DIGITAL HEARTS HLDGS.

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

October 23, 2026

To whom it may concern


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| Company name: | DIGITAL HEARTS HOLDINGS Co., Ltd. |
| Name of representative: | President and CEO Toshiya Tsukushi<br>(Code number: 3676, Prime, Tokyo Stock Exchange) |
| Contact: | Executive Officer and CFO Hideto Itami<br>(TEL: +81-3-3373-0081) |


# Notice Regarding the Holding of an Extraordinary Shareholders' Meeting for Share Consolidation, Abolition of Provisions on Number of Shares Per Unit, and Partial Amendments to the Articles of Incorporation

In the "Notice Regarding the Establishment of the Record Date for Convocation of Extraordinary Shareholders' Meeting" dated September 15, 2026, DIGITAL HEARTS HOLDINGS Co., Ltd. (the "Company") announced that the Company planned to hold an extraordinary shareholders' meeting around mid-November 2026, and set September 30, 2026, as the record date.

The Company hereby announces that, as described below, its Board of Directors has resolved, at its meeting held today, to convene an extraordinary shareholders' meeting scheduled for November 20, 2026 (the "Extraordinary Shareholders' Meeting") and to submit proposals regarding the share consolidation, the abolition of provisions on the number of shares per unit, and partial amendments to the Articles of Incorporation to the Extraordinary Shareholders' Meeting.

The Company's common shares (the "Company Shares") will, in the course of the procedures described above, fall under the delisting criteria set forth in the Securities Listing Regulations of Tokyo Stock Exchange, Inc. (the "TSE"). Accordingly, the Company Shares are scheduled to be designated as securities to be delisted from November 20, 2026, through December 10, 2026, and subsequently delisted on December 11, 2026. After delisting, the Company Shares will no longer be available for trading on the Prime Market of the TSE. Shareholders are requested to take note of this matter.

Details

## I. Date, Time and Place of the Extraordinary Shareholders' Meeting

### 1. Date and Time

3:00 p.m., Friday, November 20, 2026

2. Place

Tokyo Opera City Building, 7th Floor, Conference Room 1b
3-20-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo

II. Proposals to Be Submitted to the Extraordinary Shareholders' Meeting

Matters for Resolution

Proposal No. 1: Share Consolidation

Proposal No. 2: Partial Amendments to the Articles of Incorporation

III. Share Consolidation

1. Purpose of and Reasons for the Share Consolidation

As announced in the "Notice of Implementation of MBO and Recommendation for Tendering Shares" dated August 6, 2026 (the "Opinion Press Release"), Sandbox K.K. (the "Tender Offeror") decided on August 6, 2026, to conduct a tender offer for the Company Shares (the "Tender Offer") as part of a series of transactions (the "Transaction") aimed at acquiring all of the Company Shares listed on the Prime Market of the TSE (including the restricted shares owned by Mr. Toshiya Tsukushi ("Mr. Tsukushi"), who serves as the Company's Representative Director, President and CEO, who is unable to tender such shares in the Tender Offer due to transfer restrictions attached thereto, but excluding the 8,925,633 shares not tendered in the Tender Offer out of the Company Shares (9,425,633 shares; Ownership Ratio (Note): 42.27%) held at the commencement of the Tender Offer by Mr. Eiichi Miyazawa, the Company's Representative Director and Chairman and the Representative Director of the Tender Offeror ("Mr. Miyazawa") and treasury shares held by the Company) and taking the Company private.

Note: "Ownership Ratio" means the ratio to the number of shares (22,298,804 shares) obtained by deducting the number of treasury shares held by the Company as of June 30, 2026 (1,591,996 shares) from the total number of issued shares of the Company as of that date (23,890,800 shares), as stated in the "Financial Results for the First Quarter of the Fiscal Year Ended March 31, 2027 [Japan GAAP] (Consolidated)" released by the Company on August 6, 2026 (rounded to two decimal places). The same applies below.

As announced in the "Notice Regarding Results of Tender Offer for the Company Shares by Sandbox K.K., and Changes in Parent Company, Largest Shareholder among Major Shareholders, Controlling Shareholder (excluding Parent Company) and Major Shareholder" dated September 25, 2026, as a result of the Tender Offer conducted from August 7, 2026, through September 24, 2026, the Tender Offeror came to own 11,187,236 Company Shares (Ownership Ratio: 50.17%) as of September 30, 2026 (commencement date of settlement of the Tender Offer).

As described in the Opinion Press Release, the Company commenced a detailed review of the Transaction after receiving a proposal from Mr. Miyazawa on June 4, 2026, to undertake the Transaction.

Specifically, because the Transaction was to be conducted as part of a management buyout (MBO) and involved structural conflicts of interest, the Company resolved, at the meeting of its Board of Directors held on June 11,

2026, to establish a special committee consisting of members independent of the Tender Offeror, Mr. Miyazawa and the Company (the "Special Committee"). Its purpose was, among other things, to eliminate arbitrariness and potential conflicts of interest from the Board of Directors' decision-making process concerning the Transaction and ensure that the Board's decisions would be fair to the Company's general shareholders. For the Special Committee's composition and the matters referred to it, please see "a. Establishment of an independent Special Committee by the Company and receipt of the Written Report from the Special Committee" under "(3) Measures to Ensure Fairness of the Transaction and Avoid Conflicts of Interest" in "3. Basis for the Amount of Cash Expected to Be Delivered to Shareholders as a Result of the Treatment of Fractional Shares in Connection with the Share Consolidation" below.

To ensure the fairness of the Transaction, including the Tender Offer, the Company appointed TMI Associates on June 11, 2026, as its legal advisor, and KPMG FAS Co., Ltd. ("KPMG") on June 12, 2026, as its financial advisor and third-party valuation firm. Each was independent of the Tender Offeror, Mr. Miyazawa and the Company. Exercising the authority granted to it, as described in "a. Establishment of an independent Special Committee by the Company and receipt of the Written Report from the Special Committee" under "(3) Measures to Ensure Fairness of the Transaction and Avoid Conflicts of Interest" in "3. Basis for the Amount of Cash Expected to Be Delivered to Shareholders as a Result of the Treatment of Fractional Shares in Connection with the Share Consolidation" below, the Special Committee approved both appointments at its meeting on June 15, 2026, after confirming that there were no concerns regarding the advisors' independence or expertise.

The Special Committee also selected Maxus Corporate Advisory Inc. ("Maxus Corporate Advisory") as its own third-party valuation firm independent of the Tender Offeror, Mr. Miyazawa and the Company. Under this review framework, the Company and the Special Committee carefully considered whether to proceed with the Transaction and whether the price per Company Share offered in the Tender Offer (the "Tender Offer Price") was fair, while holding continuing discussions and negotiations with the Tender Offeror and receiving advice as appropriate from TMI Associates, KPMG and Maxus Corporate Advisory.

On July 15, 2026, Mr. Miyazawa made his initial proposal to the Company and the Special Committee of JPY 900 per Company Share. This represented premiums of 23.29% over the closing price of JPY 730 on the Prime Market of the TSE on July 14, 2026, the business day preceding the proposal; 25.00% over the simple average closing price of JPY 720 for the preceding one-month period; 18.42% over the simple average closing price of JPY 760 for the preceding three-month period; and 8.56% over the simple average closing price of JPY 829 for the preceding six-month period. Premium percentages are rounded to two decimal places, and simple average closing prices are rounded to the nearest yen; the same conventions apply below. On July 16, 2026, the Special Committee requested a higher price because, in light of the third-party valuation firm's results, it did not consider the proposal sufficient relative to the intrinsic value of the Company Shares. On July 21, 2026, Mr. Miyazawa proposed JPY 980 per Company Share, representing premiums of 34.80% over the July 17 closing price of JPY 727, 34.99% over the preceding one-month average of JPY 726, 30.15% over the preceding three-month average of JPY 753, and 18.79% over the preceding six-month average of JPY 825. The Special Committee again requested an increase on July 22, 2026, on the same grounds.

On July 24, 2026, Mr. Miyazawa proposed JPY 1,025 per Company Share, representing premiums of 40.60% over the July 23 closing price of JPY 729, 40.03% over the preceding one-month average of JPY 732, 37.58% over the preceding three-month average of JPY 745, and 25.31% over the preceding six-month average of JPY 818. The Special Committee requested a further increase on July 27, 2026, because it considered the proposal insufficient

relative to the intrinsic value of the Company Shares in light of the third-party valuation firm's results. On July 29, 2026, Mr. Miyazawa proposed JPY 1,040 per Company Share, representing premiums of 39.22% over the July 28 closing price of JPY 747, 41.30% over the preceding one-month average of JPY 736, 40.54% over the preceding three-month average of JPY 740, and 27.92% over the preceding six-month average of JPY 813. On July 30, 2026, the Special Committee requested that Mr. Miyazawa increase the Tender Offer Price to JPY 1,090 based on the third-party valuation firm's results.

On August 3, 2026, Mr. Miyazawa made a final proposal of JPY 1,060 per Company Share, representing premiums of 40.40% over the July 31 closing price of JPY 755, 43.24% over the preceding one-month average of JPY 740, 43.24% over the preceding three-month average of JPY 740, and 30.86% over the preceding six-month average of JPY 810. On August 6, 2026, the Special Committee informed Mr. Miyazawa that it agreed in principle to a Tender Offer Price of JPY 1,060 per Company Share.

Based on the following points, the Company has determined that the Transaction will contribute to the enhancement of the medium- to long-term corporate value of the Company.

- The rapid advancement of AI has brought significant changes not only to the way software is developed but also to corporate business models and competitive environments, and the magnitude of AI's impact on corporate value has become widely recognized, as evidenced by the significant decline in share prices of IT-related companies in the stock market triggered by the emergence of high-performance AI models.
- In light of the recent rapid evolution and proliferation of AI and its impact on corporate value, in order for the Company to enhance its medium- to long-term corporate value going forward, it is necessary to respond swiftly to management challenges, including the risk that the proliferation of AI may facilitate new entrants into the IT services sector and the risk that certain highly labor-intensive areas may be replaced by AI.
- The initiatives contemplated by Mr. Miyazawa (R&D investments and capital expenditures aimed at strengthening AI-related capabilities, capital and business alliances with and acquisitions of promising domestic and overseas companies and startups, transformation of business models and enhancement of organizational structures and services in anticipation of the expansion of security risks accompanying the advancement of AI) can be evaluated as measures to address the above management challenges, and their content can be considered reasonable.
- Through the Transaction, taking the Company Shares private and making the sole shareholder of the Company the Tender Offeror, of which Mr. Miyazawa—who possesses knowledge of the business content and management environment of the Company—owns all issued shares and serves as its Representative Director, can be considered useful for responding to the above initiatives swiftly and appropriately.
- While taking shares private generally raises the possibility of being unable to raise funds from the equity capital markets, in light of the Company's historical utilization of equity financing, the current financial condition of the Company, and the market environment of the IT services sector, raising funds from the equity capital markets through the use of equity financing is not necessarily a reasonable approach, and the inability to raise funds from the equity capital markets would not have a material adverse effect on the business of the Company.
- In addition, while taking shares private generally raises the possibility of affecting the name recognition and credibility that have been enjoyed as a listed company, in light of the name recognition and credibility

that the Company has cultivated to date and the business transaction environment and recruitment environment of the Company, it is unlikely that the privatization of shares would have a material adverse effect on the business of the Company.

In addition, based on the following points, the Company has determined that the Tender Offer Price is fair and provides the shareholders of the Company with a reasonable opportunity to sell their Company Shares.

- The Tender Offer Price of JPY 1,060 exceeds the upper limit of the valuation range based on the market share price average method and falls within the valuation range based on the discounted cash flow method (the "DCF Method") among the results of the share valuation of the Company Shares conducted by KPMG, the independent third-party valuation firm retained by the Company.
- The Tender Offer Price of JPY 1,060 exceeds the upper limit of the valuation range based on the market share price average method and also exceeds the reference value (the value calculated using the median discount rate and perpetual growth rate applied in the sensitivity analysis) based on the DCF Method among the results of the share valuation of the Company Shares conducted by Maxus Corporate Advisory, the independent third-party valuation firm retained by the Special Committee.
- The Tender Offer Price of JPY 1,060 represents a premium of 40.96% over the closing price of JPY 752 of the Company Shares on the Prime Market of the TSE on August 5, 2026, the business day immediately preceding the announcement date of the Tender Offer, a premium of 43.05% over the simple average closing price of JPY 741 for the one-month period up to August 5, 2026, a premium of 43.44% over the simple average closing price of JPY 739 for the past three-month period, and a premium of 31.68% over the simple average closing price of JPY 805 for the past six-month period. In light of the fact that the average premiums in comparable transaction precedents (49 cases of management buyouts (MBOs) with a price-to-book ratio (PBR) of 1x or above prior to the announcement of the transaction, among tender offer cases aimed at taking companies private that were announced and successfully completed during the period from June 28, 2019, when the Ministry of Economy, Trade and Industry published the "Fair M&A Guidelines," to June 17, 2026, and in which the target company expressed an opinion in support of and recommending the tender offer) were 38.58% over the closing price on the day preceding the announcement date, 41.47% over the simple average closing price for the most recent one-month period, 43.45% over the simple average closing price for the most recent three-month period, and 43.93% over the simple average closing price for the most recent six-month period, the Tender Offer Price can be evaluated as being at a level comparable to the premium levels in past comparable transaction precedents.
- Maxus Corporate Advisory has issued a fairness opinion (the "Fairness Opinion") stating that the Tender Offer Price of JPY 1,060 is fair from a financial point of view to the general shareholders of the Company.
- In the Tender Offer, the measures described in "(3) Measures to Ensure Fairness of the Transaction and Avoid Conflicts of Interest" under "3. Basis for the Amount of Cash Expected to Be Delivered to Shareholders as a Result of the Treatment of Fractional Shares in Connection with the Share Consolidation" below have been taken, and it is recognized that due consideration has been given to the interests of the general shareholders.
- The Tender Offer Price was agreed upon after multiple rounds of discussions and negotiations between the Special Committee and Mr. Miyazawa that were equivalent to discussions and negotiations in arm's length transactions, with the above measures having been taken.

- In a written report (the "Written Report") obtained by the Company from the Special Committee dated August 6, 2026, the transaction terms of the Transaction, including the Tender Offer Price, have been determined to be fair.
- The Company announced in its notice dated May 13, 2026, titled "Notice Regarding Recording of Extraordinary Losses (Consolidated and Non-consolidated), and Differences between Full-year Non-Consolidated Actual Results for the Year Ended March 31, 2026 and Actual Results for the Previous Fiscal Year", the recording of an impairment loss on goodwill (JPY 238 million) and a loss on valuation of shares of subsidiaries and associates (non-consolidated) (JPY 172 million). However, both the impairment loss and the loss on valuation of shares of subsidiaries and associates were recorded based on ordinary closing procedures unrelated to the Transaction, Mr. Miyazawa was not involved in the triggering event or the substance thereof, and the substance of such recording is appropriate in light of the accounting standards adopted by the Company. Therefore, such announcement is not considered to affect the fairness of the Tender Offer Price.

In light of the above, at the meeting of the Board of Directors of the Company held on August 6, 2026, the Company resolved to express its opinion in support of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer. For the method of the resolution at that meeting of the Board of Directors, please see "e. Approval by all of the Company's directors who have no interest in the Transaction" under "(3) Measures to Ensure Fairness of the Transaction and Avoid Conflicts of Interest."

As described above, the Tender Offer was successfully completed. However, since the Tender Offeror could not acquire all of the Company Shares through the Tender Offer (excluding the 8,925,633 Company Shares not tendered by Mr. Miyazawa and the treasury shares held by the Company), at the request of the Tender Offeror and as announced in the Opinion Press Release, the Company has decided to implement a consolidation of the Company Shares (the "Share Consolidation") pursuant to Article 180 of the Companies Act (Act No. 86 of 2005, as amended; the "Companies Act"), as described in "(2) Details of the Share Consolidation" under "2. Summary of the Share Consolidation" below, for the purpose of making the Tender Offeror and Mr. Miyazawa the sole shareholders of the Company, subject to the approval of the shareholders at the Extraordinary Shareholders' Meeting. Accordingly, the Company has resolved, at the meeting of its Board of Directors held today, that the Company convene the Extraordinary Shareholders' Meeting scheduled for November 20, 2026, and submit proposals regarding the Share Consolidation, the abolition of provisions on the number of shares per unit, and partial amendments to the Articles of Incorporation to that meeting.

As a result of the Share Consolidation, the number of Company Shares held by shareholders other than the Tender Offeror and Mr. Miyazawa is expected to be less than one share.

## 2. Summary of the Share Consolidation

### (1) Schedule of the Share Consolidation

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| Date of public notice of record date for Extraordinary Shareholders' Meeting | Tuesday, September 15, 2026 |
| Record date for Extraordinary Shareholders' Meeting | Wednesday, September 30, 2026 |

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| Board of Directors resolution date | Friday, October 23, 2026 |
| Date of Extraordinary Shareholders' Meeting | Friday, November 20, 2026 (scheduled) |
| Date of designation as securities to be delisted | Friday, November 20, 2026 (scheduled) |
| Last trading date for the Company Shares | Thursday, December 10, 2026 (scheduled) |
| Delisting date for the Company Shares | Friday, December 11, 2026 (scheduled) |
| Effective date of the Share Consolidation | Tuesday, December 15, 2026 (scheduled) |

(2) Details of the Share Consolidation

a. Class of Shares to Be Consolidated

Common shares

b. Consolidation Ratio

The Company Shares will be consolidated at a ratio of 2,975,211 shares to one share.

c. Total Number of Issued Shares to Be Reduced

22,298,795 shares

d. Total Number of Issued Shares Before the Effective Date

22,298,802 shares

Note: The Board of Directors has resolved, at its meeting held on October 23, 2026, that the Company cancel 1,591,998 treasury shares on December 14, 2026 (representing all treasury shares held by the Company as of September 30, 2026). Accordingly, the "Total Number of Issued Shares Before the Effective Date" above is the number of issued shares after that cancellation. The cancellation of the treasury shares is subject to the proposal regarding the Share Consolidation being approved and passed as originally proposed at the Extraordinary Shareholders' Meeting.

e. Total Number of Issued Shares After the Effective Date

7 shares

f. Total Number of Authorized Shares as of the Effective Date

25 shares

g. Method of Treatment of Fractional Shares Less Than One Share and Amount of Cash Expected to Be Delivered to Shareholders through Such Handling

(a) Whether the treatment is expected to be conducted pursuant to Article 235, Paragraph 1 of the Companies Act or Article 234, Paragraphs 2 and 4 of the Companies Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the Companies Act, and the reasons therefor

As described in "1. Purpose of and Reasons for the Share Consolidation" above, as a result of the Share Consolidation, the Tender Offeror and Mr. Miyazawa will become the sole shareholders of the Company, and the number of Company Shares held by all other shareholders is expected to be less than one share.

With respect to fractional shares less than one share resulting from the Share Consolidation, the Company will sell a number of shares equal to the aggregate number of such fractional shares (any fractional shares less than one share included in that aggregate number will be rounded down pursuant to Article 235, Paragraph 1 of the Companies Act) in accordance with Article 235 of the Companies Act and other applicable laws and regulations, and will distribute the proceeds from such sale to shareholders in proportion to the fractional shares attributable to each shareholder.

In light of the fact that the sale will be conducted as part of the Transaction for the purpose of making the Tender Offeror and Mr. Miyazawa the Company's sole shareholders and privatizing the Company Shares, the Company plans to sell the shares to the Tender Offeror with court permission pursuant to Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the Companies Act.

If court permission is obtained as scheduled, the sale price will be set so that shareholders listed or recorded in the Company's final shareholders' register as of December 14, 2026, the day preceding the effective date of the Share Consolidation, will receive an amount of cash equivalent to the number of the Company Shares held by such shareholders multiplied by JPY 1,060, which is the same amount as the Tender Offer Price. However, if court permission is not obtained or fractional adjustments are required in the calculation, the actual amount of cash delivered may differ from the amount described above.

(b) Name or Designation of the Party Expected to Purchase the Shares Subject to Sale

Sandbox K.K. (the Tender Offeror)

(c) Method of Securing Funds for Payment of the Sale Price and Appropriateness of Such Method

The Tender Offeror planned to finance the funds required for the Transaction, including the Tender Offer, through borrowings from Mizuho Bank, Ltd. of up to JPY 14,851 million. In the process of implementing the Transaction, the Company confirmed that the Tender Offeror had secured the necessary funds by reviewing the Tender Offer Statement submitted by the Tender Offeror on August 7, 2026, and the financing certificate attached thereto. According to the Tender Offeror, no event has occurred, and it is not aware of any event likely to occur, that could prevent payment of the sale price for the Company Shares corresponding to the aggregate number of fractional shares less than one share resulting from the Share Consolidation.

Accordingly, the Company has determined that the method of securing funds for payment of the sale price for the Company Shares corresponding to the aggregate number of fractional shares less than one share resulting from the Share Consolidation is appropriate.

(d) Expected Timing of the Sale and Delivery of the Sale Proceeds to Shareholders

Around late December 2026, the Company plans to file a petition with the court for permission, pursuant to Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the Companies Act, to sell to the Tender Offeror the Company Shares corresponding to the aggregate number of fractional shares less than one share resulting from the Share Consolidation. The timing of obtaining such permission may vary depending on the court's circumstances and other factors. After obtaining the court's permission, the Company expects to sell the Company Shares to the Tender Offeror

around mid-January 2027 and, after making the preparations necessary to deliver the proceeds from the sale to shareholders, to deliver those proceeds to the shareholders around late March 2027.

Taking into account the period required for the series of procedures relating to the sale from the effective date of the Share Consolidation, the Company has determined that the Company Shares corresponding to the aggregate number of fractional shares less than one share resulting from the Share Consolidation will be sold and the sale proceeds delivered to shareholders at the respective times described above.

3. Basis for the Amount of Cash Expected to Be Delivered to Shareholders as a Result of the Treatment of Fractional Shares in Connection with the Share Consolidation

(1) Basis and Reasons for Supporting the Amount of Cash Expected to Be Delivered to Shareholders as a Result of the Treatment of Fractional Shares

a. Matters Considered to Avoid Harming the Interests of Shareholders of the Company Other Than the Parent Company, etc., Where a Parent Company or Other Controlling Entity Exists

In light of the fact that the Transaction including the Tender Offer is being conducted as part of an MBO and involves structural conflicts of interest, the Tender Offeror and the Company implemented the measures described in "(3) Measures to Ensure Fairness of the Transaction and Avoid Conflicts of Interest" below to ensure the fairness of the Tender Offer Price, eliminate arbitrariness in the decision-making process leading to the decision to implement the Tender Offer, and avoid conflicts of interest.

b. Matters Regarding the Method of Treatment of Fractional Shares Less Than One Share, the Amount of Cash Expected to Be Delivered to Shareholders as a Result of Such Method, and the Appropriateness of Such Amount

As described in "g. Method of Treatment of Fractional Shares Less Than One Share and Amount of Cash Expected to Be Delivered to Shareholders through Such Handling" under "(2) Details of the Share Consolidation" in "2. Summary of the Share Consolidation" above, the Company plans to deliver an amount equal to the number of Company Shares held by each shareholder as listed or recorded in the Company's final shareholders' register as of December 14, 2026, multiplied by JPY 1,060, which is the same amount as the Tender Offer Price.

The Company has determined, based on the following matters, that the Tender Offer Price is fair and provides the Company's shareholders with a reasonable opportunity to sell their Company Shares.

- The Tender Offer Price of JPY 1,060 exceeds the upper limit of the valuation range based on the market share price average method and falls within the valuation range based on the DCF Method among the results of the share valuation of the Company Shares conducted by KPMG, the independent third-party valuation firm retained by the Company.
- The Tender Offer Price of JPY 1,060 exceeds the upper limit of the valuation range based on the market share price average method and also exceeds the reference value (the value calculated using the median discount rate and perpetual growth rate applied in the sensitivity analysis) based on the DCF Method among the results of the share valuation of the Company Shares conducted by Maxus Corporate Advisory, the

independent third-party valuation firm retained by the Special Committee.

- The Tender Offer Price of JPY 1,060 represents a premium of 40.96% over the closing price of JPY 752 of the Company Shares on the Prime Market of the TSE on August 5, 2026, the business day immediately preceding the announcement date of the Tender Offer, a premium of 43.05% over the simple average closing price of JPY 741 for the one-month period up to August 5, 2026, a premium of 43.44% over the simple average closing price of JPY 739 for the past three-month period, and a premium of 31.68% over the simple average closing price of JPY 805 for the past six-month period. In light of the fact that the average premiums in comparable transaction precedents (49 cases of management buyouts (MBOs) with a price-to-book ratio (PBR) of 1x or above prior to the announcement of the transaction, among tender offer cases aimed at taking companies private that were announced and successfully completed during the period from June 28, 2019, when the Ministry of Economy, Trade and Industry published the "Fair M&A Guidelines," to June 17, 2026, and in which the target company expressed an opinion in support of and recommending the tender offer) were 38.58% over the closing price on the day preceding the announcement date, 41.47% over the simple average closing price for the most recent one-month period, 43.45% over the simple average closing price for the most recent three-month period, and 43.93% over the simple average closing price for the most recent six-month period, the Tender Offer Price can be evaluated as being at a level comparable to the premium levels in past comparable transaction precedents.
- Maxus Corporate Advisory has issued the Fairness Opinion stating that the Tender Offer Price of JPY 1,060 is fair from a financial point of view to the general shareholders of the Company.
- In the Tender Offer, the measures described in "(3) Measures to Ensure Fairness of the Transaction and Avoid Conflicts of Interest" below have been taken, and it is recognized that due consideration has been given to the interests of the general shareholders.
- The Tender Offer Price was agreed upon after multiple rounds of discussions and negotiations between the Special Committee and Mr. Miyazawa that were equivalent to discussions and negotiations in arm's length transactions, with the above measures having been taken.
- In the Written Report obtained by the Company from the Special Committee dated August 6, 2026, the transaction terms of the Transaction, including the Tender Offer Price, have been determined to be fair.
- The Company announced in its notice dated May 13, 2026, titled "Notice Regarding Recording of Extraordinary Losses (Consolidated and Non-consolidated), and Differences between Full-year Non-Consolidated Actual Results for the Year Ended March 31, 2026 and Actual Results for the Previous Fiscal Year" the recording of an impairment loss on goodwill (JPY 238 million) and a loss on valuation of shares of subsidiaries and associates (non-consolidated) (JPY 172 million). However, both the impairment loss and the loss on valuation of shares of subsidiaries and associates were recorded based on ordinary closing procedures unrelated to the Transaction, Mr. Miyazawa was not involved in the triggering event or the substance thereof, and the substance of such recording is appropriate in light of the accounting standards adopted by the Company. Therefore, such announcement is not considered to affect the fairness of the Tender Offer Price.

In addition, after the Company resolved, at the meeting of its Board of Directors held on August 6, 2026, to express its opinion in support of the Tender Offer and recommend that its shareholders tender their Company Shares in the Tender Offer, the Company has confirmed that no material changes have occurred in the

assumptions underlying its determination regarding the Tender Offer Price until the resolution at the meeting of its Board of Directors held today to convene the Extraordinary Shareholders' Meeting.

For the foregoing reasons, the Company has determined that the amount of cash expected to be delivered to shareholders as a result of the treatment of fractional shares in connection with the Share Consolidation is appropriate.

c. Material Events Occurring after the End of the Most Recent Fiscal Year including the Disposal of Material Property and the Assumption of Material Obligations

(a) Tender Offer

As described in "1. Purpose of and Reasons for the Share Consolidation" above, the Tender Offeror conducted the Tender Offer from August 7, 2026, through September 24, 2026, and as a result came to own 11,187,236 Company Shares (Ownership Ratio: 50.17%) as of September 30, 2026 (the commencement date of settlement of the Tender Offer).

(b) Non-Payment of Dividends from Surplus

As announced in the "Notice Regarding Revision to Dividend Forecast (No Dividend) for the Fiscal Year Ending March 31, 2027 and Abolition of the Shareholder Benefit Plan" dated August 6, 2026, the Company resolved, at the meeting of its Board of Directors held on that date, not to pay an interim dividend or year-end dividend for the fiscal year ending March 2027, subject to completion of the Tender Offer. For details, please refer to that announcement.

(c) Cancellation of Treasury Shares

The Company resolved, at the meeting of its Board of Directors held on October 23, 2026, to cancel 1,591,998 treasury shares on December 14, 2026 (the number of treasury shares held by the Company as of September 30, 2026). The cancellation of the treasury shares is subject to the proposal regarding the Share Consolidation being approved and passed as originally proposed at the Extraordinary Shareholders' Meeting. The total number of issued shares after the cancellation of the treasury shares and the Share Consolidation will be 7 shares.

(2) Expected Delisting

a. Delisting

As described in "1. Purpose of and Reasons for the Share Consolidation" above, subject to the approval by the shareholders at the Extraordinary Shareholders' Meeting, the Company plans to implement the Share Consolidation and make the Tender Offeror and Mr. Miyazawa the sole shareholders of the Company. As a result, the Company Shares are scheduled to be delisted through the prescribed procedures in accordance with the delisting criteria of the TSE. Regarding the schedule, the Company Shares are scheduled to be designated as securities to be delisted from November 20, 2026, through December 10, 2026, and subsequently delisted on December 11, 2026. After delisting, the Company Shares will no longer be available for trading on the Prime Market of the TSE.

b. Reasons for Delisting

As described in "1. Purpose of and Reasons for the Share Consolidation" above, the reason is that the Company has determined that the Transaction will contribute to the enhancement of the group's corporate value over the medium- to long-term.

c. Impact on General Shareholders and View on Such Impact

On August 6, 2026, the Company obtained from the Special Committee the Written Report stating that the Transaction is fair to the general shareholders of the Company.

(3) Measures to Ensure Fairness of the Transaction and Avoid Conflicts of Interest

In light of the fact that the Transaction including the Tender Offer is being conducted as part of an MBO and involves structural conflicts of interest, the Tender Offeror and the Company implemented the following measures to ensure the fairness of the Tender Offer Price, eliminate arbitrariness in the decision-making process leading to the decision to conduct the Tender Offer, and avoid conflicts of interest.

According to the Tender Offeror, it did not set a minimum number of shares to be purchased constituting a so-called "majority-of-minority" condition in the Tender Offer because doing so could make the completion of the Tender Offer uncertain and might instead be detrimental to the interests of the general shareholders of the Company wishing to tender their Company Shares. However, the Tender Offeror considers that sufficient consideration was given to the interests of the general shareholders of the Company because the Tender Offeror and the Company implemented the measures below to ensure the fairness of the Tender Offer Price and avoid conflicts of interest.

The Special Committee also determined in the Written Report that, in light of the other measures to ensure fairness and the sufficient consideration given to the shareholders' interests through fair procedures, the absence of a "majority-of-minority" condition would not undermine the fairness or appropriateness of the procedures or terms of the Transaction, and the Company has reached the same conclusion.

a. Establishment of an independent Special Committee by the Company and receipt of the Written Report from the Special Committee

(a) Background to Establishment

As described in the Opinion Press Release, pursuant to a resolution of its Board of Directors on June 11, 2026, the Company established the Special Committee comprising three outside directors: Mr. Takashi Yanagiya and Ms. Emiko Murei, both independent officers of the Company, and Mr. Ryo Chikasawa. The Board confirmed that each member was independent of the Tender Offeror, Mr. Miyazawa, the Company and the outcome of the Transaction and had appropriate qualifications to serve. The Special Committee's membership has not changed since its establishment. Its members receive only fixed fees payable regardless of the content of their report or whether the Transaction is announced or completed; they receive no success-based fees.

At that meeting, the Board of Directors asked the Special Committee to (i) consider whether the Transaction

should be implemented, including whether the Board should support the Tender Offer and recommend that the Company's shareholders tender their shares, and make a recommendation to the Board; and (ii) consider whether the Board's decision concerning the Transaction would be fair to the Company's general shareholders and provide its opinion to the Board (collectively, the "Matters Referred"). The Board also resolved that the Special Committee should assess whether the Transaction should be implemented from the perspective of enhancing the Company's corporate value, and assess the fairness of its terms and procedures from the perspective of protecting the interests of general shareholders.

In establishing the Special Committee, the Board of Directors resolved to give the Special Committee's conclusions the greatest possible respect when deciding on the Transaction and not to approve the Transaction on terms the Special Committee determined to be unfair. The Board empowered the Special Committee to: (i) negotiate the Transaction terms with the counterparty, directly or through the Company's officers and employees, financial advisor or third-party valuation firm, and legal advisor (collectively, the "Advisors"); (ii) at the Company's expense, appoint or designate its own Advisors, or designate or approve the Company's Advisors, including retrospectively, as necessary to consider the Matters Referred; (iii) require persons it considers necessary to attend committee meetings and provide explanations and information; (iv) obtain from the Company's officers and employees information reasonably necessary to consider and decide upon the Transaction, including information on the appropriateness and reasonableness of the business plan; and (v) take any other steps the Special Committee considers necessary for its review and determination.

(b) Review Process

The Special Committee met 11 times between June 15 and August 6, 2026, and carefully discussed and considered the Matters Referred. On June 15, 2026, after confirming the independence and expertise of TMI Associates and KPMG, it approved their appointment as the Company's legal advisor and financial advisor and third-party valuation firm, respectively, and confirmed that it could obtain their professional advice as needed. On June 25, 2026, the Special Committee selected Maxus Corporate Advisory as its own third-party valuation firm independent of the Tender Offeror, Mr. Miyazawa and the Company and commissioned a valuation of the Company Shares.

The Special Committee received an explanation from Mr. Miyazawa of the background and purpose of the proposal, the Transaction structure and terms, and post-Transaction management policy, and held questions and answers with him. It also received explanations from the Company regarding the contents, material assumptions and preparation of the Company's business plan for the fiscal years ending March 2027 through March 2029 (the "Business Plan"), which underlay the valuations by KPMG and Maxus Corporate Advisory; after questions and answers, it confirmed the reasonableness of the plan and approved it. The Special Committee questioned both valuation firms on their methods, reasons for choosing those methods, valuation results and material assumptions and considered the reasonableness of their conclusions. It also received advice from TMI Associates concerning fairness and conflict-of-interest safeguards, including the significance and role of the Special Committee.

From receipt of Mr. Miyazawa's initial price proposal on July 15, 2026, through the proposal of JPY 1,060 per Company Share, the Special Committee substantively participated in the negotiations by exchanging written proposals with Mr. Miyazawa in four rounds. In each round it considered advice from KPMG and Maxus Corporate Advisory on preliminary share valuations and premiums to market prices, including

comparisons with similar transactions.

(c) Conclusions

Following its careful review, the Special Committee unanimously delivered the Written Report to the Board of Directors on August 6, 2026.

b. Receipt by the Special Committee of a share valuation report and a fairness opinion from an independent third-party valuation firm

(a) Name of the Valuation Firm and Its Relationship with the Parties to the Tender Offer

To consider the Matters Referred, the Special Committee selected Maxus Corporate Advisory as its own third-party valuation firm, independent of the Tender Offeror, Mr. Miyazawa and the Company. It requested a valuation of the Company Shares and a financial fairness opinion on the Tender Offer Price, and received a share valuation report (Maxus Corporate Advisory's valuation report) and the Fairness Opinion dated August 6, 2026.

Maxus Corporate Advisory is not a related party of the Tender Offeror, Mr. Miyazawa or the Company and has no material interest in the Transaction.

Its fees consist solely of a fixed amount payable regardless of whether the Transaction is completed and do not include any success fee.

(b) Overview of the Valuation

Maxus Corporate Advisory valued each Company Share using the market share price average method, since the Company Shares were listed on the Prime Market of the TSE and had an observable market price, and the DCF Method, to reflect projected operations. The resulting per-share ranges were JPY 739–805 under the market share price average method and JPY 953–1,175 under the DCF Method.

Using August 5, 2026, as the valuation reference date, the market share price average method considered the closing price of JPY 752 on that date and the simple average closing prices of JPY 741, JPY 739 and JPY 805 for the preceding one-, three- and six-month periods, respectively.

Under the DCF Method, projected free cash flows from the fiscal year ending March 2027 onward, based on the Business Plan, projected profit and investment, recent performance trends and publicly available information, were discounted to present value. A weighted average cost of capital, including a size risk premium, produced discount rates of 10.3%–11.3%. Applying perpetual growth rates of 1.0%–2.0% produced terminal values of JPY 17,190 million–22,065 million.

The Business Plan was prepared to assess the Transaction terms by a team comprising Mr. Tsukushi and Company employees who had no interest in common with the Tender Offeror or Mr. Miyazawa; neither the Tender Offeror nor Mr. Miyazawa participated in its preparation. The Special Committee reviewed and approved the plan. The Business Plan covers the three fiscal years ending March 2027 through March 2029, taking account of recent results and the external environment for the DH Group and AGEST Group businesses, including globalization of the games and entertainment industry, generative AI and AI agents, and changes in IT and security markets. It assumes organic growth and the strengthening of AI-related capabilities and expansion of services. Expected synergies from the Transaction have not been reflected because their specific

effect could not yet be estimated.

The financial projections based on the Business Plan, which Maxus Corporate Advisory used as the basis for its DCF valuation, are as follows. The financial projections do not include any fiscal year in which a substantial increase or decrease in profit or free cash flow is expected.

(JPY millions)

| | Fiscal Year Ending March 2027 | Fiscal Year Ending March 2028 | Fiscal Year Ending March 2029 |
|---|---|---|---|
| Revenue | 41,087 | 41,858 | 43,438 |
| Operating Profit | 2,729 | 2,874 | 3,115 |
| EBITDA | 3,827 | 4,076 | 4,411 |
| Free Cash Flow | 1,759 | 1,952 | 2,249 |

In valuing the Company Shares, Maxus Corporate Advisory generally relied without independent verification on information supplied by the Company or publicly available, assuming its accuracy and completeness. It did not independently value or appraise the assets or liabilities of the Company or its affiliates, including off-balance-sheet assets, liabilities and other contingent liabilities, or engage a third party to do so. It also assumed that the Business Plan was reasonably prepared by the Company team, excluding the Tender Offeror and Mr. Miyazawa, using its best estimates and judgments then available.

(c) Overview of the Fairness Opinion

At the request of the Special Committee, Maxus Corporate Advisory delivered the Fairness Opinion to the Special Committee on August 6, 2026, concluding, subject to the stated assumptions and qualifications, that the Tender Offer Price of JPY 1,060 per Company Share was fair from a financial point of view to the Company's shareholders.

Note: This Fairness Opinion expresses the view that, in light of the results of the valuation conducted using the market share price average method and the DCF Method, the Tender Offer Price of JPY 1,060 per share is fair to the Company's shareholders from a financial point of view. The DCF projections did not include any synergies expected to result from the Transaction.

For purposes of the Fairness Opinion, Maxus Corporate Advisory relied on public information and information supplied by the Company without independently verifying their accuracy or completeness. It assumed that the preparers of the Business Plan knew of no fact or circumstance rendering that information materially inaccurate or misleading and that the plan was reasonably prepared on the basis of the best estimates and judgments then available. It did not independently assess whether the plan could be achieved and expressed no opinion on its contents or underlying assumptions. The opinion was based on information available through its date; information later found to be materially incorrect or subsequent changes in circumstances could affect its conclusions. Maxus Corporate Advisory did not independently appraise the assets or liabilities of the Company or its affiliates, including off-balance-sheet assets and liabilities and contingent liabilities, receive any such appraisal, physically inspect Company assets or facilities, or assess solvency or fair value under applicable insolvency laws.

Maxus Corporate Advisory is not a legal, accounting or tax adviser and neither expressed nor undertook to express any opinion on legal, accounting or tax matters relating to the Tender Offer. Where information it requested was not provided or disclosed by the Company and could not otherwise be used as a basis for its assessment, Maxus Corporate Advisory, with the Company's consent, applied assumptions it considered

reasonable and appropriate. It did not independently assess the effect on the Company's future financial position if any such assumption proved materially incorrect.

Maxus Corporate Advisory assumed, without independent verification, that the Tender Offer would be completed in a timely manner without material changes to its terms; that necessary governmental and regulatory approvals or consents would be obtained without delays, restrictions or conditions adverse to the Company or the anticipated benefits of the Tender Offer; and that those approvals and consents would not affect the Tender Offer Price. It further assumed that the Company had not entered, and would not enter, into any agreement or other document materially affecting the Tender Offer Price and, after confirming this with the Company, that no contingent or off-balance-sheet liability materially affecting that price existed beyond the information supplied or disclosed to Maxus Corporate Advisory.

The Fairness Opinion was not intended to advise the Special Committee on whether to undertake the Transaction. It expressed no view on the relative merits of alternative strategies or transactions, the business decision to implement or continue the Transaction, how shareholders should vote or act, or the market price of the Company Shares before or after announcement of the Tender Offer.

Its conclusions reflected financial, economic, market and other conditions, and information available to Maxus Corporate Advisory, as of its date. Later events could affect its conclusions or assumptions, but Maxus Corporate Advisory has no obligation to update, revise or reaffirm the Fairness Opinion.

c. Receipt by the Company of legal advice from an independent legal advisor

To ensure the fairness of the Transaction, including the Tender Offer, the Company appointed TMI Associates on June 11, 2026, as its legal advisor independent of the Tender Offeror, Mr. Miyazawa and the Company. TMI Associates advised on measures to ensure procedural fairness, the procedures for the Transaction, and the method and process by which the Company would make its decisions. It is not a related party of the Tender Offeror, Mr. Miyazawa or the Company and has no material interest in the Transaction. Its fees are calculated on the basis of hours worked multiplied by hourly rates, regardless of whether the Transaction is completed, and include no success fee. The Special Committee approved TMI Associates as the legal advisor of the Company after confirming its independence and expertise.

d. Receipt by the Company of a share valuation report from an independent third-party valuation firm

(a) Name of the Valuation Firm and Its Relationship with the Tender Offeror and the Company

The Company selected KPMG on June 12, 2026, as its independent financial advisor and third-party valuation firm and requested a valuation of the Company Shares. The Company received a share valuation report from KPMG (KPMG's valuation report) dated August 6, 2026. The Company did not separately obtain a fairness opinion from KPMG because it had empowered the Special Committee to negotiate the Transaction terms with Mr. Miyazawa, and the Special Committee was expected to obtain a fairness opinion from Maxus Corporate Advisory before making its final determination. KPMG is not a related party of the Tender Offeror, Mr. Miyazawa or the Company and has no material interest in the Transaction. Although its compensation includes a success fee payable if the Transaction is completed, the Company considered, in light of customary practice in similar transactions, that this did not negate KPMG's independence and accordingly appointed KPMG as its independent financial advisor and third-party valuation firm on the above fee structure.

(b) Overview of the Valuation

KPMG used the market share price average method, since the Company Shares were listed on the Prime Market of the TSE and had an observable market price, and the DCF Method, to reflect projected operations. It calculated per-share values of JPY 739–805 under the market share price average method and JPY 986–1,213 under the DCF Method.

Using August 5, 2026, as the valuation reference date, the market share price average method took into account the closing price of JPY 752 on that date and the simple average closing prices of JPY 741, JPY 739 and JPY 805 for the preceding one-, three- and six-month periods, respectively.

Under the DCF Method, KPMG discounted projected free cash flows from the fiscal year ending March 2027 onward to present value, taking into account the Business Plan, projected profit and investment, recent performance trends and publicly available information. Using a weighted average cost of capital that included a size risk premium, it applied discount rates of 9.5%–10.5%. Applying perpetual growth rates of 1.0%–2.0%, it calculated terminal values of JPY 18,710 million–23,719 million.

The Business Plan was prepared by a team comprising Mr. Tsukushi and Company employees with no interest in common with the Tender Offeror or Mr. Miyazawa; neither the Tender Offeror nor Mr. Miyazawa participated in its preparation. The Special Committee reviewed and approved it. Covering the three fiscal years ending March 2027 through March 2029, the plan takes account of the recent performance of the DH Group and AGEST Group businesses and changes in the external environment, including globalization of the games and entertainment industry, generative AI and AI agents, and developments in IT and security markets. In addition to organic growth, it assumes strengthened AI-related capabilities and expanded services, but does not reflect synergies expected from the Transaction because their effects could not yet be estimated.

The financial projections based on the Business Plan, which KPMG used as the basis for its DCF valuation, are as follows. No year is forecast to show a substantial increase or decrease in profit; however, free cash flow is expected to increase substantially in the fiscal year ending March 2028 because phased expenditures on investments in DH Group affiliates planned for the fiscal year ending March 2027 are temporary, resulting in lower capital expenditure in the following year.

(JPY millions)

| | Fiscal Year Ending March 2027 | Fiscal Year Ending March 2028 | Fiscal Year Ending March 2029 |
|---|---|---|---|
| Revenue | 41,087 | 41,858 | 43,438 |
| Operating Profit | 2,729 | 2,874 | 3,115 |
| EBITDA | 3,827 | 4,076 | 4,411 |
| Free Cash Flow | 1,105 | 2,002 | 2,030 |

In valuing the Company Shares, KPMG generally relied on information provided by the Company and publicly available information, assuming its accuracy and completeness without independent verification. It did not independently appraise or assess the assets or liabilities of the Company or its affiliates, including off-balance-sheet assets, liabilities and contingent liabilities, or engage a third party to do so. It assumed that the Business Plan was reasonably prepared using the best estimates and judgments then available by the team comprising President Mr. Tsukushi and Company employees, excluding the Tender Offeror and Mr. Miyazawa.

e. Approval by all of the Company's directors who have no interest in the Transaction

The Company carefully considered whether the Transaction, including the Tender Offer, would enhance its corporate value and whether the Tender Offer Price was fair. It considered legal advice from TMI Associates; financial advice from KPMG and KPMG's valuation report; Maxus Corporate Advisory's valuation report and Fairness Opinion; and gave the greatest possible respect to the conclusions in the Written Report.

The Company concluded that the Transaction would enhance the Company group's medium- to long-term corporate value and that the Tender Offer Price was fair and offered shareholders a reasonable opportunity to sell their Company Shares, and the Board of Directors resolved on August 6, 2026, to support the Tender Offer and recommend that shareholders tender their shares as announced in the Opinion Press Release. Seven of the Company's eight directors participated in the deliberations and vote, excluding Mr. Miyazawa, and all seven voted in favor.

Mr. Miyazawa, the Tender Offeror's sole shareholder and Representative Director, did not participate in the Board's deliberations or resolution concerning its opinion on the Tender Offer, or in discussions or negotiations with the Tender Offeror on behalf of the Company in relation to the Transaction, in order to avoid any appearance of a conflict of interest.

f. Establishment of objective circumstances to ensure the fairness of the Tender Offer

According to the Tender Offeror, the Tender Offer period was set at 31 business days, longer than the statutory minimum of 20 business days, to give the Company's shareholders an appropriate opportunity to decide whether to tender and to allow persons other than the Tender Offeror (each a "Competing Bidder") to make competing offers for the Company Shares. The Tender Offeror and the Company did not enter into any agreement containing a deal-protection clause prohibiting the Company from contacting a Competing Bidder, or otherwise restricting a Competing Bidder from contacting the Company. This, together with the longer Tender Offer period, secured the opportunity for competing bids, through which the Tender Offeror ensured the fairness of the Tender Offer.

4. Future Outlook

As described in "(2) Expected Delisting" under "3. Basis for the Amount of Cash Expected to Be Delivered to Shareholders as a Result of the Treatment of Fractional Shares in Connection with the Share Consolidation" above, the Company Shares are scheduled to be delisted on December 11, 2026, as a result of the implementation of the Share Consolidation.

5. Matters Regarding MBO, etc.

(1) "Matters to be Observed Pertaining to Disclosure of MBO, etc."

The Share Consolidation is being conducted as part of the Transaction, which constitutes a management buyout (MBO). Accordingly, the "Matters to be Observed Pertaining to Disclosure of MBO, etc." prescribed in Article 441 of the Securities Listing Regulations of the TSE apply.

(2) Status of Conformity with the Policy on Measures to Protect Minority Shareholders in Transactions with a Controlling Shareholder, etc.

As of October 23, 2026, the Tender Offeror is the Company's parent company, and the Share Consolidation is a transaction intended to make the Tender Offeror and Mr. Miyazawa the Company's sole shareholders. Accordingly, the transaction relating to the Share Consolidation constitutes a transaction with a controlling shareholder, etc. The Company did not set a "Policy on Measures to Protect Minority Shareholders in Transactions with a Controlling Shareholder, etc." in its Corporate Governance Report disclosed on June 26, 2026. However, to ensure the fairness of the Transaction, the Company implemented the measures described in "(3) Measures to Ensure Fairness of the Transaction and Avoid Conflicts of Interest" under "3. Basis for the Amount of Cash Expected to Be Delivered to Shareholders as a Result of the Treatment of Fractional Shares in Connection with the Share Consolidation" above and has endeavored not to harm the interests of the general shareholders.

(3) Matters Regarding Measures to Ensure Fairness and Avoid Conflicts of Interest

Please refer to "(3) Measures to Ensure Fairness of the Transaction and Avoid Conflicts of Interest" under "3. Basis for the Amount of Cash Expected to Be Delivered to Shareholders as a Result of the Treatment of Fractional Shares in Connection with the Share Consolidation" above.

(4) Opinion Obtained from the Special Committee that the Transaction Is Fair to General Shareholders

On August 6, 2026, the Company obtained from the Special Committee the Written Report stating that the Transaction is considered fair to the general shareholders of the Company. Because the Written Report concerns the Transaction including the Share Consolidation, the Company did not obtain further opinion from the Special Committee in implementing the Share Consolidation.

IV. Abolition of Provisions on the Number of Shares Per Unit

1. Reason for Abolition

Upon the Share Consolidation taking effect, the total number of issued shares of the Company will be 7 shares, and it will no longer be necessary to set the number of shares per unit.

2. Scheduled Date of Abolition

December 15, 2026

3. Condition for Abolition

The abolition is subject to the proposal regarding the Share Consolidation being approved and passed as originally proposed and the partial amendment to the Articles of Incorporation regarding the abolition of the number of shares per unit at the Extraordinary Shareholders' Meeting, and the Share Consolidation taking effect.

V. Partial Amendments to the Articles of Incorporation

1. Purpose of the Amendments to the Articles of Incorporation

(1) If the proposal regarding the Share Consolidation is approved and passed as originally proposed at the Extraordinary Shareholders' Meeting and the Share Consolidation takes effect, the total number of authorized shares of the Company will be 25 shares pursuant to Article 182, Paragraph 2 of the Companies Act. To clarify this point, subject to the Share Consolidation taking effect, Article 5 (Total Number of Authorized Shares) of the current Articles of Incorporation will be amended.

(2) If the proposal regarding the Share Consolidation is approved and passed as originally proposed at the Extraordinary Shareholders' Meeting and the Share Consolidation takes effect, the total number of issued shares of the Company will be 7 shares, and it will no longer be necessary to set the number of shares per unit. Accordingly, subject to the Share Consolidation taking effect, the entire text of Articles 6 (Number of Shares per Unit) and 7 (Rights with Respect to Shares Less Than One Unit) of the current Articles of Incorporation will be deleted and the subsequent articles will be renumbered accordingly.

(3) If the proposal regarding the Share Consolidation is approved and passed as originally proposed at the Extraordinary Shareholders' Meeting and the Share Consolidation takes effect, the Company Shares will be delisted and the Tender Offeror and Mr. Miyazawa will be the sole shareholders of the Company. Therefore, the provisions regarding the record date and the electronic provision system for the shareholders' meeting materials will no longer be necessary. Accordingly, subject to the Share Consolidation taking effect, the entire text of Articles 10 (Record Date) and 13 (Electronic Provision Measures, etc.) of the current Articles of Incorporation will be deleted, and the subsequent articles will be renumbered accordingly.

2. Details of the Amendments to the Articles of Incorporation

The details of amendments are as follows. The amendments to the Articles of Incorporation relating to this proposal will take effect on December 15, 2026 (the effective date of the Share Consolidation), subject to the proposals regarding the Share Consolidation and the partial amendments to the Articles of Incorporation relating to the abolition of provisions on the number of shares per unit being approved and passed as originally proposed at the Extraordinary Shareholders' Meeting and the Share Consolidation taking effect.

(Amendments appear as underlined text)

| Current Articles of Incorporation | Proposed Amendments |
|---|---|
| Chapter 1 General Provisions<br><br>Article 1 through Article 4 (text omitted) | Chapter 1 General Provisions<br><br>Article 1 through Article 4 (as currently in effect) |
| Chapter 2 Shares<br><br>(Total Number of Authorized Shares)<br>Article 5 The total number of authorized shares of the Company shall be 76,800,000 shares. | Chapter 2 Shares<br><br>(Total Number of Authorized Shares)<br>Article 5 The total number of authorized shares of the Company shall be 25 shares. |
| (Number of Shares per Unit)<br>Article 6 The number of shares per unit of the Company shall be 100 shares. | (Deleted) |

| | |
|---|---|
| (Rights with Respect to Shares Less Than One Unit)<br>Article 7 A shareholder of the Company may not exercise rights with respect to its shares less than one unit other than the following rights:<br>(1) Rights set forth in the items of Article 189, Paragraph 2 of the Companies Act<br>(2) Right to make a request pursuant to Article 166, Paragraph 1 of the Companies Act<br>(3) Right to receive an allocation of offered shares and offered stock acquisition rights in proportion to the number of shares held by the shareholder | (Deleted) |
| Article 8 through Article 9 (text omitted) | Article 6 through Article 7 (as currently in effect) |
| (Record Date)<br>Article 10 The Company shall deem a shareholder with voting rights stated or recorded in the final shareholders' register as of March 31 of each year to be the shareholder entitled to exercise rights at the annual shareholders' meeting relating to that fiscal year.<br>2. Notwithstanding the preceding paragraph, if necessary, the Company may, by resolution of the Board of Directors and after giving prior public notice, deem a shareholder or registered pledgee of shares stated or recorded in the final shareholders' register as of a specified date to be the shareholder or registered pledgee of shares entitled to exercise rights. | (Deleted) |
| Chapter 3 Shareholders' Meetings<br><br>Article 11 through Article 12 (text omitted) | Chapter 3 Shareholders' Meetings<br><br>Article 8 through Article 9 (as currently in effect) |
| (Electronic Provision Measures, etc.)<br>Article 13 In convening a shareholders' meeting, the Company shall take electronic provision measures with respect to information constituting the contents of reference documents for the shareholders' meeting, etc.<br>2. The Company may omit all or part of the matters subject to electronic provision measures prescribed by the applicable ordinance of the Ministry of Justice from the documents delivered to shareholders who have requested delivery of documents by the record date for voting rights. | (Deleted) |
| Article 14 through Article 45 (text omitted) | Article 10 through Article 41 (as currently in effect) |

3. Scheduled Date of Amendments to the Articles of Incorporation

December 15, 2026

End