with delisting include the inability to raise funds through the capital markets and the loss of benefits associated with being a listed company, such as gaining social credibility from external parties and maintaining name recognition. However, the Tender Offeror and the Company believe that, for the reasons described below, it is unlikely that such disadvantages will arise as a result of the Transactions, and that even if they do arise, their impact will be limited.

a) Employees (Recruitment, Employee Motivation, etc.)

The Company believes that it has established a high level of social credibility and name recognition through its business operations to date, and that such social credibility and name recognition will not be lost as a result of the delisting, particularly because both the Tender Offeror and Nippon Steel, which will become shareholders following the privatization, also possess a high level of name recognition and credibility. Rather, the Company believes that, by working together with the Tender Offeror to maintain and enhance competitiveness both domestically and internationally through the Transactions, it will be possible to further strengthen its recruitment capabilities and enhance employee motivation.

b) Business Partners

As a preliminary matter, the Company has confirmed that Nippon Steel, which is one of the Company's important customers, intends to continue maintaining a certain level of capital relationship with the Company and to maintain its business relationship and exchanges with the Company.

In addition, with respect to business partners other than Nippon Steel, the Company believes that it has already established sufficient relationships of trust with them, and that they conduct business with the Company not because it is a listed company, but rather because they highly value the Company's services, credibility, track record, and other strengths. Accordingly, the Company believes that its existing business relationships will not be lost as a result of the delisting. Rather, the Company believes that, by working together with the Tender Offeror to maintain and enhance competitiveness both domestically and internationally through the Transactions, it will be possible to further expand its customer base and business scale.

In addition, from the perspective of external parties, the Company already has a certain capital relationship with the Tender Offeror and Nippon Steel, and the Transactions constitute part of an initiative to further strengthen the collaboration among the three parties. Accordingly, the Company believes that any surprise perceived by external parties is likely to be reduced to some extent.

c) Financing

Although the Company will no longer be able to raise funds through direct financing, such as public offerings, following the privatization, the Company believes that this will not constitute a material disadvantage because it has an appropriate level of cash and cash equivalents on hand and is expected to continue to be able to raise funds through indirect financing, such as borrowings based on its established relationships with its existing financial institutions.

In addition, because it is expected that, even after the Transactions, the Company will, in principle, procure the funds necessary for its business by itself, the Company expects to maintain favorable relationships with its existing financial institutions. Furthermore, depending on the Company's financing needs, it is also expected that the Tender Offeror's group financing system may be utilized to meet the Company's funding requirements.

(4) Management Policy Following the Transactions

Based on the explanations received by the Special Committee from the Tender Offeror and the Company, and the Review Materials, the Tender Offeror intends, following the completion of the Transactions, to manage the Company based on the strengths of the Company's personnel, expertise, and organization that support the business operations of the Company Group. In addition, the Tender Offeror intends, in principle, to maintain the current employment conditions of the employees of the Company Group after the Transactions, and does not contemplate any substantive reduction in the treatment or employment conditions of employees as prescribed under the current work rules, Article 36 Agreement, or other applicable arrangements. Furthermore, within the framework of the Tender Offeror's group governance, the Tender Offeror intends to enhance the medium- to long-term corporate value of both the Tender Offeror and the Company Group by utilizing the human resources of both parties while respecting the autonomous management of the Company Group. The Company also has no objection to the Tender Offeror's policy described above and believes that such policy is consistent with the Company's policy of promoting measures to enhance its corporate value following the Transactions.

In this regard, the Special Committee also considers that there are no unreasonable aspects in the Company's view.

(5) Conclusion

For the reasons set forth above, the Special Committee concludes that the Transactions will contribute to the enhancement of the Company's corporate value, and that the purpose of the Transactions is legitimate and reasonable.

3. Fairness and Reasonableness of the Transaction Terms of the Transactions (Consultation Matter (2))

(1) Receipt of a Share Valuation Report by the Company from an Independent Third-Party Valuation Institution

(a) Relationship between the Company's Third-Party Valuation Institution and the Company and the Tender Offeror

The Company, in order to ensure the fairness of the valuation, requested Mizuho Securities, a third-party valuation institution independent of the Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions, to estimate the Company's share value, and received the Company Share Valuation Report (Mizuho Securities) on July 30, 2026. Mizuho Securities is not a related party of the Company Group, the Tender Offeror Group, or Nippon Steel, and does not have any material interest in the Transactions. Mizuho Securities is a member of the Mizuho Financial Group, Inc., the same group to which Mizuho Bank, Ltd. ("Mizuho Bank") belongs. While Mizuho Bank holds positions as a shareholder of the Company, the Tender Offeror, and Nippon Steel, and has lending and other transactions with the Company, the Tender Offeror, and Nippon Steel as part of ordinary banking transactions, it does not have any material interest to be disclosed in connection with the Transactions. Furthermore, in accordance with applicable laws and regulations, including Article 36 of the Act and Article 70-4 of the Cabinet Office Order on Financial Instruments Business, etc. (Cabinet Office Order No. 52 of 2007, as amended), Mizuho Securities has established and implemented an appropriate conflict of interest management system, including information barrier measures, between Mizuho Securities and Mizuho Bank, and has estimated the share value of the Company from a standpoint independent of Mizuho Bank's status as a shareholder and lender. The Company determined that Mizuho Securities has established and implemented an appropriate conflict of interest management system for estimating the Company's share value, and selected Mizuho Securities as its third-party valuation institution. Since the Tender Offeror and the Company have implemented measures to ensure the fairness of Dual Tender Offer Prices and to avoid conflicts of interest, the Company believes that sufficient consideration has been given to the interests of the Company's general shareholders, and therefore has not obtained an opinion on the fairness of the prices for Dual Tender Offers (a fairness opinion) from Mizuho Securities. The remuneration payable to Mizuho Securities for the Transactions does not include a contingency fee to be paid conditional upon the successful completion of the Transactions. In addition, the Special Committee confirmed that there were no issues regarding the expertise or independence of Mizuho Securities and approved its appointment as the Company's third-party valuation institution.

(b) Overview of the Share Valuation Report (Mizuho Securities)

As a result of considering the valuation analyses to be applied in the Tender Offer, based on the analysis that it is appropriate to evaluate the share value of the Company Shares from multiple perspectives on the assumption that the Company is a going concern, Mizuho Securities calculated the per-share value of the Company Shares by using: the market price reference method, as the Company Shares are listed on the Prime Market of the TSE and a market price exists; and the DCF Analysis, in order to reflect the status of the Company's future business activities in the valuation.

The ranges of the per-share value of the Company Shares calculated by Mizuho Securities based on the above analyses are as follows:

Market Price Reference Method: JPY 7,046 to JPY 7,740
DCF Analysis: JPY 8,277 to JPY 11,124

Under the market price reference method, with the valuation base date set as July 30, 2026, the range of the per-share value of the Company Shares was calculated at JPY 7,046 to JPY 7,740, based on the closing price of JPY 7, 740 of the Company Shares on the Prime Market of the TSE on the base date, the simple average of the closing prices for the most recent one (1) month of JPY 7,046, the simple average of the closing prices for the most recent three (3) months of JPY 7, 299, and the simple average of the closing prices for the most recent six (6) months of JPY 7, 358.

Under the DCF Analysis, the corporate value and share value of the Company were calculated by discounting the free cash flows expected to be generated by the Company from the fiscal year ending March 31, 2027 onward, based on various factors such as the earnings forecasts and investment plans in the Business Plan covering the four fiscal years from the fiscal year ending

March 31, 2027 through the fiscal year ending March 31, 2030, which was prepared by the Company for the period that was reasonably foreseeable at this time in light of the current earnings environment and the Company's business performance, and publicly available information, and the range of the per-share value of the Company Shares was calculated at JPY 8,277 to JPY 11,124. The weighted average cost of capital (WACC) was used as the discount rate, adopting a range of 8.4% to 9.4%. In calculating the discount rate, no size risk premium was taken into account. In calculating the terminal value, gains on the sale of vessels expected to arise after the Business Plan period were taken into account.

The financial forecasts based on the Business Plan that Mizuho Securities used as the assumption for the calculation under the DCF Analysis are as follows. These financial forecasts include fiscal years in which significant increases or decreases in profits and free cash flows are expected compared to the previous fiscal year. Specifically, in the fiscal year ending March 31, 2029, operating profit is expected to decrease by JPY 6,424 million and free cash flow is expected to decrease by JPY 2,939 million compared to the previous fiscal year, mainly because the current freight market, which has been affected by rising fuel costs and disruptions on certain shipping routes due to the deterioration of the situation in the Middle East, is expected to return to the level prior to the deterioration of the situation in the Middle East. Furthermore, regarding the synergy effects expected to be realized through the execution of the Transactions, they have not been reflected in the financial forecasts in the Business Plan or in Mizuho Securities' valuation based thereon because it is difficult at this time to specifically estimate their impact on earnings.

The Business Plan was prepared solely for the purpose of assessing the fairness and reasonableness of the terms and conditions of the Transactions. In addition, the Business Plan was prepared by a project team established, under the direction of the Special Committee, for the purpose of responding to the Tender Offeror's due diligence of the Company, examining and preparing the Business Plan, examining the Company's management policy following the Transactions, and considering, negotiating, and making decisions regarding the Transactions within the Company (the "Project Team"). The Project Team includes directors Mr. Takamasa Takami, Mr. Yoshinori Sato, and Mr. Kyo Sonoda (while Mr. Toru Fujita, Mr. Shinichi Kitazato and Mr. Kiyoshi Kanemitsu left the Project Team upon their retirement as directors at the conclusion of the Company's annual shareholders' meeting held on June 25, 2026). In the process of its preparation, there is no fact that the Tender Offeror Group and Nippon Steel (including persons originally from or seconded from the Tender Offeror and Nippon Steel) were involved. In preparing the Business Plan, the fairness of the preparation process, including the independence of the Company's officers and employees involved in its preparation, was confirmed by TKI, the Company's legal adviser, and the Special Committee. In addition, Mizuho Securities, Plutus and the Special Committee conducted multiple rounds of questions and answers regarding the contents of the draft Business Plan and its material assumptions. Based on these circumstances, the Special Committee confirmed the reasonableness of, and approved, the contents of the Business Plan, its material assumptions and the background to its preparation.

Although the Business Plan differs from the Current Medium-term Management Plan (which targets operating profit of JPY 20.0 billion for the fiscal year ending March 31, 2028), such differences reflect changes in market conditions since the Current Medium-term Management Plan was formulated. Specifically, when the Current Medium-term Management Plan was formulated, it was assumed that environmental initiatives would advance across the international shipping industry following the introduction of environmental regulations. However, in October 2025, the International Maritime Organization resolved to postpone by one year the adoption of proposed amendments to an international convention aimed at reducing greenhouse gas emissions from international shipping. In light of this, the Company recognizes that environmental initiatives have stalled globally. Taking into account that the investments in environmentally friendly vessels contemplated under the Current Medium-term Management Plan have not progressed as initially anticipated, the Company prepared the Business Plan, which it considers to be more objective, reasonable and reflective of current circumstances. The Special Committee also confirmed the reasonableness of the differences between the figures in the Current Medium-term Management Plan and those in the Business Plan.

(Unit: JPY million)

	Fiscal year ending March 31, 2027 (9 months)	Fiscal year ending March 31, 2028	Fiscal year ending March 31, 2029	Fiscal year ending March 31, 2030
Net Sales	155,617	225,018	223,603	233,726
Operating Profit	18,376	25,568	19,144	20,036
EBITDA	36,712	44,806	41,153	45,670
Free Cash Flow	21,118	7,494	4,554	3,420

(c) Fairness and Reasonableness of the Tender Offer Price

The purchase price of the Tender Offer of JPY 10,600 per Company Share (the "Tender Offer Price") exceeds the upper end of the range of the valuation results under the market price reference method in the Company Share Valuation Report (Mizuho Securities), and falls within the range of the valuation results under the DCF Analysis in the Company Share Valuation Report (Mizuho Securities), while also exceeding the median of such range. Accordingly, the Tender Offer Price may be evaluated as falling within a reasonable range in light of the results of the share valuation set forth in the Company Share Valuation Report (Mizuho Securities).

(2) Receipt of a Share Valuation Report and the Fairness Opinion by the Special Committee from an Independent Third-Party Valuation Institution

(a) Relationship between the Special Committee's Independent Third-Party Valuation Institution and the Company and the Tender Offeror

The Special Committee appointed Plutus as an independent third-party valuation institution independent of the Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions, and requested Plutus to conduct a valuation of the Company Shares and express an opinion on the fairness of the Tender Offer Price (a fairness opinion). On July 30, 2026, the Special Committee received the Share Valuation Report prepared by Plutus (the "Special Committee Share Valuation Report (Plutus)") and the fairness opinion (the "Fairness Opinion"). Plutus is not a related party of the Company Group, the Tender Offeror Group, or Nippon Steel, and does not have any material interest in the Transactions, including the Tender Offer. The remuneration payable to Plutus for the Transactions does not include a contingency fee to be paid conditional upon the successful completion of the Transactions.

(b) Overview of the Special Committee Share Valuation Report (Plutus)

As a result of considering the valuation analyses to be applied in the Tender Offer, based on the analysis that it is appropriate to evaluate the share value of the Company Shares from multiple perspectives on the assumption that the Company is a going concern, Plutus calculated the per-share value of the Company Shares by using: the market price analysis, as the Company Shares are listed on the Prime Market of the TSE and a market share price exists; and the DCF Analysis, in order to reflect the status of the Company's future business activities in the valuation.

The ranges of the per-share value of the Company Shares calculated by Plutus based on the above analyses are as follows:

Market Price Analysis: JPY 7,046 to JPY 7,740
DCF Analysis: JPY 8,972 to JPY 17,622

Under the market price analysis, with the valuation base date set as July 30, 2026, the range of the per-share value of the Company Shares was calculated at JPY 7,046 to JPY 7,740, based on the closing price of JPY 7,740 of the Company Shares on the Prime Market of the TSE on the base date, the simple average of the closing prices for the most recent one (1) month of JPY 7,046, the simple average of the closing prices for the most recent three (3) months of JPY 7,299, and the simple average of the closing prices for the most recent six (6) months of JPY 7,358.

Under the DCF Analysis, the corporate value and share value of the Company were calculated by discounting the free cash flows expected to be generated by the Company in and after the fiscal year ending March 31, 2027, to the present value at a certain discount rate, based on various factors such as the earnings forecasts and investment plans in the Business Plan from the fiscal year ending March 31, 2027, through the fiscal year ending March 31, 2030, prepared by the Company, and publicly available information, and the range of the per-share value of the Company Shares was calculated at JPY 8,972 to JPY 17,622. The WACC was used as the discount rate, adopting a range of 5.7% to 7.0%. It should be noted that size risk premium was not taken into account in calculating the discount rate. In calculating the terminal value, the terminal value was calculated in the range of JPY 182,387 million to JPY 234,020 million based on the perpetual growth rate method and the exit multiple method. Under the perpetual growth rate method, the perpetual growth rate was assumed to range from 0% to 1%, with the lower end based on the theoretically assumed long-term economic environment and the upper end based on inflation, demographic trends and other macroeconomic factors. Under the exit multiple method, an EV/EBITDA multiple ranging from 8.7x to 12.6x was adopted, taking into account, among other things, the trading multiples of comparable companies.

In addition, the Business Plan was prepared by the Project Team. In the process of its preparation, there is no fact that the Tender Offeror Group and Nippon Steel (including persons originally from or seconded from the Tender Offeror and Nippon Steel) were involved. In connection with the Company's preparation of the Business Plan for the Transactions, the Special Committee conducted a Q&A session regarding the contents of the draft business plan and material assumptions, and confirmed and approved the reasonableness of the final contents of the Business Plan, material assumptions, and the background of its preparation.

The financial forecasts based on the Business Plan that Plutus used as the assumption for the calculation under the DCF Analysis are as follows. These financial forecasts include fiscal years in which significant increases or decreases in profits and free cash flows are expected compared to the previous fiscal year. Specifically, for the fiscal year ending March 31, 2029, operating profit is expected to decrease by JPY 6,424 million and free cash flow is expected to decrease by JPY 3,034 million compared to the previous fiscal year, primarily because the current freight market, which has been affected by higher fuel costs and disruptions to certain shipping routes resulting from the deterioration of the situation in the Middle East, is expected to return to the level prevailing before such deterioration.

Furthermore, regarding the synergy effects expected to be realized through the execution of the Transactions, they have not been taken into account in the following financial forecasts because it is difficult to estimate them specifically at this stage.

The financial forecasts assumed for the DCF Analysis are set forth below.

(Unit: JPY million)

	Fiscal year ending March 31, 2027 (9 months)	Fiscal year ending March 31, 2028	Fiscal year ending March 31, 2029	Fiscal year ending March 31, 2030
Net Sales	155,617	225,018	223,603	233,726
Operating Profit	18,376	25,568	19,144	20,036
EBITDA	36,666	44,607	40,955	45,472
Free Cash Flow	17,546	7,428	4,394	3,735

(c) Overview of the Fairness Opinion

On July 30, 2026, the Special Committee obtained the Fairness Opinion from Plutus stating that the Tender Offer Price of JPY 10,600 per Company Share is fair, from a financial point of view, to the Company's general shareholders. The Fairness Opinion expresses Plutus's opinion that, in light of, among other things, the results of its valuation of the Company Shares based on the Business Plan prepared by the Company, the Tender Offer Price of JPY 10,600 per Company Share is fair, from a financial point of view, to the Company's general shareholders.

The Fairness Opinion was issued following Plutus's receipt from the Company of information regarding the current status of the Company's business and the Business Plan, together with explanations thereof, and in light of the results of Plutus's valuation of the Company Shares conducted on that basis. In addition, Plutus conducted discussions with the Company regarding the overview, background, and purpose of the Tender Offer, reviewed the Company's business environment and the economic, market, and financial conditions to the extent Plutus considered necessary, and completed review procedures by a review committee independent of Plutus's engagement team.

(d) Fairness and Reasonableness of the Tender Offer Price

The Tender Offer Price of JPY 10,600 per Company Share exceeds the upper end of the range of the valuation results under the market price analysis in the Special Committee Share Valuation Report (Plutus), and falls within the range of the valuation results under the DCF Analysis in the Special Committee Share Valuation Report (Plutus). Accordingly, the Tender Offer Price may be evaluated as falling within a reasonable range in light of the results of the share valuation set forth in the Special Committee Share Valuation Report (Plutus).

In addition, the Fairness Opinion states that the Tender Offer Price is fair, from a financial point of view, to the Company's general shareholders. This also supports the fairness and reasonableness of the Tender Offer Price.

(3) Premium

According to the Review Materials, the Tender Offer Price represents the following premiums over the closing price of the Company Shares on the Prime Market of the TSE on July 30, 2026, the business day immediately preceding the date of announcement of the commencement of the Tender Offer, and the historical simple average closing prices. The level of such premiums, when compared with the average and median premium levels (Note) of 48.43% to 58.45% in comparable transactions (specifically, 26 completed tender offer transactions publicly announced between June 28, 2019, when the Ministry of Economy, Trade and Industry published the M&A Guidelines, and May 18, 2026, involving the acquisition of listed equity-method affiliates for the purpose of taking them private), is below the comparable premium levels with respect to the closing price on the reference date and the simple average closing prices for the three-month and six-month periods preceding the reference date, but falls within the comparable range with respect to the one-month simple average closing price. Furthermore, when compared with the first quartile (Note) range of 36.05% to 44.27%, the premiums over the closing price on the reference date and the six-month simple average closing price fall within the comparable range, while the premiums over the one-month and three-month simple average closing prices exceed the comparable premium levels.

Accordingly, the level of the premiums represented by the Tender Offer Price is considered to be comparable to those observed in similar transactions, and, given that such a level of premiums has been secured, the Tender Offer Price may be evaluated as reflecting, to a considerable extent, the share value expected to be realized by the Company through the implementation of the Transactions.

(Valuation Base Date: July 30, 2026)

	Closing Price on the Base Date	Historical Simple Average Closing Price		
		1 Month	3 Months	6 Months
Market Price	JPY 7,740	JPY 7,046	JPY 7,299	JPY 7,358
Premium	36.95%	50.44%	45.23%	44.06%

Note: The first quartile, median and average premium levels for the 26 transactions are as follows:

	Business Day Immediately Preceding the Announcement Date	Most Recent One-Month Period	Most Recent Three-Month Period	Most Recent Six-Month Period
		Ending on the Business Day Immediately Preceding the Announcement Date		
Median	48.43%	51.50%	53.33%	55.58%
Average	52.44%	54.93%	57.86%	58.45%
First Quartile	36.05%	42.46%	44.27%	38.63%

(4) Negotiations with the Tender Offeror

The Company and the Special Committee, with advice from Mizuho Securities and TKI, engaged in discussions and negotiations with the Tender Offeror regarding the terms and conditions of the Transactions, including the Tender Offer Price, through Mizuho Securities, the Company's financial advisor.

Specifically, on June 29, 2026, the Company and the Special Committee received from the Tender Offeror its initial proposal regarding the Transactions, which included proposals that (i) the Tender Offer Price be set at JPY 8,000 per share (representing a premium of 20.12% over the closing price of JPY 6,660 on June 26, 2026, the business day immediately preceding the proposal date), (ii) the purchase price per Company Share in the Tender Offer for Share Repurchase (the "Tender Offer Price for Share Repurchase") was undetermined as of the time of such proposal, and (iii) the minimum number of shares to be purchased be set at the number of shares obtained by multiplying by one trading unit of the Company Shares (100 shares) the number of voting rights calculated by subtracting the number of voting rights represented by the Company Shares held by the Tender Offeror and the number of voting rights represented by the Company Shares held by Nippon Steel from the number of voting rights obtained by multiplying by two-thirds the number of voting rights represented by the total number of issued Company Shares less the number of treasury shares held by the Company.

In response to such proposal, the Company and the Special Committee comprehensively considered the Tender Offer Price in light of: (a) the results of the DCF analyses of the value of the Company Shares conducted by Mizuho Securities and Plutus, including consideration of the reflection in the value of the Company Shares of gains on sales of vessels, unrealized gains and asset values of existing vessels, and the value inherent in the vessel portfolio, as well as whether Plutus would be able to issue a fairness opinion; (b) trends in the market price of the Company Shares; (c) a comparison with the value expected to be realized if the Company were dissolved and liquidated at that time (the "Liquidation Value"), including consideration of the feasibility of the dissolution and liquidation of the Company; (d) the premium levels in transactions similar to the Transactions, specifically, completed tender offer transactions announced between June 28, 2019, when the Ministry of Economy, Trade and Industry published the Fair M&A Guidelines, and May 18, 2026, that were intended to take private a listed company that was an equity-method affiliate; and (e) the synergies expected to be realized through the implementation of the Transactions.

As a result, the Company and the Special Committee considered that, under the terms of such proposal, the Transactions could not be said to be fair to the general shareholders of the Company and, on July 7, 2026, requested that the Tender Offeror reconsider the terms of its proposal, including the Tender Offer Price. With respect to the minimum number of shares to be purchased, the Company and the Special Committee also stated that the necessity of setting a minimum number satisfying the so-called majority of minority ("MoM") should be comprehensively considered and determined in light of the matters set forth in (a) through (e) above, and that, at that time, they could not conclude that MoM was unnecessary. For this purpose, "MoM" means a number of shares exceeding a majority of the 11,379,482 shares obtained by subtracting, from the Base Number of Shares (23,565,487 shares), the 4,324,725 Company Shares held by the Tender Offeror and the 7,861,280 Company Shares held by Nippon Steel as of the date hereof, which majority is 5,689,742 shares.

Thereafter, on July 10, 2026, the Company and the Special Committee received from the Tender Offeror its second proposal that the Tender Offer Price be set at JPY 8,600 per share (representing a premium of 26.10% over the closing price of JPY 6,820 on July 9, 2026, the business day immediately preceding the proposal date), that the Tender Offer Price for Share Repurchase be set at JPY 6,289 per share, and that the minimum number of shares to be purchased remain unchanged from the initial proposal. After comprehensively considering such proposal in light of the matters set forth in (a) through (e) above, the Company and the Special Committee considered that, under such proposal, the Transactions could not be said to be fair to the general shareholders of the Company and, on July 16, 2026, requested that the Tender Offeror reconsider the terms of its proposal, including the Tender Offer Price. They also stated that, at that time, they could not conclude that MoM was unnecessary with respect to the minimum number of shares to be purchased.

Thereafter, on July 17, 2026, the Company and the Special Committee received from the Tender Offeror its third proposal that the Tender Offer Price be set at JPY 9,300 per share (representing a premium of 32.10% over the closing price of JPY 7,040 on July 16, 2026, the business day immediately preceding the proposal date), that the Tender Offer Price for Share Repurchase be set at JPY 6,774 per share, and that the minimum number of shares to be purchased remain unchanged from the initial proposal. After comprehensively considering such proposal in light of the matters set forth in (a) through (e) above, the Company and the Special Committee considered that, under such proposal, the Transactions could not be said to be fair to the general shareholders of the Company and, on July 21, 2026, requested that the Tender Offeror reconsider the terms of its proposal, including the Tender Offer Price. They also stated that, at that time, they could not conclude that MoM was unnecessary with respect to the minimum number of shares to be purchased.

Thereafter, on the same day, the Company and the Special Committee received from the Tender Offeror its fourth proposal, presented as its final proposal on the grounds that any further increase in the price would be extremely difficult, that the Tender Offer Price be set at JPY 9,900 per share (representing a premium of 41.23% over the closing price of JPY 7,010 on July 17, 2026, the business day immediately preceding the proposal date), that the Tender Offer Price for Share Repurchase be set at JPY 7,190 per share, and that the minimum number of shares to be purchased remain unchanged from the initial proposal. After comprehensively considering such proposal in light of the matters set forth in (a) through (e) above, the Company and the Special Committee considered that such proposal could be evaluated positively to a certain extent. However, because (i) they considered that MoM required comprehensive consideration and could not conclude at that time that MoM was unnecessary, and (ii) certain matters remained to be confirmed in order to consider and determine whether the Transactions could be said to be fair to the general shareholders of the Company, they requested, on July 23, 2026, that the Tender Offeror reconsider the terms of its proposal, including the Tender Offer Price.

Thereafter, on July 25, 2026, the Company and the Special Committee received from the Tender Offeror its fifth proposal, presented as its final proposal on the grounds that any further increase in the price would be extremely difficult, that, on the premise that MoM would not be established with respect to the minimum number of shares to be purchased, the Tender Offer Price be set at JPY 10,600 per share (representing a premium of 44.02% over the closing price of JPY 7,360 on July

24, 2026, the business day immediately preceding the proposal date) and that the Tender Offer Price for Share Repurchase be set at JPY 7,676 per share.

After comprehensively considering such proposal in light of the matters set forth in (a) through (e) above, on July 28, 2026, the Company and the Special Committee informed the Tender Offeror that the Special Committee intended to submit, on July 30, 2026, a report to the Company's board of directors stating that the implementation of the Transactions was considered to be fair to the general shareholders of the Company, and that the Company's board of directors intended to adopt a resolution regarding its opinion on the Tender Offer at its meeting to be held on July 31, 2026, while giving maximum consideration to the contents of the Special Committee Report.

(5) Comparison between the Tender Offer Price and the Liquidation Value Per Company Share

According to the explanations provided to the Special Committee by the Company and the Review Materials, the Company, taking into account the existence of unrealized gains on its vessel assets, considered the Liquidation Value and concluded as follows: (a) following the Transactions, the Company is expected to continue its business operations as part of the Tender Offeror Group, and neither the Company nor the Tender Offeror contemplates the dissolution or liquidation of the Company after the Transactions. In addition, the Company has confirmed with the Tender Offeror on multiple occasions that the Tender Offeror has no plan to dissolve or liquidate the Company after the Transactions. Furthermore, under the shareholders' agreement scheduled to be entered into as of the date hereof between the Tender Offeror and Nippon Steel, the dissolution or liquidation of the Company is expected to be subject to the prior consent of Nippon Steel. Accordingly, the Tender Offeror alone will not be able to resolve to dissolve or liquidate the Company, and therefore the possibility that the Liquidation Value per Company Share would be realized is considered to be low; and (b) solely for the purpose of assessing the reasonableness of the terms and conditions of the Transactions, the Company estimated the Liquidation Value based on a number of assumptions, and the estimated Liquidation Value per Company Share was below the Tender Offer Price.

The Special Committee considers that these circumstances constitute one of the factors supporting the fairness and reasonableness of the Tender Offer Price.

(6) Nippon Steel's Intention to Tender in the Tender Offer for Share Repurchase

As the Company's largest shareholder, Nippon Steel is expected to enter into the Shareholders' Agreement and the Basic Agreement with the Tender Offeror and to continue to hold the Company Shares after the Transactions. Accordingly, its interests are not necessarily aligned with those of the general shareholders. Nevertheless, as Nippon Steel is considered to be independent of the Tender Offeror, the negotiations between Nippon Steel and the Tender Offeror are expected to be conducted on an arm's-length basis. In addition, the Tender Offer Price for Share Repurchase has been determined so that the after-tax net proceeds per share to be received by Nippon Steel would be equivalent whether Nippon Steel tenders in the Tender Offer at the Tender Offer Price or tenders in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase. Accordingly, it is considered that Nippon Steel will not receive a greater economic benefit than the general shareholders. Under these circumstances, Nippon Steel has indicated its intention to tender a portion of the Company Shares it holds (4,720,438 shares, representing 20.03% of the voting rights) in the Tender Offer for Share Repurchase. The Special Committee considers that this constitutes one of the factors supporting the fairness and reasonableness of the Tender Offer Price.

(7) Method of Implementation of the Transactions

Based on the explanations received by the Special Committee from the Company and the Review Materials, the Special Committee understands that, because the Tender Offeror proposed the Transaction Structure, the Company examined the Transaction Structure and confirmed the following:

(i). given that the Tender Offeror's aggregate acquisition amount is subject to an upper limit, by setting the Tender Offer Price for Share Repurchase lower than the Tender Offer Price, the Company would be able to provide its general shareholders with an opportunity to sell their Company Shares through the Tender Offer at a higher price than would have been the case if the Tender Offer for Share Repurchase had not been conducted following the Tender Offer, thereby contributing to the interests of the Company's general shareholders;

(ii). with respect to the Tender Offer Price for Share Repurchase, in light of the expected application of the non-inclusion in taxable income provisions applicable to deemed dividends under the Corporation Tax Act to the Company's corporate shareholders in the Tender Offer for Share Repurchase, the Tender Offer Price for Share Repurchase has been set at an amount such that the after-tax amount receivable per share by Nippon Steel, which is expected to tender its shares in the Tender Offer for Share Repurchase, would be equivalent to the after-tax amount receivable per share if Nippon Steel were to tender its shares in the Tender Offer at the Tender Offer Price. Accordingly, the after-tax amount receivable per share by Nippon Steel if it tenders its shares in the Tender Offer for Share Repurchase at the Tender Offer Price for Share Repurchase would not exceed the after-tax amount receivable per share if it were to tender its shares in the Tender Offer at the Tender Offer Price, and therefore Nippon Steel is not expected to obtain any benefit over the

Company’s general shareholders.

The Special Committee further understands that the Company intends to fund the settlement and other payments required in connection with the Tender Offer for Share Repurchase primarily from its own funds and, to the extent necessary, through intragroup financing and borrowings from external financial institutions, that no particular concerns have been identified regarding the feasibility of the Tender Offer for Share Repurchase from the perspective of securing such funds, and that the Tender Offer for Share Repurchase is not expected to cause any deterioration in the Company’s financial condition that would materially and adversely affect the Company’s corporate value.

In addition, although the Transaction Structure will delay the completion of the Company’s acquisition as a wholly owned subsidiary compared with a transaction structure involving only the Tender Offer, such delay is not considered to be a matter of particular concern in light of the benefit of enabling the Company’s general shareholders to receive greater value under the Transaction Structure.

Accordingly, the Special Committee considers that the fairness and reasonableness of the Transaction Structure are ensured.

(8) Other Transaction Terms of the Transactions

(a) Squeeze-out Procedure

As described in 4(6) below, it is expected to be disclosed that (i) if the Tender Offer for Share Repurchase is completed, the Squeeze-out Procedure will be implemented by way of the Share Consolidation, and (ii) when the Share Consolidation is carried out, the amount of cash to be delivered to the Company’s shareholders will be calculated so that it is equal to the Tender Offer Price multiplied by the number of Company Shares held by each shareholder (excluding the Tender Offeror, Nippon Steel and the Company).

This method is commonly adopted in transactions intended to take a target company private and is considered to be an appropriate method for the Transactions, which are intended to take the Company private.

(b) Other Transaction Terms

In addition, the transaction terms of the Transactions, other than the Tender Offer Price, are not considered unreasonable, and therefore the transaction terms are not considered to lack fairness or reasonableness.

(9) Conclusion

Accordingly, the Special Committee considers that the fairness and reasonableness of the transaction terms of the Transactions, including the Tender Offer Prices in the Dual Tender Offers, are ensured.

4. Procedural Fairness of the Transactions (Consultation Matter (3))

The Fair M&A Guidelines are intended to present best practices for fair M&A transactions, with a particular focus on management buyouts ("MBOs") and acquisitions of controlled subsidiaries by controlling shareholders, where structural conflicts of interest and information asymmetry exist (Section 1.2 of the Fair M&A Guidelines). At the same time, the Fair M&A Guidelines state that, even in M&A transactions that do not fall within either of these transaction categories, where structural conflicts of interest or information asymmetry exist to a certain extent, referring to the Fair M&A Guidelines in determining the appropriate practical measures in light of the degree of such issues contributes to ensuring the fairness of the relevant M&A transaction (see Section 1.4 of the Fair M&A Guidelines).

Although the Transactions do not constitute an "MBO" or an "acquisition of a controlled subsidiary by a controlling shareholder," each as defined in the Fair M&A Guidelines, the Transactions constitute an acquisition by the Company's major shareholder of an equity-method affiliate, and structural conflicts of interest and information asymmetry exist between the Tender Offeror and the Company or the Company's general shareholders. Accordingly, it is considered that referring to the practical measures set forth in the Fair M&A Guidelines would contribute to ensuring the procedural fairness of the Transactions.

Accordingly, the following discussion focuses on whether the practical measures (fairness-enhancing measures) presented in the Fair M&A Guidelines that are relevant to the procedures for the Transactions have been implemented in the Transactions.

(1) Establishment of an Independent Special Committee

(a) Timing of Establishment and Composition

On January 30, 2026, the Company received from the Tender Offeror the Letter of Intent relating to the Transactions dated January 30, 2026 (the "Letter of Intent"). In response, taking into account that (i) the Tender Offeror constitutes an "other affiliated company" of the Company, and therefore the "requirements for MBOs and similar transactions" prescribed in Article 441 of the Securities Listing Regulations of the TSE apply to the Tender Offer, and (ii) there was a possibility that structural conflicts of interest might exist, the Tender Offeror and the Company determined that, in order to ensure the fairness of the Transactions, including the Tender Offer, from the perspectives of ensuring the fairness of the Tender Offer Price, eliminating arbitrariness in the decision-making process leading to the implementation of the Tender Offer, and avoiding conflicts of interest, the Company would establish, by resolution of its board of directors adopted on February 17, 2026, a special committee (the "Special Committee") consisting of four members—Mr. Setsu Onishi (outside director of the Company), Ms. Masako Yoshida (outside director of the Company), Mr. Keisuke Takegahara (outside director of the Company), and Ms. Riyo Kano (outside director of the Company and attorney-at-law)—each of whom is independent of the Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions.

Accordingly, in the Transactions, the Special Committee, consisting of members whose independence had been confirmed and who had been appointed with due consideration given to their respective backgrounds, became involved in the Transactions immediately after the Company received the Letter of Intent. As a result, the Special Committee was involved from the initial stage of the process for formulating the transaction terms of the Transactions.

(b) Advisors

The Company's board of directors granted the Special Committee the authority to: (i) participate in negotiations with the Tender Offeror regarding the terms and conditions of the Transactions; (ii) appoint and seek advice from independent external experts selected by the Special Committee at the Company's expense (collectively, "Advisors"), including legal counsel, financial advisors and third-party valuation institutions; and (iii) request that the Company provide information and materials necessary for the Special Committee's deliberations at the Company's expense.

Pursuant to such authority, the Special Committee confirmed that Mizuho Securities, which had been appointed as the Company's third-party valuation institution and financial advisor, and TKI, which had been appointed as the Company's legal advisor, each possessed the requisite independence and expertise. Accordingly, the Special Committee approved their respective appointments as the Company's third-party valuation institution, financial advisor and legal advisor, and confirmed that it would also be able to obtain professional advice from them as necessary.

In addition, taking into account Plutus's expertise, experience and track record, as well as its independence from the Company Group, the Tender Offeror Group, Nippon Steel and the success or failure of the Transactions, the Special Committee appointed Plutus as its own third-party valuation institution.

Throughout its review of the Transactions, the Special Committee carefully considered and discussed, while obtaining professional advice and opinions from the foregoing external advisors as appropriate, whether the Transactions should be undertaken, the reasonableness of the transaction terms of the Transactions, including the Tender Offer Prices in the Dual Tender Offers, and the procedural fairness of the Transactions, from the perspectives of enhancing the Company's corporate value and protecting the interests of its general shareholders.

Accordingly, the Special Committee not only appointed its own external expert and obtained advice therefrom, but also determined that the Advisors appointed by the Company's board of directors possessed sufficient independence and expertise and could therefore be relied upon by the Special Committee in obtaining professional advice, and accordingly utilized such Advisors.

(c) Involvement in Negotiations with the Tender Offeror

The Company's board of directors granted the Special Committee the authority to participate in negotiations with the Tender Offeror regarding the terms and conditions of the Transactions.

Thereafter, while repeatedly raising questions to the Tender Offeror regarding measures to enhance the Company's corporate value and the terms and conditions of the Transactions, the Special Committee, as described in 3(4) above, together with the Company, engaged in discussions and negotiations with the Tender Offeror regarding the transaction terms of the Transactions, including the Tender Offer Prices, etc., and was substantively involved in the negotiation process with the Tender Offeror.

Accordingly, the Special Committee was substantively involved in the negotiation process concerning the transaction terms with the Tender Offeror.

(d) Access to Information

In considering the Transactions, the Special Committee, as described in III above, conducted direct interviews with both the Tender Offeror and the Company and also received written responses from them. In addition, it received timely reports from the Company and Mizuho Securities regarding the progress and substance of the discussions and negotiations with the Tender Offeror concerning the Transactions, thereby establishing a framework under which it was able to consider the Transactions based on material information, including non-public information, obtained through such process.

Accordingly, the Special Committee established a framework that enabled it to obtain material information, including non-public information, and to consider and determine whether the Transactions should be undertaken and whether the transaction terms were reasonable based on such information.

(e) Compensation

The compensation of each member of the Special Committee is a fixed fee and does not include any success fee contingent upon the completion of the Transactions. Accordingly, the independence of each member of the Special Committee from the success or failure of the Transactions can be considered to have been ensured.

(f) Treatment of the Special Committee's Opinion by the Board of Directors

As described in 3(4) above, when resolving to establish the Special Committee, the Company's board of directors also resolved that, in making any decision regarding the Transactions, it would give the utmost respect to the opinion of the Special Committee and would not approve the implementation of the Transactions if the Special Committee determined that the implementation of the Transactions or the terms and conditions thereof were inappropriate.

Accordingly, a framework was established under which the Company's board of directors could make its decisions regarding the Transactions while giving due respect to the opinion of the Special Committee.

(g) Internal Review Structure

Among the Company's directors, Mr. Kazuma Yamanaka, formerly of Nippon Steel, and Ms. Noriko Miyamoto, formerly of the Tender Offeror, and among the Company's corporate auditors, Mr. Soichi Miyazawa, formerly of Nippon Steel, Mr. Shohei Yamamoto, formerly of the Tender Offeror, and Mr. Tomomi Mohri, who concurrently serves as General Manager of the Raw Materials Business Planning Department of Nippon Steel, did not participate in any deliberations of the Company's board of directors concerning the Transactions, nor were they involved in the Company's review of the Transactions or in any discussions or negotiations with the Tender Offeror concerning the Transactions on behalf of the Company.

In addition, these individuals did not participate in the board resolution establishing the Special Committee and are not expected to participate in the board resolution expressing the Company's opinion in support of the Tender Offer and recommending that the Company's shareholders tender their shares in the Tender Offer.

Accordingly, the Company established a framework under which the review of, and negotiations concerning, the Transactions could be conducted from a position independent of the Tender Offeror.

(h) Summary

As described in (a) through (g) above, in considering the Transactions, the Company established an independent Special Committee after taking into account the matters identified in the Fair M&A Guidelines as enhancing the effectiveness of a special committee, and the Special Committee functioned effectively throughout the process.

(2) Acquisition of Independent Professional Advice from Advisors

(a) The Company’s Financial Advisor and Third-Party Valuation Institution

As described in III above, in connection with the Transactions, the Company appointed Mizuho Securities as its financial advisor and third-party valuation institution in mid-February 2026. The Company received financial advice and assistance from Mizuho Securities, including advice regarding the valuation of the Company’s shares and the negotiation strategy with the Tender Offeror, and also requested Mizuho Securities to conduct a valuation of the Company’s shares. As a result, the Company obtained the Share Valuation Report (Mizuho Securities), dated July 30, 2026.

Mizuho Securities is a member of Mizuho Financial Group, Inc., together with Mizuho Bank. Mizuho Bank holds shares in each of the Company, the Tender Offeror and Nippon Steel, and also maintains lending and other ordinary banking relationships with each of them in the ordinary course of business. However, Mizuho Securities does not have any material interest in the Transactions that should be disclosed. In addition, Mizuho Securities has represented that, in accordance with Article 36 of the Financial Instruments and Exchange Act and Article 70-4 of the Cabinet Office Ordinance on Financial Instruments Business, etc., it has established and implemented appropriate conflict-of-interest management measures, including information barrier procedures, between Mizuho Securities and Mizuho Bank, and that it conducted the valuation of the Company’s shares independently from Mizuho Bank’s position as shareholder and lender. The Company determined that appropriate conflict-of-interest management measures had been established and implemented at Mizuho Securities in connection with the valuation of the Company’s shares, and accordingly selected Mizuho Securities as its third-party valuation institution.

The Special Committee also confirmed that there were no issues regarding the independence of Mizuho Securities, approved its appointment as the Company's financial advisor and third-party valuation institution, and received necessary and sufficient financial advice from Mizuho Securities in order to ensure the fairness and reasonableness of the procedures for the Transactions and the terms and conditions of the Transactions, including the Tender Offer Prices.

Accordingly, the appointment and approval of Mizuho Securities, and the advice provided by it, are considered to have ensured the procedural fairness of the Transactions and to have functioned effectively as a fairness-enhancing measure.

(b) Third-Party Valuation Institution Appointed by the Special Committee

As described in III above, in connection with the Transactions, the Special Committee, in considering the Consultation Matters, appointed Plutus as its own third-party valuation institution in order to ensure the reasonableness of the transaction terms of the Transactions, including the Tender Offer Prices proposed by the Tender Offeror. The Special Committee requested Plutus to conduct a valuation of the Company's shares and to render an opinion (Fairness Opinion) regarding the fairness of the Tender Offer Prices. As a result, the Special Committee obtained the Share Valuation Report (Plutus) and the Fairness Opinion, each dated July 30, 2026.

Plutus is not a related party of the Company Group, the Tender Offeror Group or Nippon Steel, does not have any material interest in the Transactions, and the compensation payable to Plutus in connection with the Transactions does not include any success fee contingent upon the completion of the Transactions or any similar event.

Accordingly, the appointment of Plutus and the advice provided by it are considered to have ensured the procedural fairness of the Transactions and to have functioned effectively as a fairness-enhancing measure.

(c) The Company's Legal Advisor

As described in Section III above, in connection with the Transactions, the Company appointed TKI as its legal advisor in mid-February 2026, and it is recognized that the Company received the necessary legal advice from TKI regarding the method and process of the board of directors' decision-making, including the procedures relating to the Transactions, as well as other legal considerations. TKI is not a related party of the Company Group, the Tender Offeror Group or Nippon Steel, does not have any material interest in the Transactions, and the fees payable to TKI in connection with the Transactions are calculated based on the time spent multiplied by the applicable hourly rates, regardless of whether the Transactions are consummated, and do not include any success fee contingent upon the completion of the Transactions.

The Special Committee also confirmed that there were no issues regarding the independence of TKI, approved its appointment as the Company's legal advisor, and received necessary and sufficient legal advice from TKI regarding the measures to be implemented to ensure the procedural fairness of the Transactions, the procedures relating to the Transactions, the manner in which the Special Committee should deliberate on the Transactions, and the negotiations with the Tender Offeror regarding the Tender Offer Prices and other transaction terms. In addition, in light of TKI's sufficient expertise, experience and independence, and the absence of any particular circumstances requiring the Special Committee to appoint separate legal counsel, the fact that the Special Committee did not appoint its own independent legal advisor does not impair the procedural fairness of the Transactions.

Accordingly, the appointment and approval of TKI, and the advice provided by it, are considered to have ensured the procedural fairness of the Transactions and to have functioned effectively as a fairness-enhancing measure.

(3) Opportunity for Acquisition Proposals from Other Potential Acquirers (Market Check)

According to the Tender Offeror, the tender offer period for the Tender Offer is expected to be set at the statutory minimum of 20 business days (provided, however, that the tender offer period may exceed 20 business days due to differences between holidays in Japan and the United States).

However, the Tender Offer is a so-called pre-announcement tender offer, and it is contemplated that a relatively lengthy period will be secured between the public announcement of the series of transaction terms, including the Tender Offer Prices, and the commencement of the Tender Offer. Taking such period into account, it is considered that other potential acquirers will have a reasonable opportunity to make competing acquisition proposals.

In this regard, the Company intends to enter into a tender offer agreement with the Tender Offeror (the "Tender Offer Agreement"). Under the Tender Offer Agreement, it is contemplated that: (a) on the date of execution of the Tender Offer Agreement, the Company's board of directors will resolve to express its opinion in support of the Tender Offer and will agree to maintain such opinion and not adopt any resolution to withdraw or modify such opinion during the period from the date of execution of the Tender Offer Agreement until the last day of the tender offer period for the Tender Offer (the "Expiration Date of the Tender Offer Period"); and (b) during the period from the date of execution of the Tender Offer Agreement until the completion of the Squeeze-out, the Company will agree not to, directly or indirectly, (i) enter into any agreement relating to any transaction with any person other than the Tender Offeror that substantially competes with, conflicts with, or is inconsistent with, or could reasonably be expected to compete with, conflict with, or be inconsistent with, the Transactions (including any transaction, whether by way of a tender offer, corporate reorganization or otherwise, involving the acquisition of the Company's shares or other securities or the disposition of all or a material part of the Company's shares or business) (a "Competing Transaction"), including any agreement to express support for or recommend the tendering of shares into such transaction, (ii) provide any information concerning the Company or any other information to any person other than the Tender Offeror in connection with a Competing Transaction, or (iii) make, solicit, encourage or enter into any proposal, offer or request for discussions with respect to, or participate in any discussions or negotiations concerning, any Competing Transaction.

However, with respect to the agreement described in (a) above, if, prior to the Expiration Date of the Tender Offer Period, (i) any person other than the Tender Offeror commences a tender offer that substantially competes with, conflicts with, or is inconsistent with, or could reasonably be expected to compete with, conflict with, or be inconsistent with, the Transactions, which is intended to take the Company private, does not specify a maximum number of shares to be purchased, specifies a minimum number of shares to be purchased that would ensure the privatization of the Company if successful, and offers consideration to the Company's shareholders in an amount greater than the Tender Offer Price (a "Qualified Competing Tender Offer"), or (ii) the Company receives a bona fide, specific and reasonably feasible proposal regarding the terms and conditions of a Qualified Competing Tender Offer (a "Competing Proposal"), the Company may request the Tender Offeror to discuss a revision to the Tender Offer Price.

If the Company makes such request, the Tender Offeror is required to discuss in good faith with the Company a revision to the Tender Offer Price and, by the earlier of (x) the date falling five Business Days after the date on which such request is made and (y) the Business Day immediately preceding the Expiration Date of the Tender Offer Period (or, if such request is made after the Business Day immediately preceding the Expiration Date of the Tender Offer Period, immediately after such request), to make a legally binding revised proposal, in writing or by electronic record, to increase the Tender Offer Price to an amount not less than the consideration offered to the shareholders in the Qualified Competing Tender Offer. If the Tender Offeror fails to make such revised proposal, and (A) it is reasonably determined that maintaining the Company's opinion in support of the Tender Offer may constitute a breach of the directors' duty of care, or (B) the Special Committee advises or recommends that the Company withdraw or modify its opinion in support of the Tender Offer, the Company may adopt a resolution of its board of directors to withdraw or modify such opinion, provided that the purchase price offered in the Qualified Competing Tender Offer or the Competing Proposal exceeds the revised Tender Offer Price.

In addition, with respect to the agreement described in (b) above, where the Company is permitted to withdraw or modify its opinion in support of the Tender Offer pursuant to the foregoing provisions, such restrictions will not apply to the third party that has commenced the Qualified Competing Tender Offer or made the Competing Proposal. Furthermore, such restrictions will also not apply where the Company reasonably determines that a third party may commence a Qualified Competing Tender Offer or make a Competing Proposal prior to the Expiration Date of the Tender Offer Period, and further reasonably determines that refraining from providing information regarding the Company Group or other information to such third party, or refraining from engaging in discussions or negotiations with such third party, could constitute a breach of the directors' duty of care, in which case the Company may, in response to the reasonable request of such third party, provide such information and engage in discussions or negotiations with such third party.

The Company has not conducted an active market check, such as investigating the existence of potential acquirers in the market, including a pre-signing auction process. However, because comprehensive fairness-enhancing measures have been implemented in connection with the Transactions, including the Tender Offer, and sufficient consideration has been given to the interests of the Company's shareholders through fair procedures, the fact that the Company did not conduct an active market check does not impair the procedural fairness of the Tender Offer.

(4) Majority of the Minority Condition

No majority of minority condition (the "MoM Condition") has been set for the Tender Offer.

The Fair M&A Guidelines point out that, where the acquirer already holds a high percentage of Company Shares, such as in an acquisition of a controlled subsidiary by its controlling shareholder, imposing a MoM Condition may impede the completion of an M&A transaction that would enhance corporate value. Accordingly, the Fair M&A Guidelines state that it is difficult to conclude that a MoM Condition should always be imposed and that the target company's board of directors and special committee should determine whether such a condition is necessary by comprehensively considering the effectiveness and potential disadvantages of imposing such a condition in light of the specific circumstances of the relevant M&A transaction. The Fair M&A Guidelines further state that, where a MoM Condition is not imposed, it is important to compensate for its absence by enhancing other fairness-enhancing measures so that the fairness of the transaction terms is ensured as a whole.

As of the date hereof, the Tender Offeror Group and Nippon Steel collectively own 12,231,805 Company Shares (Ownership Ratio: 51.91%). In addition, as described in 2 above, the Transactions are considered to contribute to the enhancement of the Company's corporate value. Accordingly, it is considered that the concerns identified in the Fair M&A Guidelines with respect to imposing a MoM Condition are applicable to the Transactions.

Furthermore, in light of (i) the reasonableness of the transaction terms of the Tender Offer, as described in 3 above, and (ii) the implementation of the fairness-enhancing measures described in Sections 4(1) through 3(3) and 4(5) and 4(6), it is considered that the absence of a MoM Condition does not, in itself, impair the procedural fairness of the Tender Offer.

(5) Enhancement of Information Disclosure to General Shareholders and Improvement of Process Transparency

(a) Information Regarding the Special Committee

In connection with the Transactions, the Company's disclosure materials are expected to disclose: (i) information regarding the qualifications of the members of the Special Committee; (ii) the resolution of the Company's board of directors adopted simultaneously with the resolution establishing the Special Committee, including the board's commitment to give the utmost respect to the opinion of the Special Committee, as well as information regarding the authority granted to the Special Committee to appoint its own Advisors; (iii) information regarding the deliberation process of the Special Committee and its substantive involvement in the negotiations between the Company and the Tender Offeror; (iv) the contents of the Special Committee Report and the reasons therefor (including the reasons for its conclusions as to whether the Transactions will contribute to the enhancement of the Company's corporate value and whether the purpose thereof is legitimate and reasonable, whether the fairness and reasonableness of the transaction terms of the Transactions, including the Tender Offer Prices in the Dual Tender Offers, have been ensured, whether the procedural fairness of the Transactions has been ensured, and whether the Transactions are fair to the Company's general shareholders); and (v) the fact that the compensation of each member of the Special Committee consists solely of a fixed fee and does not include any success fee contingent upon the announcement or completion of the Transactions. Accordingly, it is considered that the information required under the Fair M&A Guidelines will be sufficiently disclosed.

(b) Information Regarding the Share Valuation Reports and the Fairness Opinion

In connection with the Transactions, the Company's disclosure materials are expected to disclose: (i) the contents of the Share Valuation Report (Mizuho Securities), the Share Valuation Report (Plutus) and the Fairness Opinion, including information regarding each valuation analysis (average market price analysis and DCF Analysis) and the process by which the value of the Company's shares was calculated under each valuation analysis; and (ii) the fact that neither Mizuho Securities nor Plutus is a related party of the Company Group, the Tender Offeror Group or Nippon Steel, and that neither has any material interest in the Transactions. Accordingly, it is considered that the information required under the guidelines of the TSE will be appropriately disclosed.

(c) Other Information

In connection with the Transactions, the Company's disclosure materials are expected to disclose: (i) information regarding the process leading to the implementation of the Transactions; (ii) information regarding the specific nature of the interests that Mr. Kazuma Yamanaka and Ms. Noriko Miyamoto, directors of the Company, and Mr. Soichi Miyazawa, Mr. Shohei Yamamoto and Mr. Tomomi Mohri, corporate auditors of the Company, have in the Transactions (including the fact that they did not participate in any deliberation or resolution of the Company's board of directors relating to the establishment of the Special Committee or the determination of whether to approve or oppose the Transactions, and that they did not participate, on behalf of the Company, in the consideration of the Transactions or in any discussions or negotiations with the Tender Offeror regarding the Transactions); (iii) information regarding the specific course of the discussions and negotiations between the Company and the Tender Offeror concerning the transaction terms; and (iv) the fact that none of the directors who participated in the board resolution determining whether to approve or oppose the Transactions voted against such resolution. Accordingly, it is considered that the information required under the Fair M&A Guidelines will be sufficiently disclosed.

(6) Elimination of Coerciveness

The Squeeze-out Procedure is expected to be implemented by way of the Share Consolidation. Under such procedure, shareholders who oppose the Transactions will be entitled to exercise appraisal rights or petition the court for a determination of the price. In addition, it is expected to be disclosed that (i) if the Share Repurchase Tender Offer is successfully completed, the Squeeze-out Procedure by way of the Share Consolidation will be implemented, and (ii) upon the Share Consolidation, the amount of cash to be delivered to the Company's shareholders as consideration will be calculated so that it will equal the Tender Offer Price multiplied by the number of the Company's shares held by each such shareholder (excluding the Tender Offeror, Nippon Steel and the Company).

Furthermore, according to the Tender Offeror, the tender offer period for the Tender Offer is expected to be set at the statutory minimum of 20 business days (provided, however, that it may exceed 20 business days due to differences between holidays in Japan and the United States). Nevertheless, the Tender Offer is a so-called pre-announcement tender offer, and it is contemplated that a relatively lengthy period will be secured between the public announcement of the series of transaction terms, including the Tender Offer Prices, and the commencement of the Tender Offer.

Accordingly, there are no circumstances that would give rise to speculation that shareholders who do not tender their shares would be treated disadvantageously. In addition, the structure of the Transactions ensures that the Company's shareholders are afforded an appropriate opportunity to determine whether or not to tender their shares in the Tender Offer, and due consideration has therefore been given to preventing any coercive effect.

(7) Summary

As described above, in connection with the Transactions, appropriate measures consistent with the fairness-enhancing measures set forth in the Fair M&A Guidelines have been implemented, and no unreasonable aspects are identified in such measures. Accordingly, it is considered that the procedural fairness of the Transactions has been ensured.

5. Whether the Transactions Are Considered Fair to the Company's General Shareholders (Consultation Matter (4))

As described in Sections 2 through 4 above, (i) the Transactions will contribute to the enhancement of the Company's corporate value, and the purpose of the Transactions is recognized as being legitimate and reasonable (see 2 above); (ii) the fairness and reasonableness of the transaction terms of the Transactions, including the Tender Offer Prices in the Dual Tender Offers, are considered to have been ensured (see 3 above); and (iii) the procedural fairness of the Transactions is considered to have been ensured (see 4 above). Accordingly, it is considered that the Transactions are fair to the Company's general shareholders.

6. Whether It Is Appropriate for the Company's Board of Directors to Express Its Opinion in Support of the Tender Offer and Recommend That the Company's Shareholders Tender Their Shares in the Tender Offer (Consultation Matter (5))

As described in Sections 2 through 5 above, (i) the Transactions will contribute to the enhancement of the Company's corporate value, and the purpose of the Transactions is recognized as being legitimate and reasonable (see 2 above); (ii) the fairness and reasonableness of the transaction terms of the Transactions, including the Tender Offer Prices in the Dual Tender Offers, are considered to have been ensured (see 3 above); (iii) the procedural fairness of the Transactions is considered to have been ensured (see 4 above); and (iv) the Transactions are considered to be fair to the Company's general shareholders (see 5 above). Accordingly, it is considered appropriate for the Company's board of directors to express its opinion in support of the Tender Offer and to resolve to recommend that the Company's shareholders tender their shares in the Tender Offer.

VI. Qualifications and Limitations on Use

1. Qualifications

This Special Committee Report shall be interpreted solely with respect to the matters expressly set forth herein, and no matter not expressly addressed in this Special Committee Report shall be inferred or construed by implication or through an expansive interpretation.

This Special Committee Report is based on the assumptions that: (i) the procedures relating to the Transactions will be carried out by each of the Company and the Tender Offeror in compliance with the Companies Act, the Financial Instruments and Exchange Act, the Securities Listing Regulations and all other applicable laws, regulations and rules; (ii) the information provided to the Special Committee by the Company, Mizuho Securities, Plutus, TKI, the Tender Offeror, Nomura Securities, Nagashima Ohno & Tsunematsu, the Tender Offeror's legal advisor, and Nippon Steel is true, accurate and complete as of the date of this Special Committee Report, that no information necessary to avoid misleading the Special Committee has been omitted, and that there has been no change in such information as of the date of this Special Committee Report; and (iii) there exists no material information, other than such information, that could affect the contents of the opinion expressed by the Special Committee. The Special Committee has not conducted any independent verification of the truthfulness, accuracy or completeness of such information.

It is expected that a considerable period of time will elapse between the public announcement of the Tender Offer and its commencement. Accordingly, if, for example, the market price of the Company's shares exceeds the Tender Offer Prices during such period or other material changes occur before the commencement of the Tender Offer, separate consideration may be required. Therefore, the opinion of the Special Committee with respect to the Consultation Matters is based on the circumstances existing as of the date of this Special Committee Report.

Furthermore, this Special Committee Report does not guarantee any interpretation or determination by any court, governmental authority or self-regulatory organization.

For the avoidance of doubt, the terms used in this Special Committee Report by the Special Committee shall have the meanings ascribed to them under the laws and regulations of Japan that apply directly to the Company as a company listed in Japan.

2. Limitations on Use

This Special Committee Report has been prepared solely for the purpose of providing the Company's board of directors with the Special Committee's opinion on the Consultation Matters, and on the premise that the Company will maintain the strict confidentiality of the contents hereof. Accordingly, the Company shall not use this Special Committee Report for any purpose other than the foregoing without the prior written consent of all members of the Special Committee, nor shall it permit any third party to use this Special Committee Report, except where disclosure or use is required by applicable laws and regulations or the rules of a securities exchange.

Notwithstanding the foregoing, nothing herein shall preclude any member of the Special Committee from using this Special Committee Report for the protection of his or her own rights or interests where there is a legitimate reason for doing so.

END

(End of quote)

(v) Advice Obtained by the Target Company from an Independent Law Firm

According to the Target Company's Press Release Concerning Expression of Opinion, in order to ensure the fairness and appropriateness of the decision-making process of the board of directors of the Target Company, the Target Company appointed TKI as its legal advisor, which is independent of the Target Company Group, the Tender Offeror Group, Nippon Steel, and the success or failure of the Transactions, and has received legal advice from TKI, including advice on the measures to be taken to ensure the fairness of the procedures relating to the Transactions, the various procedures for the Transactions, the manner in which the Special Committee should conduct its deliberations concerning the Transactions, and negotiations with the Tender Offeror regarding the Tender Offer Price and other transaction terms.

TKI does not constitute a related party of the Target Company Group, the Tender Offeror Group, or Nippon Steel and has no material interest in the Transactions. The remuneration payable to TKI in connection with the Transactions does not include any success fees contingent upon the completion of the Transactions or any similar arrangement. In addition, the Special Committee approved TKI as the Target Company's legal advisor after confirming its expertise and independence.

(vi) Establishment of an Independent Examination Framework at the Target Company

According to the Target Company's Press Release Concerning Expression of Opinion, as described in "(iii) Opinion of the Target Company Regarding the Tender Offer, Its Basis and Reason" in "(2) Background, Purpose and Decision-Making Process Leading to Decision to Implement the Tender Offer, and Management Policy after the Tender Offer" the Target Company began establishing a framework to consider, negotiate, and make decisions regarding the Transactions from a standpoint independent of the Tender Offeror, and from the perspective of the enhancement of corporate value of the Target Company and securing the common interests of the Target Company's shareholders, based on the legal advice received from TKI, which included advice on measures to be taken to ensure the fairness of the procedures in the Transactions, various procedures of the Transactions, the manner in which the Special Committee should conduct its deliberations concerning the Transactions, and negotiations with the Tender Offeror on the Tender Offer Price and other conditions.

Specifically, in response to the instructions of the Special Committee, the Target Company established a project team (the "Project Team"), including directors Mr. Takamasa Takami, Mr. Yoshinori Sato, and Mr. Kyo Sonoda, to conduct the consideration, negotiation, and decision-making regarding the Transactions within the Target Company, including responding to the due diligence conducted by the Tender Offeror, considering and preparing the Business Plan, and considering the Target Company's management policy following the Transactions. For the avoidance of doubt, Mr. Toru Fujita, Mr. Shinichi Kitazato, and Mr. Kiyoshi Kanemitsu ceased to be members of the Project Team upon their retirement as directors at the conclusion of the Target Company's annual general meeting of shareholders held on June 25, 2026. In selecting the members of the Project Team, the Target Company established the framework with due care not to include any officers or employees of the Target Company who concurrently serve, or have previously served, as officers or employees of the Tender Offeror Group (including the Tender Offeror) or Nippon Steel. In particular, regarding the preparation of the Business Plan, which serves as the basis for the valuation of the Target Company Shares, the Target Company received advice from Mizuho Securities, the financial advisor, conducted multiple Q&A sessions with Mizuho Securities, Plutus, and the Special Committee, and proceeded while receiving confirmation from TKI, the legal advisor, and the Special Committee regarding the fairness of the preparation process, including the independence of the officers and employees involved in its preparation.

Furthermore, for the reasons stated in "(vii) Approval of All Disinterested Directors of the Target Company and Opinion of All Disinterested Auditors that They Had No Objection" below, five individuals, Mr. Kazuma Yamanaka, Ms. Noriko Miyamoto, Mr. Soichi Miyazawa, Mr. Shohei Yamamoto, and Mr. Tomomi Mohri, have been excluded from the framework, and such treatment has continued up to the date hereof. None of these five individuals has given any instructions or otherwise been involved in the consideration, negotiation, or decision-making process concerning the Transactions.

In establishing the Target Company's framework for considering the Transactions (including the scope of the officers and employees of the Target Company involved in the consideration, negotiation, and decision-making of the Transactions and their duties), including the aforementioned treatment, the

Target Company has taken into account the advice of TKI, and has obtained the approval of the Special Committee that there are no issues from the perspective of independence and fairness.

(vii) Approval of All Disinterested Directors of the Target Company and Opinion of All Disinterested Auditors that They Had No Objection

According to the Target Company's Press Release Concerning Expression of Opinion, the board of directors of the Target Company carefully discussed and considered the Transactions from the perspectives of the enhancement of the corporate value of the Target Company and the reasonableness of the various terms and conditions of the Transactions, while taking into account the legal advice received from TKI, the Target Company Share Valuation Report (Mizuho Securities), the Special Committee Share Valuation Report (Plutus), and the Fairness Opinion, and giving the utmost respect to the contents of the Special Committee Report submitted by the Special Committee.

As a result, as described in "(iii) Opinion of the Target Company Regarding the Tender Offer, Its Basis and Reason" in "(2) Background, Purpose and Decision-Making Process Leading to Decision to Implement the Tender Offer, and Management Policy after the Tender Offer" above, the Target Company determined that the Transactions, including the Tender Offer, would contribute to the enhancement of the corporate value of the Target Company Group, that the Tender Offer Price is reasonable, and that the Tender Offer would provide the shareholders of the Target Company with a reasonable opportunity to sell their shares. Accordingly, at the meeting of the board of directors held today, the Target Company resolved that, as its current opinion, if the Tender Offer is commenced, it will express its opinion in support of the Tender Offer and recommend that the shareholders of the Target Company tender their shares in the Tender Offer.

In addition, as described in "(iii) Opinion of the Target Company Regarding the Tender Offer, Its Basis and Reason" in "(2) Background, Purpose and Decision-Making Process Leading to Decision to Implement the Tender Offer, and Management Policy after the Tender Offer" above, the Tender Offer is scheduled to commence promptly if the Conditions Precedent are satisfied or waived by the Tender Offeror. As of today, although the Tender Offeror has stated that it is difficult to accurately predict the period required for the procedures before the authorities having jurisdiction over the clearances, it aims to commence the Tender Offer during the period from late November 2026 to late December 2026. Accordingly, at the above-mentioned meeting of the board of directors, the Target Company also resolved to consult the Special Committee, at the time the Tender Offer commences, as to whether there has been any change to the opinion expressed by the Special Committee to the board of directors on July 31, 2026, and to request the Special Committee to report to the board of directors that there has been no change if that is the case, or to provide its revised opinion if there has been any change. Based on such opinion, the Target Company also resolved to express its opinion regarding the Tender Offer again at the time the Tender Offer commences.

Of the nine directors of the Target Company, seven directors, excluding Mr. Kazuma Yamanaka and Ms. Noriko Miyamoto, attended the deliberations and resolutions at the above-mentioned meeting of the board of directors, and the resolutions were adopted by the unanimous approval of all directors present. Of the four audit and supervisory board members of the Target Company, one audit and supervisory board member, Mr. Toru Kihira, attended the deliberations, excluding Mr. Soichi Miyazawa, Mr. Shohei Yamamoto, and Mr. Tomomi Mohri, and expressed the opinion that he had no objection to the adoption of the above resolutions.

In order to avoid any appearance of conflicts of interest and ensure the fairness of the Transactions, among the directors of the Target Company, Mr. Kazuma Yamanaka, who formerly served at Nippon Steel, and Ms. Noriko Miyamoto, who formerly served at the Tender Offeror, and among the audit and supervisory board members of the Target Company, Mr. Soichi Miyazawa, who formerly served at Nippon Steel, Mr. Shohei Yamamoto, who formerly served at the Tender Offeror, and Mr. Tomomi Mohri, who concurrently serves as General Manager of the Raw Materials Business Planning Department of Nippon Steel, did not participate in any deliberations of the board of directors concerning the Transactions, nor did they participate, on behalf of the Target Company, in the consideration of the Transactions or in any discussions or negotiations with the Tender Offeror concerning the Transactions.

(viii) Measures to Secure an Opportunity for Other Offerors to Carry Out a Tender Offer

The Tender Offeror aims to commence the Tender Offer from around late November 2026 to late December 2026, and given the extended period leading up to the commencement of the Tender Offer, the Tender Offeror believes that an opportunity for a person other than the Tender Offeror to purchase the Target Company Shares is ensured.

In addition, as stated in “(ii) Tender Offer Agreement” in “(6) Material Agreements to the Dual Tender Offers” below, the Tender Offer Agreement contains transaction protection provisions to the effect that the Target Company shall not, directly or indirectly, (i) enter into any agreement with any person other than the Tender Offeror relating to any transaction that substantially competes with, conflicts with, or is inconsistent with the Transactions, or is likely to do so (including, regardless of the method, whether by tender offer, organizational restructuring or otherwise, any transaction to acquire shares, etc. of the Target Company, and any transaction to dispose of all or a material part of the shares or business of the Target Company; the “Competitive Transaction”), including expressing an opinion in support of, or recommending tender into, such transaction, (ii) provide any person other than the Tender Offeror with information concerning the Target Company or any other information in relation to a Competitive Transaction, or (iii) make any proposal, solicitation, offer, or request for discussion with respect to any Competitive Transaction, or engage in any discussion or negotiation regarding any Competitive Transaction.

However, the Tender Offer Agreement provides that (i) where the Target Company is permitted to withdraw or modify its expression of opinion in support of the Tender Offer in accordance with the Tender Offer Agreement, the foregoing shall not apply with respect to a third party that commences a Qualified Competing Tender Offer (as defined in "(ii) Tender Offer Agreement" in "(6) Material Agreements to the Dual Tender Offers") or makes a Competing Proposal (as defined in "(ii) Tender Offer Agreement" in "(6) Material Agreements to the Dual Tender Offers"), and (ii) the foregoing shall also not apply where the Target Company reasonably determines that a third party may commence a Qualified Competing Tender Offer or make a Competing Proposal by the last day of the Tender Offer Period (the "Expiration Date of the Tender Offer Period"), and the Target Company also reasonably determines that failing to provide information concerning the Target Company Group or other information to such third party, or failing to engage in discussions or negotiations with such third party, may constitute a breach of the directors' duty of care, in which case the Target Company may provide such information in response to such third party's reasonable request, or engage in discussions or negotiations with such third party. Therefore, it can be said that it is sufficiently possible for a third party seeking to make a proposal more desirable for the Target Company and its shareholders to approach and make a proposal to the Target Company, engage in discussions and negotiations with the Target Company, and, as a result, actually commence a Qualified Competing Tender Offer or take similar action. Accordingly, the Tender Offeror believes that the Tender Offer Agreement does not unjustifiably impede opportunities for third parties to make a Competing Proposal.

(ix) Measures to Ensure Opportunities for the Target Company's Shareholders to Appropriately Determine Whether to Tender Shares in the Dual Tender Offers

As stated in "(4) Policy Regarding Reorganization, etc., Following Completion of the Dual Tender Offers" below, the Tender Offeror ensures an opportunity for the Target Company's shareholders to properly decide whether or not to tender their shares in the Dual Tender Offers and give consideration to avoid creating coercive pressure on the Target Company's shareholders by (i) planning to make a demand to the Target Company to convene the Extraordinary Shareholders' Meeting at which the agenda items will include proposals for a partial amendment to the Target Company's articles of incorporation to abolish the provisions on share units subject to the Share Consolidation and on the condition that the Share Consolidation takes effect, and employing methods ensuring the right of the Target Company's shareholders to request purchase of shares or to petition for a determination of the price of shares and (ii) clarifying that the amount of money to be delivered to the Target Company's shareholders as consideration for each Target Company Share in the Share Consolidation will be calculated to be equal to the price obtained by multiplying the Tender Offer Price by the number of the Target Company Shares owned by each of those shareholders (excluding the Tender Offeror, Nippon Steel and the Target Company).

Furthermore, the Tender Offeror plans to set the Tender Offer Period to 20 business days in principle. Since it is anticipated that a maximum of approximately 5 months may be required from the announcement of the scheduled commencement of the Tender Offer to the actual commencement of the Tender Offer, the Tender Offeror believes that sufficient opportunity has been secured for the general shareholders of the Target Company to make their decision regarding tendering into the Tender Offer.

(4) Policy Regarding Reorganization, etc., Following Completion of the Dual Tender Offers

As stated in "(1) Overview of Purpose of the Tender Offer" above, if the Tender Offeror is unable to acquire all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offeror and Nippon Steel, and the treasury shares held by the Target Company), the Tender Offeror intends to implement the Squeeze-Out Procedures in the following manner after successful completion of the Tender Offer for the purpose of making the Tender Offeror and Nippon Steel the sole shareholders of the Target Company.

Specifically, promptly after result announcement date of the Tender Offer, the Tender Offeror plans to request the Target Company to hold the Extraordinary Shareholders' Meeting that will include: (a) a proposal regarding the Share Consolidation pursuant to Article 180 of the Companies Act and (b) a proposal regarding a partial amendment to the articles of incorporation subject to the Share Consolidation becoming effective for the purpose of abolishing the provision regarding the number of shares constituting one (1) unit of stock. Although the timing of the Extraordinary Shareholders' Meeting will depend on the timing of completion of the Tender Offer, it is currently planned to be held in early March 2026, if the Tender Offer can commence in or around late November 2026. According to the Target Company's Press Release Concerning Expression of Opinion, if the Target Company receives such a request from the Tender Offeror, the Target Company plans to comply with the request. The Tender Offeror and Nippon Steel plan to vote in favor of each of the above-mentioned proposals at the Extraordinary Shareholders' Meeting.

If the proposal regarding the Share Consolidation is approved at the Extraordinary Shareholders' Meeting, as of the effective date of the Share Consolidation, the shareholders of the Target Company will own the number of the Target Company Shares in proportion to the ratio of the Share Consolidation approved at the Extraordinary Shareholders' Meeting. In the case where any fraction of less than one (1) share arises as a result of the Share Consolidation, the amount of cash obtained by selling the Target Company Shares equivalent to the aggregate of such fractional shares (any fractional shares less than one (1) share in the aggregate will be rounded off; the same applies hereinafter) to the Tender Offeror will be delivered to the shareholders of the Target Company who hold fractional shares pursuant to Article 235 of the Companies Act and other relevant laws and regulations. With respect to the sale price of the Target Company Shares equivalent to the aggregate of such fractional shares, the Tender Offeror plans to request the Target Company to calculate such price so that the amount of money to be delivered to each of the shareholders of the Target Company (excluding the Tender Offeror, Nippon Steel and the Target Company; the same applies hereinafter) who did not tender their shares in the Dual Tender Offers as a result of such sale will be equal to the amount obtained by multiplying (a) the Tender Offer Price by (b) the number of the Target Company Shares held by such shareholders, and file a petition with a court for permission for voluntary sale. Although the ratio for the consolidation of the Target Company Shares has not yet been determined as of today, the Tender Offeror plans to request the Target Company to determine the ratio in a manner such that the Tender Offeror and Nippon Steel will hold all the Target Company Shares, excluding treasury shares held by the Target Company, and the number of the Target Company Shares held by the shareholders of the Target Company (excluding the Tender Offeror and Nippon Steel) who did not tender their shares in the Dual Tender Offers will be a fraction less than one (1) share. According to the Target Company's Press Release Concerning Expression of Opinion, the Target Company plans to comply with these requests from the Tender Offeror if the Tender Offer is completed.

The Companies Act provides that, in order to protect the rights of general shareholders in connection with the procedure described above, in the case where a fraction less than one (1) share arises because of the Share Consolidation, the shareholders of the Target Company may request the Target Company to purchase at a fair price all of their fractional shares less than one (1) share and file a petition with a court for a determination of the price of the Target Company Shares pursuant to the provisions of Articles 182-4 and 182-5 of the Companies Act and other relevant laws and regulations. As stated above, since it is planned that the number of Target Company Shares held by the shareholders of the Target Company (excluding the Tender Offeror and Nippon Steel) who did not tender their shares in the Dual Tender Offers will become a fraction less than one (1) share for the purpose of making the Tender Offeror and Nippon Steel the sole shareholders of the Target Company, the shareholders of the Target Company who oppose the Share Consolidation will be able to file the petition stated above. Furthermore, in the event such petition is filed, the purchase price of the Target Company Shares will be ultimately determined by the court.

With respect to the procedure described above, the method of implementation and timing thereof may be changed due to the amendment or implementation of the relevant laws and regulations or the interpretation by the authorities of the relevant laws and regulations. However, even in such cases, if the Tender Offer is completed, the Tender Offeror intends to adopt any measures to eventually pay cash to the shareholders of the Target Company (excluding the Tender Offeror and Nippon Steel) who did not tender their shares in the Tender Offer and calculate the amount of cash to be paid to each of the shareholders equal to the amount obtained by multiplying the Tender Offer Price by the number of the Target Company Shares held by such shareholders.

Specific procedures and the schedule thereof in each case above will be announced promptly by the Target Company once they are determined through mutual discussions between the Tender Offeror and the Target Company.

The Tender Offeror does not intend to solicit an affirmative vote by the shareholders of the Target Company at the Extraordinary Shareholders' Meeting. The shareholders of the Target Company should consult with tax accountants or other professionals at their own responsibility regarding the tax implications of tendering their shares in the Dual Tender Offers or any of the procedures above.

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

As of today, the Target Company Shares are listed on the Prime Market of the TSE. However, since the Tender Offeror has not set the maximum number of shares to be purchased in the Tender Offer, depending on the result of the Tender Offer, the Target Company Shares may be delisted pursuant to the procedures prescribed by the TSE in accordance with the TSE's delisting criteria. In addition, even if the Target Company Shares do not meet the delisting criteria at the time of completion of the Tender Offer, depending on the result of the Tender Offer for Share Repurchase, the Target Company Shares may be delisted pursuant to the procedures prescribed by the TSE in accordance with the TSE's delisting criteria. Even if the Target Company Shares do not fall under such criteria at the time of completion of the Dual Tender Offers, if the Tender Offeror implements the Squeeze-Out Procedures described in "(4) Policy Regarding Reorganization, Etc., Following Completion of the Dual Tender Offers" after completion of the Tender Offer, the Target Company Shares will be delisted pursuant to the procedures prescribed by the TSE in accordance with the TSE's delisting criteria. After the delisting, the Target Company Shares will no longer be traded on the Prime Market of the TSE. With respect to the reasons for delisting and impact on general shareholders and perspective thereon, please refer to "(2) Background, Purpose and Decision-Making Process Leading to Decision to Implement the Tender Offer, and Management Policy after the Dual Tender Offers" and "(4) Policy Regarding Reorganization, etc., Following Completion of the Dual Tender Offers" above.

(6) Material Agreements to the Dual Tender Offers

(i) Basic Agreement

The Tender Offeror and Nippon Steel have, as of July 31, executed the Basic Agreement with respect to the Transactions, and has agreed that: (i) Nippon Steel will not tender all of its Target Company Shares (7,861,280 shares, ownership ratio: 33.36%) in the Tender Offer; (ii) with respect to the Shares to Be Tendered for Share Repurchase held by Nippon Steel, Nippon Steel will tender such shares in the Tender Offer for Share Repurchase, and Nippon Steel will not tender the Shares Not to Be Tendered for Share Repurchase (3,140,842 shares, ownership ratio: 13.33%) in the Tender Offer for Share Repurchase; (iii) in the event the Tender Offeror is unable to acquire all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offeror and Nippon Steel, and the treasury shares held by the Target Company) through the Tender Offer, the Tender Offeror will, after the successful completion of the Tender Offer, cause the Target Company to hold the Extraordinary Shareholders' Meeting; and (iv) Nippon Steel will vote in favor of a proposal regarding the Share Consolidation at the Extraordinary Shareholders' Meeting.

More specifically, under the Basic Agreement, the Tender Offeror and Nippon Steel have agreed to the following terms:

(a) Nippon Steel will not tender all of its Target Company Shares in the Tender Offer;

(b) Upon successful completion of the Tender Offer, the Tender Offeror will request the Target Company to commence the Tender Offer for Share Repurchase in accordance with the provisions of the Tender Offer Agreement as promptly as is reasonably practicable;

(c) If the Tender Offer for Share Repurchase commences, provided that (i) in accordance with the Financial Instruments and Exchange Act and other applicable laws and regulations, all procedures necessary for the commencement of the Tender Offer for Share Repurchase are completed, and the Tender Offer for Share Repurchase has been lawfully commenced in accordance with the provisions of the Basic Agreement and has not been withdrawn thereafter; (ii) there are no decisions, etc. by any judicial or administrative authorities, etc. that would restrict or prohibit the Tender Offer for Share Repurchase; and (iii) Nippon Steel's tendering their shares in the Tender Offer for Share Repurchase does not violate the laws and regulations and (iv) the Tender Offer has been successfully completed in accordance with the Basic Agreement, and settlement has been completed, Nippon Steel will, within a reasonably practicable time, tender all of the Shares to Be Tendered for Share Repurchase in the Tender Offer for Share Repurchase, and will not subsequently withdraw such tender, nor terminate the agreement relating to the Shares to Be Tendered for Share Repurchase resulting from such tender, nor tender any of the Shares Not to Be Tendered for Share Repurchase in the Tender Offer for Share Repurchase. In addition, Nippon Steel may, at its sole discretion, waive any of such events and fulfill the obligations above.

(d) Subject to the successful completion of the Tender Offer, the Tender Offeror and Nippon Steel will cooperate with each other to implement the Squeeze-Out Procedures. After the successful completion of the Tender Offer, the Tender Offeror will, as soon as practicable, request the Target Company to hold the Extraordinary Shareholders' Meeting as part of the Squeeze-Out Procedures; and Nippon Steel, as a shareholder of the Target Company, will vote in favor of the proposal regarding the Share Consolidation at the Extraordinary

Shareholders' Meeting by exercising the voting rights attached to the Target Company Shares held by Nippon Steel.

(e) The Tender Offeror will, promptly after the execution of the Basic Agreement, use reasonable efforts to lawfully complete the filings required under competition laws and regulations and other procedures with judicial and administrative authorities, etc. (the "Regulatory Compliance Procedures") necessary for the execution of the Transactions, and will use reasonable efforts to ensure that the Clearance is obtained in connection with the Regulatory Compliance Procedures. With regard to the Tender Offeror's actions to complete the Regulatory Compliance Procedures and obtain the Clearance, Nippon Steel will, either directly or through its subsidiaries, provide or cause to be provided the information reasonably requested by the Tender Offeror and provide other cooperation within a reasonable and appropriate timeframe and in a reasonable and appropriate manner.

(f) From the date of execution of the Basic Agreement through the effective date of the Share Consolidation, Nippon Steel will not, except as otherwise expressly provided in the Basic Agreement, transfer, pledge, or otherwise dispose of all or any part of the Target Company Shares held by Nippon Steel (including, but not limited to, tendering such shares in a tender offer other than the Tender Offer and the Tender Offer for Share Repurchase), nor will it acquire any Target Company Shares or rights relating to the Target Company.

(g) From the date of execution of the Basic Agreement through the effective date of the Share Consolidation, Nippon Steel shall not, directly or indirectly, by itself or through any other person, take any action with any person other than the Tender Offeror in any act (including, but not limited to, agreements with third parties, offers to enter into agreements, solicitations of offers, acceptances, consultations, negotiations, solicitations, or provision of information) that compete with, conflict with, or are inconsistent with the Tender Offer, the Tender Offer for Share Repurchase, or any other transactions contemplated by the Basic Agreement, or that are likely to do so, and, if Nippon Steel receives any solicitation, proposal, provision of information, or offer regarding such conduct from a third party other than the Tender Offeror, it shall immediately notify the Tender Offeror of that fact and the details thereof, and shall consult in good faith with the Tender Offeror regarding how to respond to such third party.

(h) From the date of execution of the Basic Agreement through the effective date of the Share Consolidation, Nippon Steel shall not, except as expressly provided in the Basic Agreement, exercise the right to request the calling of a general meeting of shareholders of the Target Company (Article 297 of the Companies Act) or the shareholders' right to propose (Articles 303 through 305 of the Companies Act) without the prior written consent of the Tender Offeror.

(i) Except as expressly provided in the Basic Agreement, where it is entitled to exercise voting rights at a shareholders' meeting of the Target Company held between the date of execution of the Basic Agreement through the effective date of the Share Consolidation, in the event that the following proposals are submitted: (i) a proposal concerning the distribution or other disposition of surplus funds; (ii) a proposal relating to a shareholder proposal that could hinder implementation of the Transactions; or (iii) a proposal that, if approved, would have, or could reasonably be expected to have, a material impact on the Target Company's financial condition, operating results, cash flows, business, assets, liabilities, or future earnings plans or outlook, Nippon Steel will exercise its voting rights at the relevant shareholders' meeting attached to the Target Company Shares held by Nippon Steel to vote against the relevant proposal.

(j) In the event that, pursuant to the Basic Agreement, Nippon Steel tenders the Target Company Shares held by Nippon Steel in the Tender Offer for Share Repurchase, and the Tender Offer for Share Repurchase is successfully completed, if a shareholders' meeting of the Target Company, for which the record date for exercising rights is set prior to the settlement commencement date of the Tender Offer for Share Repurchase, is held on or after such settlement commencement date, Nippon Steel shall exercise the voting rights and all other rights attached to the Shares to Be Tendered for Share Repurchase in accordance with the Tender Offeror's instructions and, to the extent reasonable, take such measures (if any) as are necessary to ensure that the Tender Offeror's intentions are appropriately reflected.

(k) From the date of execution of the Basic Agreement through the effective date of the Share Consolidation, the Tender Offeror shall not exercise any shareholder rights or engage in any other acts that conflict with or are inconsistent with the purpose and intent of the Transactions, the Basic Agreement, or the Shareholders' Agreement (including accepting a proposal by a third party other than the Tender Offeror for the acquisition of all or part of the Target Company Shares).

In addition, the Basic Agreement stipulates the following as grounds for termination: (i) if the Tender Offeror withdraws the Tender Offer in accordance with laws and regulations; (ii) if the total number of shares tendered in connection with the Tender Offer is less than the minimum number of shares to be purchased; and (iii) if Nippon Steel and the Tender Offeror agree in writing to terminate the Basic Agreement.

Furthermore, the Basic Agreement stipulates that the following shall constitute grounds for cancellation: (i) a material breach by the other party (referring to Nippon Steel for the Tender

Offeror and the Tender Offeror for Nippon Steel; the same shall apply hereinafter in this Item 1 to references to the "other party") of its obligations under the Basic Agreement; (ii) a material breach by the other party of its representations and warranties (Note 2); (iii) the filing of a petition for the commencement of insolvency proceedings or similar proceedings against the other party; and (iv) if the Tender Offer is not commenced by December 31, 2027, for reasons not attributable to the relevant party.

(Note 1) Under the Basic Agreement, the Tender Offeror has made representations and warranties to Nippon Steel regarding:(a) power and authority, etc.; (b) execution of the agreement and performance of procedures; (c) enforceability; (d) obtaining of permits and approvals; (e) non-existence of conflicts with laws and regulations, etc.; (f) non-existence of insolvency proceedings, etc.; (g) non-existence of transactions with anti-social forces; and (h) fund necessary for the Transactions. In addition, Nippon Steel has made representations and warranties to the Tender Offeror regarding:(a) power and authority, etc.; (b) execution of the agreement and performance of procedures; (c) enforceability; (d) obtaining of permits and approvals; (e) non-existence of conflicts with laws and regulations, etc.; (f) non-existence of insolvency proceedings, etc.; (g) non-existence, etc. of transactions with anti-social forces, etc.; and (h) holding, etc. of the shares.

(ii) Tender Offer Agreement

The Tender Offeror entered into the Tender Offer Agreement with the Target Company as of July 31, 2026, which includes the following provisions concerning the execution of the Transactions.

(a) The Target Company shall, on the date of execution of the Tender Offer Agreement, adopt a resolution to express its opinion in support of the Tender Offer and to recommend that the shareholders of the Target Company tender their shares in the Tender Offer (the "Expression of an Opinion in Support of the Tender Offer") at a meeting of the board of directors of the Target Company. In addition, the Target Company shall maintain the Opinion in Support of the Tender Offer from the date of execution of the Tender Offer Agreement until the expiration date of the Tender Offer Period, and shall not adopt any resolution at a meeting of its board of directors to withdraw or modify the Opinion in Support of the Tender Offer . However, if, by the expiration date of the Tender Offer Period, a person other than the Tender Offeror (i) commences a tender offer that substantially competes with, conflicts with, or is inconsistent with the Transactions, or is likely to do so (meaning a tender offer intended to take the Target Company private, that does not set a maximum number of shares to be purchased and sets a minimum number of shares to be purchased at a level that would ensure that the Target Company can be taken private if such tender offer is completed; provided, however, that the amount of consideration to be delivered to shareholders exceeds the Tender Offer Price; hereinafter referred to as a "Qualified Competing Tender Offer"), or (ii) makes to the Target Company a bona fide proposal with specific terms and conditions and reasonable feasibility relating to a Qualified Competing Tender Offer (hereinafter referred to as a "Competing Proposal"), then the Target Company may request the Tender Offeror to discuss a change to the Tender Offer Price, and if the Target Company makes such request to the Tender Offeror, the Tender Offeror shall discuss such change to the Tender Offer Price with the Target Company in good faith. If, by the earlier of (x) the day falling five business days from the date on which such request is made to the Tender Offeror or (y) the business day immediately preceding the expiration date of the Tender Offer Period (provided, however, that if such request is made after the business day immediately preceding the expiration date of the Tender Offer Period, then immediately after such request), the Tender Offeror fails to make a legally binding revised proposal, in writing or by electronic record, to change the Tender Offer Price to an amount equal to or greater than the amount of consideration to be delivered to shareholders in the Qualified Competing Tender Offer, then, if (A) it is reasonably recognized that the Target Company's maintaining the Opinion in Support of the Tender Offer may constitute a breach of the directors' duty of care, or (B) the Special Committee advises or reports that it is appropriate to withdraw or modify the Opinion in Support of the Tender Offer, the Target Company may adopt a resolution at a meeting of its board of directors to withdraw or modify the Opinion in Support of the Tender Offer, but only if the purchase price in the Qualified Competing Tender Offer or the Competing Proposal exceeds the Tender Offer Price as revised by such renewed proposal.

(b) The Target Company shall commence the Tender Offer for Share Repurchase, provided that (i) the Tender Offer has been lawfully and validly completed in accordance with the Tender Offer Agreement, and (ii) there are no determinations, etc. by any judicial or administrative authorities, etc. that would restrict or prohibit the Transactions. The Target Company may, at its sole discretion, waive any of the foregoing conditions and perform its obligation to commence the Tender Offer for Share Repurchase.

(c) The Tender Offeror shall use its commercially reasonable best efforts to cause Nippon Steel, if the Tender Offer for Share Repurchase is commenced, to tender all of the Shares to Be Tendered for Share Repurchase in the Tender Offer for Share Repurchase in accordance with the provisions of the Basic Agreement at a time that is reasonably practicable in light of business practice (but no later than the business day immediately preceding the last day of the tender offer period for the Tender Offer for Share Repurchase), and thereafter not to withdraw such tender, not to terminate the agreement relating to the Shares to Be Tendered for Share Repurchase formed as a result of such tender, and not to tender any of the Shares Not to Be Tendered for Share Repurchase in the Tender Offer for Share Repurchase.

(d) Following the successful completion of the Tender Offer for Share Repurchase, the Target Company shall, as soon as practicable, hold an extraordinary shareholders' meeting, as part of the Squeeze-Out Procedures, with agenda items including a proposal to implement the Share Consolidation for the purpose of making the Tender Offeror and Nippon Steel the only shareholders of the Target Company (provided that the record date for such extraordinary shareholders' meeting shall be a date as close as practicable to the successful completion of the Tender Offer).

(e) During the period from the date of execution of the Tender Offer Agreement until the completion of the Squeeze-Out Procedures, the Target Company shall not, directly or indirectly, (i) enter into any agreement with any person other than the Tender Offeror relating to a Competitive Transaction (including expressing an opinion in support of, or recommending tender into, such transaction), (ii) provide any person other than the Tender Offeror with information concerning the Target Company or any other information in relation to a Competitive Transaction, or (iii) make any proposal, solicitation, offer, or request for discussion with respect to any such Competitive Transaction, or engage in any discussion or negotiation regarding any such Competitive Transaction. Provided, however, that the foregoing shall not apply, in the event that the Target Company is permitted to withdraw or modify the Opinion in Support of the Tender Offer in accordance with (a) above, with respect to a third party that commences such Qualified Competing Tender Offer or makes such Competing Proposal. In addition, the foregoing shall not apply where the Target Company reasonably determines that a third party may commence a Qualified Competing Tender Offer or make a Competing Proposal by the expiration date of the Tender Offer Period, and the Target Company also reasonably determines that failing to provide information concerning the Target Company Group or other information to such third party, or failing to engage in discussions or negotiations with such third party, may constitute a breach of the directors' duty of care, in which case the Target Company may provide such information in response to such third party's reasonable request, or engage in discussions or negotiations with such third party.

(f) During the period from the date of execution of the Tender Offer Agreement until the completion of the Squeeze-Out Procedures, if the Target Company receives from any person other than the Tender Offeror any proposal, solicitation, provision of information, or offer relating to a Competitive Transaction, the Target Company shall promptly notify the Tender Offeror, to the extent necessary and reasonable, of such fact and the details of such proposal, etc., and shall discuss in good faith with the Tender Offeror how to respond thereto.

In addition, the Tender Offer Agreement provides that the following shall constitute termination events: (i) the Tender Offeror and the Target Company agree in writing to terminate the Tender Offer Agreement, (ii) the Tender Offeror withdraws the Tender Offer in accordance with applicable laws and regulations, and (iii) the total number of share certificates, etc. tendered in connection with the Tender Offer is less than the minimum number of shares to be purchased.

Furthermore, the Tender Offer Agreement provides that the following shall constitute grounds for cancellation: (i) a material breach by the other party (meaning, for the Tender Offeror, the Target Company, and for the Target Company, the Tender Offeror; the same shall apply hereinafter in this item (ii) to references to the “other party”) of its obligations under the Tender Offer Agreement, (ii) a material breach by the other party of its representations and warranties (Note 1), and (iii) the Target Company withdraws or modifies the Opinion in Support of the Tender Offer without breaching its obligations under the Tender Offer Agreement; provided, however, that even if the Tender Offer Agreement is cancelled pursuant to (iii), if the Tender Offer is successfully completed, such cancellation shall be deemed not to have occurred and the effectiveness of the Tender Offer Agreement shall revive prospectively.

(Note 1) Under the Tender Offer Agreement, the Tender Offeror makes representations and warranties to the Target Company regarding (i) legal capacity, etc., (ii) execution and performance of the agreement, (iii) enforceability, (iv) absence of conflict with laws and regulations, etc., (v) absence of insolvency proceedings, etc., (vi) absence of transactions with anti-social forces, and (vii) the funds necessary for the Transactions. In addition, the Target Company makes representations and warranties to the Tender Offeror regarding (i) legal capacity, etc., (ii) execution and performance of the agreement, (iii) enforceability, (iv) absence of conflict with laws and regulations, etc., (v) absence of insolvency proceedings, etc., (vi) absence of transactions with anti-social forces, etc., (vii) issuance, etc. of the Target Company Shares, (viii) financial statements, (ix) absence of material subsequent events, (x) contingent liabilities, (xi) business plans, (xii) contractual relationships, (xiii) assets, (xiv) intellectual property rights, etc., (xv) labor and employment matters, (xvi) taxes and other public charges, (xvii) litigation, etc., (xviii) compliance with laws and regulations and permits and licenses, (xix) absence of undisclosed material facts, and (xx) accuracy of disclosure documents.

(7) Other Material Matters Concerning the Tender Offer

From the perspective of maintaining confidentiality during the consideration of the Transactions, the Tender Offeror did not provide any explanation regarding the Tender Offer to Naikai Tug Boat prior to the public announcement of the Dual Tender Offers, nor has the Tender Offeror entered into any agreement with Naikai Tug Boat, a wholly-owned subsidiary of the Tender Offeror, regarding the Dual Tender Offers with respect to all of the Target Company Shares held by Naikai Tug Boat. However, following the public announcement of the Dual Tender Offers, the Tender Offeror plans to request that Naikai Tug Boat tender all of the Target Company Shares it holds, 45,800 shares, (ownership ratio: 0.19%) in the Tender Offer (the Tender Offeror does not plan to enter into any tender agreement).

In addition, as stated in "(1) Overview of Purpose of the Tender Offer" above, the Target Company plans to make a resolution at a board of directors meeting to commence the Tender Offer for Share Repurchase and publicly announce the same promptly after the result announcement date of the Tender Offer (currently expected to be around early January of 2027), and to commence the Tender Offer for Share Repurchase on the next business day thereafter (currently expected to be around early January of 2027).

3. Outline of the Target Company and Conditions, Etc. of Purchase, Etc.

(1) Outline of the Target Company

(1) Name	NS United Kaiun Kaisha, Ltd.	
(2) Address	Otemachi Place East Tower 5F, 3-2, Otemachi 2-Chome, Chiyoda-ku, Tokyo	
(3) Title and Name of Representative	Kazuma Yamanaka, President and Representative Director	
(4) Description of Business	International marine transportation services and related business	
(5) Capital	JPY 10,300 million (as of June 30, 2026)	
(6) Date of Establishment	April 1, 1950	
(7) Large Shareholders and their Ownership Percentages (as of March 31, 2026)	NIPPON STEEL CORPORATION	33.36%
	Nippon Yusen Kabushiki Kaisha	18.35%
	The Master Trust Bank of Japan, Ltd. (Trust Account)	7.94%
	CEPLUX- THE INDEPENDENT UCITS	3.33%

	PLATFORM 2 (standing proxy: Citibank, N.A., Tokyo Branch)	
	BNYM AS AGT/CLTS 10 PERCENT (standing proxy: MUFG Bank, Ltd.)	2.20%
	HSIN CHIEN MARINE CO., LTD.	2.14%
	Japan Custody Bank, Ltd. (Trust Account)	1.98%
	BNYMSANV RE BNYMIL RE WS ZENNOR JAPAN EQUITY INCOME FUND (standing proxy: MUFG Bank, Ltd.)	1.71%
	Mizuho Bank, Ltd.	1.70%
	STATE STREET BANK AND TRUST COMPANY 505223 (standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	1.64%

(8) Relationship between the Listed Company and the Target Company

Capital Relationship	As of today, the Tender Offeror is the second-largest shareholder of the Target Company, directly holding 4,324,725 shares of the Target Company Shares (ownership ratio: 18.35%) listed on the Prime Market of TSE, and, when combined with the 45,800 shares of the Target Company Shares indirectly held through Naikai Tug Boat, a wholly-owned subsidiary of the Tender Offeror (ownership ratio: 0.19%), the Tender Offeror holds a total of 4,370,525 shares (ownership ratio: 18.55%) of the Target Company Shares and treats the Target Company as an equity-method affiliate.
Personal Relationships	One of the Target Company's directors and one of its auditors are formerly affiliated with the Tender Offeror.
Transactional Relationships	There are no material transactional relationships between the Tender Offeror Group and the Target Company Group. However,

		there are ordinary transactional relationships, such as vessel leasing and related transactions.
	Status as Related Parties	The Target Company is an equity-method affiliate of the Tender Offeror and constitutes a related party.

Note: "Large Shareholders and their Ownership Percentages (as of March 31, 2026)" is described based on "Status of Large Shareholders" stated in the Target Company's Securities Report.

(2) Schedule, Etc.

The Tender Offer plans to be promptly commenced upon the satisfaction of the Conditions Precedent (or upon the waiver of such conditions by the Tender Offeror). As of today, the Tender Offeror aims to commence the Tender Offer from around late November 2026 to late December 2026. However, due to the difficulty in accurately predicting the period required for procedures, etc. with domestic and foreign competition authorities, the schedule for the Tender Offer will be announced promptly upon its determination.

Furthermore, the Tender Offer Period is expected to be twenty (20) business days, in principle. Under the law, if the Tender Offer Period is shorter than 30 business days, the Target Company has the right to request that the Tender Offeror extend the Tender Offer Period to thirty (30) business days. However, as stated in "(ix) Measures to Ensure Opportunities for the Target Company's Shareholders to Appropriately Determine Whether to Tender Shares in the Dual Tender Offers" in "(3) Measures to Ensure Fairness of the Dual Tender Offers" in "2. Purpose of Purchase, Etc." above, since the Special Committee determined that, although the Tender Offer Period is twenty (20) business days, which is the minimum period prescribed by law, the period from the announcement of the planned commencement of the Tender Offer to its actual commencement is expected to take at least three (3) months, and therefore, the Tender Offeror believes that an opportunity for general shareholders of the Target Company to make an appropriate decision on whether or not to tender their shares in the Tender Offer and an opportunity for a counter offeror to purchase the Target Company Shares are ensured, at present, the Tender Offeror believes that there is no possibility that the Target Company will request an extension of the Tender Offer Period.

(3) Price for Purchase, Etc.

JPY 10,600 per share of common stock

(4) Number of Shares, Etc. to be Purchased

Number of Shares to be Purchased	Minimum Number of Shares to be Purchased	Maximum Number of Shares to be Purchased
11,379,482 (shares)	3,524,375 (shares)	－(shares)

(Note 1) If the total number of the Tendered Shares, Etc. is less than the minimum number of shares to be purchased (3,524,375 shares), the Tender Offeror will not purchase any of the Tendered Shares, Etc. If the total number of the Tendered Shares, Etc. is equal to or greater than the minimum number of shares to be purchased (3,524,375 shares), the Tender Offeror will purchase all of the Tendered Shares, Etc.

(Note 2) As the maximum number of shares to be purchased through the Tender Offer has not been set, the number of shares to be purchased that is described in the relevant column is the maximum number of the Target Company Shares that the Tender Offeror may possibly purchase through the Tender Offer (11,379,482 shares). Such maximum number of shares is calculated by deducting the number of the Target Company Shares held by the Tender Offeror (4,324,725 shares) and the number of the Target Company Shares held by Nippon Steel (7,861,280 shares) from the Base Number of Shares.

(Note 3) Shares constituting less than one (1) unit are also subject to the Tender Offer. In the event that the shareholders exercise their right to require the Target Company to purchase fractional shares of less than one (1) unit in accordance with the Companies Act, the Target Company may purchase its own shares during the Tender Offer Period in accordance with the procedures prescribed by the applicable laws and regulations.

(Note 4) The Tender Offeror does not intend to purchase the treasury shares held by the Target Company through the Tender Offer.

(Note 5) "Number of Shares to be Purchased" and "Minimum Number of Shares to be Purchased" above are provisional figures based on information available as of today and may differ from the actual figures in the Tender Offer due to changes in the number of treasury shares held by the Target Company after the date of this announcement. Prior to the commencement of the Tender Offer, the Tender Offeror plans to finalize "Number of Shares to be Purchased" and "Minimum Number of Shares to be Purchased" based on information available at the time of the commencement of the Tender Offer.

(5) Changes in Ownership Ratio of Shares, Etc. after Purchase, Etc.

Number of Voting Rights Represented by Shares, etc. Held by the Tender Offeror Before the Purchase, etc.	43,247 voting rights	(Ownership Ratio of Shares, etc. Before the Purchase, etc.: 18.35%)
Number of Voting Rights Represented by Shares, etc. Held by Specially Related Parties Before the Purchase, etc.	79,070 voting rights	(Ownership Ratio of Shares, etc. Before the Purchase, etc.: 33.55%)
Number of Voting Rights Represented by Shares, etc. Held by the Tender Offeror After the Purchase, etc.	157,042 voting rights	(Ownership Ratio of Shares, etc. After the Purchase, etc.: 66.64%)
Number of Voting Rights Represented by Shares, etc. Held by Specially Related Parties After the Purchase, etc.	78,612 voting rights	(Ownership Ratio of Shares, etc. After the Purchase, etc.: 33.36%)
Number of Voting Rights of All Shareholders, etc. of the Target Company	235,087 voting rights	

(Note 1) "Number of Voting Rights Represented by Shares, etc. Held by the Tender Offeror After the Purchase, etc." indicates the number of voting rights represented by the number of shares obtained by adding the number of shares. held by the Tender Offeror before the Purchase, etc. (4,324,725 shares) and the number of shares to be purchased in the Tender Offer (11,379,482 shares) stated in "(4) Number of Shares, Etc. to be Purchased" above.

(Note 2) "Number of Voting Rights Represented by Shares, etc. Held by Specially Related Parties Before the Purchase, etc." provisionally indicates only the total number of voting rights represented by the Target Company Shares held by Nippon Steel and Naikai Tug Boat as of today out of the shares, etc. held by each Specially Related Party (except for persons excluded from Specially Related Parties under Article 3, Paragraph 2, Item 1(a) of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers (Ministry of Finance Order No. 38 of 1990; as amended; the "Cabinet Office Ordinance") for the purpose of calculating the ownership ratio of shares, etc. under each item of Article 27-2, Paragraph 2). In the Tender Offer, the shares, etc. held by the Specially Related Parties (excluding the treasury shares held by the Target Company and the Target Company Shares held by Nippon Steel,) are also subject to purchase, etc., and therefore, "Number of Voting Rights Represented by Shares, etc. Held by Specially Related Parties After the Purchase, etc." indicates the total number of voting rights represented by the Target Company Shares held by Nippon Steel as of today. In addition, prior to the commencement of the Tender Offer, the Tender Offeror plans to confirm the number of the shares, etc., of the Target Company held by Specially Related Parties; therefore, if it becomes necessary to make any corrections to "Number of Voting Rights Represented by Shares, etc. Held by Specially Related Parties After the Purchase, etc." and "Number of Voting Rights of All Shareholders, etc. of the Target Company" listed above, the Tender Offeror will disclose the corrected figures at the time of the commencement of the Tender Offer.

(Note 3) "Number of Voting Rights of All Shareholders, etc. of the Target Company" indicates the number of voting rights of all shareholders of the Target Company (i.e., voting rights attached to shares constituting one (1) share unit, where one (1) share unit consists of one hundred (100) shares) as of March 31, 2026 stated in the Target Company's Securities Report. However, since shares constituting less than one (1) unit are subject to the Tender Offer, when calculating "Ownership Ratio of Shares, etc. Before the Purchase, etc." and "Ownership Ratio of Shares, etc. After the Purchase, etc.," the number of voting rights (235,654 rights) represented by the Base Number of Shares (23,565,487 shares) was used as the denominator.

(Note 4) With respect to "Ownership Ratio of Shares, etc. Before the Purchase, etc." and "Ownership Ratio of Shares, etc. After Purchase, etc.", the figures are rounded to two (2) decimal places.

(6) Funds Required for Purchase, Etc. (Scheduled) JPY 120,623 million

(Note) "Funds Required for Purchase, Etc. (Scheduled)" represents the amount obtained by multiplying the number of shares to be purchased in the Tender Offer (11,379,482 shares) by the Tender Offer Price (JPY 10,600). Please note that the actual number of shares to be purchased in the Tender Offer may differ due to fluctuations, etc. on or after today.

(7) Other Conditions and Methods of Purchase, Etc.

(i) Conditions Set Forth in Each Item of Article 27-13, Paragraph 4 of the Act and the Details Thereof

If the total number of Tendered Shares is less than the minimum number of shares to be purchased (3,524,375 shares), the Tender Offeror will not purchase any of the Tendered Shares, Etc. However, if the total number of Tendered Shares is equal to or greater than the minimum number of shares to be purchased (3,524,375 shares), the Tender Offeror will purchase all of the Tendered Shares.

(Note) The minimum number of shares to be purchased above is a provisional figure based on information available as of today and may differ from the actual figures in the Tender Offer due to fluctuations in the number of treasury shares held by the Target Company after the date of this announcement. Prior to the commencement of the Tender Offer, the Tender Offeror plans to finalize the minimum number of shares to be purchased based on the most recent information available at the time of the commencement of the Tender Offer.

(ii) Conditions for Withdrawal, Etc. of the Tender Offer, Details thereof and Method for Disclosure of Withdrawal, Etc.

The conditions for withdrawal of the Tender Offer by the Tender Offeror are as follows: the occurrence of any event specified in Article 26, paragraph 4, Items 2, 4 and 5 and Item 7 of the Cabinet Office Ordinance, relating to Article 14, Paragraph 1, Item 1(a) through (j) and (m) through (t), Item 3(a) through (h) and (j), Item 4, and Item 5 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; the "Enforcement Order"), or any of the matters specified in Article 14, Paragraph 2, Items 3 through 6 of the Enforcement Order.

With respect to the Tender Offer, "anything equivalent to what is set forth in (a) through (s)" set forth in Article 14, Paragraph 1, Item 1(t) of the Enforcement Order is intended to refer to (a) an event where the corporate body responsible for making decisions on the execution of operations of the Target Company either has decided to pay dividends of surplus (excluding cases where the cash and other assets to be delivered to shareholders are expected to be less than the amount equivalent to 10% (16,309 million yen) of the book value of the non-consolidated net assets (163,094 million yen) stated in the Target Company's Securities Report) with a record date prior to the settlement commencement date of the Tender Offer (including cases where the corporate body has decided to set a date prior to the settlement commencement date of the Tender Offer as the record date for a dividend of surplus without indicating the specific amount of the dividend of surplus), or has decided to propose the above dividends at the shareholders' meeting of the Target Company, and (b) an event where the corporate body responsible for making decisions on the execution of operations of the Target Company has decided to acquire its own shares (excluding cases where the cash or other assets to be delivered in exchange for the acquisition of shares are expected to be less than the amount equivalent to 10% of the book value of the net assets stated in the Target Company's Financial Results). This is because, if such a decision is made, it is considered that the outflow of the corporate assets of the Target Company would be significant and would significantly compromise its ability to achieve the purpose of the Tender Offer.

In addition, "facts equivalent to those set forth in (a) through (i)" set forth in Article 14, Paragraph 1, Item 3(j) of the Enforcement Order is intended to refer to cases where (i) any statutory disclosure documents previously filed by the Target Company are either found to contain false information regarding any material matters, or lack information related to material matters that should be stated, provided that the Tender Offeror was unaware of such false information or lack of information, and (ii) any fact specified in (a) through (g) of the same Item occurs to an important subsidiary of the Target Company.

(iii) Other

Method of settlement of the Tender Offer, date of public announcement regarding commencement of the Tender Offer, and other conditions and methods of purchase, etc. will be announced once they are determined. Nomura Securities is scheduled to be retained as the Tender Offer Agent.

4. Future Prospects

For the policies, etc. after the Tender Offer, please refer to "(iv) Management Policy after the Both Tender Offer," in "(2) Background, Purpose and Decision-Making Process Leading to the Decision to Implement the Both Tender Offer, and Management Policy after the Both Tender Offer", "(4) Policy Regarding Reorganization, Etc., Following Completion of the Dual Tender Offers" and "(5) Possibility of Delisting, Etc. and Reasons Therefor" in "2. Purpose of Purchase, Etc." above.

5. Other

(1) Details of Benefits Received from the Tender Offeror or any of its Specially Related Parties

Not applicable.

(2) Other Information Deemed Necessary for Investors to Determine Whether Tender Their Shares in the Tender Offer

(i) Announcement of the "First Quarter Consolidated Financial Results for the Fiscal Year Ending March 2027 (Japanese GAAP)"

According to the Target Company, on July 31, 2026, the Target Company announced the Target Company's Financial Results. An outline of the Target Company's profit and loss status based on the announcement is stated below. Please note that the details thereof have not been reviewed during the term by an auditing firm in accordance with Article 193-2, Paragraph 1 of the Act. The following outline is an excerpt from the Target Company's press release and the Tender Offeror has not independently verified the accuracy or truthfulness of such outline. For details, please refer to such press release.

a. Profit and Loss (Consolidated)

Accounting Period	First Quarter Cumulative Period for the Fiscal Year Ending March 2027

	(From April 1, 2026 to June 30, 2026)
Sales	JPY 67,333 million
Operating Profit	JPY 7,324 million
Ordinary Profit	JPY 7,201 million
Quarterly Net Income Attributable to Shareholders of the Parent Company	JPY 6,111 million

b. Profit and Loss Per Share (Consolidated)

Accounting Period	First Quarter Cumulative Period for the Fiscal Year Ending March 2027 (From April 1, 2026 to June 30, 2026)
Net Assets Per Share	JPY 8,024.53
Quarterly Net Income Per Share	JPY 259.31

(ii) Announcement of "Notice Concerning Revision to Dividend Forecasts for the Fiscal Year Ending March 31, 2027 (No Dividend)"

At the Target Company's board of directors meeting held today the Target Company resolved considering the scheduled commencement of the Tender Offer, to revise the dividend forecasts for the fiscal year ending March 31, 2027, announced on April 30, 2026, and not to pay dividends with a record date of September 30, 2026 (end of the second quarter) or dividends with a record date of March 31, 2027 (end of the fiscal year). For details, please refer to "Notice Concerning Revision to Dividend Forecasts for the Fiscal Year Ending March 31, 2027 (No Dividend)" announced by the Target Company as of today.

U.S. Regulations

The Tender Offer will be conducted in accordance with the procedures and information disclosure standards prescribed in the Financial Instruments and Exchange Act of Japan. However, these procedures and information disclosure standards are not necessarily the same as the procedures and information disclosure standards in the U.S. In particular, Section 13(e) and Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended) (the "U.S. Securities Exchange Act of 1934") and the rules prescribed thereunder do not apply to the Tender Offer; therefore, the Tender Offer will not be conducted in accordance with those procedures or standards. The financial statements contained in this press release have not been prepared in accordance with U.S. accounting standards. Accordingly, such financial information may not necessarily be equivalent or comparable to that of companies in the U.S. Moreover, as the Tender Offeror and the Target Company are companies incorporated outside of the U.S. and all or part of their directors are non-U.S. residents, it may be difficult to enforce any rights or claims against the Tender Offeror and the Target Company under the U.S. federal securities laws. It may also be impossible to commence legal actions against a non-U.S. company or its officers in a non-U.S. court on the grounds of a violation of the U.S. securities laws. Furthermore, there is no guarantee that a corporation based outside of the U.S. or its officers may be compelled to submit themselves to the jurisdiction of a U.S. court.

Unless otherwise provided, all procedures for the Tender Offer will be conducted entirely in Japanese. Some or all of the documents relating to the Tender Offer are or will be prepared in English. However, if there is any inconsistency between the English and Japanese versions of the documents, the Japanese version shall prevail.

The Tender Offeror and its affiliate, the Tender Offeror and each financial advisor of the Target Company and the tender offer agent (including affiliates thereof) may, within their ordinary course of business and to the extent permitted under the related Japanese financial instruments and exchange laws and regulations and other applicable laws, purchase or take actions to purchase the Target Company Shares for their own account or for their customers' accounts other than through the Tender Offer prior to the commencement of, or during the tender offer period subject to the requirements of Rule 14e-5(b) under the U.S. Securities Exchange Act of 1934. If any information concerning such purchase is disclosed in Japan, the person conducting such purchase will disclose such information in English on its website.

Forward-Looking Statements

This press release contains "forward-looking statements" as defined in Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934. It is possible that actual results may substantially differ from the projections, etc. expressly or implicitly indicated in any "forward-looking statements" due to any known or unknown risks, uncertainties, or any other factors. Neither the Tender Offeror nor any of its affiliates gives any assurance that such projections, etc. expressly or implicitly indicated in any "forward-looking statements" will ultimately be accurate. The "forward-looking statements" included in this press release have been prepared based on the information available to the Tender Offeror as of the date hereof, and unless otherwise required by applicable laws and regulations or the Financial Instruments and Exchange Act, neither the Tender Offeror nor any of its affiliates is obligated to update or modify such statements in order to reflect any future events or circumstances.