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October 28, 2026

To whom it may concern

Company name: Future Corporation

Representative: Tomohiko Taniguchi, President
(Securities code No. 4722 TSE Prime)

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Yasukazu Matsushita, Executive Officer
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Notice Regarding Holding of Extraordinary General Shareholders' Meeting for Consolidation of Shares, Abolition of Provision for Share Unit, Partial Amendments to the Articles of Incorporation, and Reduction of Capital Stock

At the meeting of the Board of Directors held today (the "Board Meeting"), Future Corporation (the "Company") resolved, as described below, to convene an extraordinary general shareholders' meeting on November 30, 2026 (the "Extraordinary General Shareholders' Meeting"), and to submit to the Extraordinary General Shareholders' Meeting a proposal regarding a consolidation of shares (the "Consolidation of Shares"), a proposal regarding the abolition of the provision for share unit and partial amendments to the Articles of Incorporation, and a proposal regarding a reduction of the amount of capital stock (the "Capital Reduction"). The Company hereby announces these matters as follows.

In the course of the above procedures, the common stock of the Company (the "Company Shares") will meet the delisting criteria set forth in the Securities Listing Regulations of Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange"). As a result, the Company Shares are scheduled to be designated as Securities to Be Delisted from November 30, 2026 to December 22, 2026, and subsequently delisted on December 23, 2026. Please note that, after the delisting, the Company Shares will no longer be traded on the Prime Market of the Tokyo Stock Exchange.

Details

I. Holding of the Extraordinary General Shareholders' Meeting

1. Date and Time

Monday, November 30, 2026, 3:00 p.m.

2. Venue

Conference Room "Erin," 15th Floor, Future Corporation, Art Village Osaki Central Tower, 1-2-2 Osaki, Shinagawa-ku, Tokyo

3. Agenda

Matters to be resolved:

Proposal No. 1: Consolidation of Shares

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

Proposal No. 3: Reduction of the Amount of Capital Stock

II. Consolidation of Shares

1. Purpose of and Reasons for the Consolidation of Shares

As announced in the "Notice Regarding Implementation of MBO and Recommendation to Tender" released by the Company on July 29, 2026 (the "Opinion Press Release"), KeyWest Network Co., Ltd. (Note 1) (the "Tender Offeror") conducted a tender offer for the Company Shares (the "Tender Offer") with a tender offer period from July 30, 2026 to September 10, 2026 (30 business days) (the "Tender Offer Period").

Subsequently, as announced in the "Notice Regarding Results of Tender Offer for the Company Shares by KeyWest Network Co., Ltd. and Changes in Parent Company and Major Shareholder" released by the Company on September 11, 2026, as a result of the Tender Offer, the Tender Offeror came to own 73,452,702 Company Shares (Ownership Ratio (Note 2): 82.78%) as of September 17, 2026, the commencement date of the settlement of the Tender Offer. In addition, the Company has been informed that, on September 11, 2026, Mr. Yasufumi Kanemaru ("Mr. Kanemaru") transferred all of the 5,558,700 Company Shares that he did not tender in the Tender Offer to the Tender Offeror in trust, with Mr. Kanemaru as the sole settlor and beneficiary and the Tender Offeror as the trustee, and that the voting rights attached to the Company Shares belonging to the trust property are to be exercised by the Tender Offeror.

(Note 1) The Tender Offeror was incorporated as a limited liability company (godo kaisha) and was a limited liability company during the Tender Offer Period. On September 11, 2026, it was converted from a limited liability company into a stock company (kabushiki kaisha), and its trade name was changed from KeyWest Network G.K. to KeyWest Network Co., Ltd.

(Note 2) "Ownership Ratio" means the ratio to the number of shares (88,734,566 shares) obtained by deducting the number of treasury shares held by the Company as of June 30, 2026 (6,593,434 shares) as stated in the "Consolidated Financial Results for the Six Months Ended June 30, 2026 (Under Japanese GAAP)" released by the Company on July 29, 2026 (the "Company's Financial Results") from the total number of issued shares as of the same date (95,328,000 shares) as stated in the Company's Financial Results, rounded to two decimal places. The same applies to all references to the Ownership Ratio hereinafter.

The details of the purpose and background of a series of transactions by the Tender Offeror to acquire all of the Company Shares (excluding the Company Shares held by the Tender Offeror, treasury shares held by the Company, and the shares that Mr. Kanemaru has agreed with the Tender Offeror not to tender in the Tender Offer (the "Non-Tendered Shares")) for the purpose of taking the Company Shares private (the "Transaction") are as announced in the Opinion Press Release, and an outline thereof is provided again below. Statements below concerning the Tender Offeror are based on explanations received from the Tender Offeror.

As announced in the Opinion Press Release, on April 2, 2026, Mr. Tomohiko Taniguchi, the Company's President and Representative Director, and Mr. Yohei Saito, the Company's Director and Executive Vice President, received from Mr. Kanemaru an initial oral approach expressing his wish to commence consideration and discussions toward the implementation of a management buyout (MBO). In response, given that the transaction proposed by Mr. Kanemaru would be a management buyout (MBO) involving structural conflicts of interest and information asymmetry, in order to address these issues and ensure the fairness of the transaction, the Company appointed Nakamura, Tsunoda & Matsumoto as its legal advisor independent of the Tender Offeror and Mr. Kanemaru (collectively, the "Tender Offeror, etc.") and the Company on April 7, 2026, and Plutus Consulting Co., Ltd. ("Plutus Consulting") as its financial advisor and third-party valuation institution independent of the Tender Offeror, etc. and the Company on April 9, 2026.

In addition, in order to ensure the fairness of the Transaction, the Company, with the advice of Nakamura, Tsunoda & Matsumoto, began to establish a system for considering, negotiating and making decisions on the Transaction from the perspective of enhancing the Company's corporate value and the interests of the Company's general shareholders, from a standpoint independent of the Tender Offeror, etc. Specifically, from mid- to late April 2026, the Company explained to each of its outside directors (i) that the Company had been informed by Mr. Kanemaru that he intended to propose a management buyout (MBO) and (ii) the points to be noted in considering a management buyout (MBO), after which all of the outside directors held discussions and selected candidates for members of a special committee. Upon receiving an initial letter of intent dated April 28, 2026 from Mr. Kanemaru, the Company established, by resolution of the Board of Directors held on the same day, a special committee to consider the proposal for the Transaction (the "Special Committee"; for the composition of the Special Committee and the specific details of its activities, please refer to "(iii) Establishment by the Company of an Independent Special Committee and Obtainment of a Report from the Special Committee" in "(3) Measures to Ensure Fairness" of "3. Basis for the Amount of Cash Expected to Be Delivered to Shareholders through the Treatment of Fractions in the Consolidation of Shares" below). As described in "(vii) Approval of All Disinterested Directors of the Company (Including Directors Who Are Audit and Supervisory Committee Members)" in "(3) Measures to Ensure Fairness" of "3. Basis for the Amount of Cash Expected to Be Delivered to Shareholders through the Treatment of Fractions in the Consolidation of Shares" below, Mr. Kanemaru, who is the proposer of the Transaction and was the person executing the duties of the managing member of the Tender Offeror, did not participate in the deliberation or resolution at the above Board of Directors meeting.

Furthermore, as described in "(iii) Establishment by the Company of an Independent Special Committee and Obtainment of a Report from the Special Committee" in "(3) Measures to Ensure Fairness" of "3. Basis for the Amount of Cash Expected to Be Delivered to Shareholders through the Treatment of Fractions in the Consolidation of Shares" below, the Company has obtained the approval of the Special Committee for the appointment of Plutus Consulting, the Company's financial advisor and third-party valuation institution, and Nakamura, Tsunoda & Matsumoto, the Company's legal advisor, after the Special Committee confirmed that there are no issues with their independence from the Tender Offeror, etc., the Company and the success or failure of the Transaction, or with their expertise and track records.

In addition, as described in "(vi) Establishment of an Independent Review System at the Company" in "(3) Measures to Ensure Fairness" of "3. Basis for the Amount of Cash Expected to Be Delivered to Shareholders through the Treatment of Fractions in the Consolidation of Shares" below, in order to consider, negotiate and make decisions on the Transaction from a standpoint independent of the Tender Offeror, etc., the Company established within the Company a review system consisting solely of officers and employees recognized as independent of the Tender Offeror, etc., and obtained the approval of the Special Committee that there are no issues with such review system from the perspective of independence and fairness.

Further, on May 20, 2026, the Special Committee decided to appoint Frontier Management Inc. ("Frontier Management") as its own financial advisor and third-party valuation institution, and Nishimura & Asahi (Gaikokuho Kyodo Jigyo) ("Nishimura & Asahi") as its own legal advisor, each independent of the Tender Offeror, etc., the Company and the success or failure of the Transaction.

Under the above system, the Company has carefully discussed and considered its negotiation policy, with the advice of Plutus Consulting and Nakamura, Tsunoda & Matsumoto, from the perspective of giving consideration to the interests of the Company's general shareholders, taking into account the outline of the Tender Offer including the purpose of the Transaction, the impact of the Transaction on the Company, the details of the management policy after the Transaction, and recent trends in the share price. In addition, since the establishment of the Special Committee by resolution of the extraordinary Board of Directors meeting held on April 28, 2026, the Special Committee has continuously held discussions and negotiations with the Tender Offeror on six occasions from late June to late July 2026 regarding the implementation of the Transaction.

Specifically, on May 15, 2026, the Special Committee first sent the Tender Offeror a list of questions concerning, among other things, its evaluation of the Company Group and its business environment, the purpose of and reasons for taking the Company private (delisting), the management structure and management policy after the Transaction, and the structure and schedule of the Transaction, and received a written response from the Tender Offeror dated May 26, 2026. On June 5, 2026, the Special Committee also conducted an interview with Mr. Kanemaru, including a question-and-answer session, and considered these matters.

Then, on June 29, 2026, the Company received from the Tender Offeror a price proposal setting the purchase price per Company Share in the Tender Offer (the "Tender Offer Price") at 1,950 yen (representing a premium of 30.00% on 1,500 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on June 26, 2026, the business day immediately preceding the proposal date; 28.63% on 1,516 yen, the simple average of the closing prices for the one-month period up to that date; 24.12% on 1,571 yen, the simple average of the closing prices for the three-month period up to that date; and 15.52% on 1,688 yen, the simple average of the closing prices for the six-month period up to that date). In response, on July 1, 2026, the Special Committee requested the Tender Offeror to reconsider a substantial increase in the Tender Offer Price, on the grounds that the Tender Offer Price fell significantly short of a level worth discussing as a sufficient price for the Company's minority shareholders.

Subsequently, on July 3, 2026, the Company and the Special Committee received from the Tender Offeror a price proposal setting the Tender Offer Price at 2,080 yen (representing a premium of 30.90% on 1,589 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on July 2, 2026, the business day immediately preceding the proposal date; 38.11% on 1,506 yen, the one-month simple average closing price up to that date; 32.65% on 1,568 yen, the three-month simple average closing price up to that date; and 23.88% on 1,679 yen, the six-month simple average closing price up to that date). In response, on July 7, 2026, the Special Committee requested the Tender Offeror to reconsider a substantial increase in the Tender Offer Price, on the grounds that the Tender Offer Price still fell significantly short of a level worth discussing as a sufficient price from the perspective of protecting the Company's minority shareholders.

Thereafter, on July 13, 2026, the Company and the Special Committee received a new proposal from the Tender Offeror. While the price proposals up to the previous proposal had been premised on the Company not paying an interim dividend or a year-end dividend, the new proposal changed this premise and, on the premise that the Company would pay an interim dividend for the fiscal year ending December 2026 (a dividend of 24 yen per share, as announced as the Company's dividend forecast) and would not pay a year-end dividend, set the Tender Offer Price at 2,206 yen (representing a premium of 27.51% on 1,730 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on July 10, 2026, the business day immediately preceding the proposal date; 42.14% on 1,552 yen, the one-month simple average closing price up to that date; 40.06% on 1,575 yen, the three-month simple average closing price up to that date; and 32.33% on 1,667 yen, the six-month simple average closing price up to that date). In response, on July 16, 2026, the Special Committee requested the Tender Offeror to reconsider a substantial increase in the Tender Offer Price, on the grounds that the Tender Offer Price still could not be considered sufficient from the perspective of protecting the Company's minority shareholders.

Thereafter, on July 21, 2026, the Company and the Special Committee received a new proposal from the Tender Offeror setting the Tender Offer Price at 2,300 yen (representing a premium of 1.05% on 2,276 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on July 21, 2026, the proposal date; 32.95% on 1,730 yen, the one-month simple average closing price up to that date; 42.24% on 1,617 yen, the three-month simple average closing price up to that date; and 37.64% on 1,671 yen, the six-month simple average closing price up to that date). In response, on July 23, 2026, the Special Committee requested the Tender Offeror to reconsider an increase in the Tender Offer Price from the perspective of securing the maximum benefit for minority shareholders.

Thereafter, on July 24, 2026, the Company and the Special Committee received a new proposal from the Tender Offeror setting the Tender Offer Price at 2,392 yen (representing a premium of 8.24% on 2,210 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on July 24, 2026, the proposal date; 30.21% on 1,837 yen, the one-month simple average closing price up to that date; 45.41% on 1,645 yen, the three-month simple average closing price up to that date; and 42.47% on 1,679 yen, the six-month simple average closing price up to that date). In response, on July 26, 2026, the Special Committee replied to the Tender Offeror that, having determined that the Tender Offer Price was a price that gave consideration to the interests of the Company's minority shareholders in light of, among other things, the premium levels over average share prices for certain past periods in comparable cases and the intrinsic value of the Company, it would accept a Tender Offer Price of 2,392 yen, on the condition that the market and economic environment, etc. would not change significantly through July 28, 2026 and that the Tender Offer Price would not fall below the market price of the Company Shares.

However, as the market price of the Company Shares continued to rise on and after July 27, 2026, on July 28, 2026, the Special Committee requested the Tender Offeror to increase the Tender Offer Price, taking into account, among other things, that the market price of the Company Shares had temporarily exceeded 2,392 yen on and after July 27, 2026.

Thereafter, on the same day, the Company and the Special Committee received a final proposal from the Tender Offeror setting the Tender Offer Price at 2,451 yen (representing a premium of 4.74% on 2,340 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on July 28, 2026, the proposal date; 27.59% on 1,921 yen, the one-month simple average closing price up to that date; 46.85% on 1,669 yen, the three-month simple average closing price up to that date; and 45.55% on 1,684 yen, the six-month simple average closing price up to that date). In response, on the same day, the Special Committee replied to the Tender Offeror that, having determined that it was a price that gave consideration to the interests of the Company's minority shareholders, it would accept a Tender Offer Price of 2,451 yen.

Through the above process, the Company received necessary legal advice from Nakamura, Tsunoda & Matsumoto, its legal advisor, regarding the method and process of decision-making by the Company's Board of Directors, including the various procedures for the Transaction, and other points to be noted, and also received from the Special Committee a report dated July 29, 2026 (the "Report") (for the content of the Report, please refer to Attachment 1 to the Opinion Press Release, and for the specific details of the activities of the Special Committee, please refer to "(iii) Establishment by the Company of an Independent Special Committee and Obtainment of a Report from the Special Committee" in "(3) Measures to Ensure Fairness" of "3. Basis for the Amount of Cash Expected to Be Delivered to Shareholders through the Treatment of Fractions in the Consolidation of Shares" below).

In addition, the Company received from Plutus Consulting a share valuation report on the Company Shares dated July 28, 2026 (the "Share Valuation Report (Plutus Consulting)") (for an outline of the Share Valuation Report (Plutus Consulting), please refer to "(i) Obtainment by the Company of a Share Valuation Report from an Independent Third-Party Valuation Institution" in "(3) Measures to Ensure Fairness" of "3. Basis for the Amount of Cash Expected to Be Delivered to Shareholders through the Treatment of Fractions in the Consolidation of Shares" below).

Furthermore, the Special Committee received from Frontier Management a share valuation report on the Company Shares dated July 28, 2026 (the "Share Valuation Report (Frontier Management)") and an opinion to the effect that the Tender Offer Price of 2,451 yen per share is fair to the Company's general shareholders from a financial point of view (the "Fairness Opinion (Frontier Management)") (for an outline of the Share Valuation Report (Frontier Management) and the Fairness Opinion (Frontier Management), please refer to "(iv) Obtainment by the Special Committee of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Institution" in "(3) Measures to Ensure Fairness" of "3. Basis for the Amount of Cash Expected to Be Delivered to Shareholders through the Treatment of Fractions in the Consolidation of Shares" below).

On that basis, taking into account the legal advice received from Nakamura, Tsunoda & Matsumoto, the advice from a financial point of view received from Plutus Consulting and the content of the Share Valuation Report (Plutus Consulting) obtained from it, and the content of the Share Valuation Report (Frontier Management) and the Fairness Opinion (Frontier Management) submitted through the Special Committee, and while respecting to the maximum extent the judgment of the Special Committee set forth in the Report, the Company carefully discussed and considered whether the Transaction, including the Tender Offer, would contribute to enhancing the Company's corporate value and whether the terms and conditions of the Transaction, including the Tender Offer Price, are fair.

As a result, the Company concluded, in light of the following points, that the measures contemplated by the Tender Offeror as described in "(ii) Background, Purpose and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer" in "(2) Grounds and Reasons for the Opinion" in "3. Details of, and Grounds and Reasons for, the Opinion on the Tender Offer" of the Opinion Press Release are reasonable, and that taking the Company Shares private through the Transaction will contribute to enhancing the Company's corporate value.

(i) Execution of management from a medium- to long-term perspective

As the business environment in the IT and digital fields changes rapidly due to AI, the Company recognizes that merely making investments in research and development and human capital within the range that allows short-term performance targets to be achieved poses a risk of falling into a competitive disadvantage over the medium to long term. Therefore, the Company believes that, by going private, it will be able to establish a medium- to long-term competitive advantage by boldly and continuously implementing, without being swayed by short-term performance or stock market evaluations, measures such as research and development investment in advanced technologies including AI, the promotion of structural reforms to rebuild its own design and development processes into AI-native processes (i.e., processes designed on the premise of the use of AI), and investment in human capital aimed at securing and developing highly skilled personnel, centered on AI talent (Note) and project leader (PL) and upstream-process personnel. The Company believes that executing management from such a medium- to long-term perspective will be beneficial for enhancing the corporate value of the Company Group.

(Note) "AI talent" has the same meaning as "AI human resources" as defined in "(ii) Background, Purpose and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer" in "(2) Grounds and Reasons for the Opinion" in "3. Details of, and Grounds and Reasons for, the Opinion on the Tender Offer" of the Opinion Press Release.

(ii) Optimization of management resources

The Company recognizes the need to thoroughly promote, and execute with a sense of speed, initiatives to triple productivity through the use of AI and internal structural reforms such as rebuilding its own design and development processes to be AI-native in areas such as the renewal of legacy systems, in which the Company has strengths. In addition, the Company recognizes the importance of expanding its medium- to long-term partnership clients (building business relationships with key clients spanning multiple years and multiple areas), which the Company has been promoting, by focusing investment on AI architecture design, deeper client relationships, further understanding of clients' business operations, and the development of personnel who can execute these. However, these measures require considerable upfront investment and time, and the possibility that they may have an adverse effect on the Company's shareholders in the short term cannot be ruled out. The Company believes that taking the Company Shares private through the Transaction will be beneficial in that it will enable the Company to make bold upfront investments in internal structural reforms and the like and to optimize its management resources from the perspective of enhancing medium- to long-term corporate value, and to execute these measures.

(iii) Succession and strengthening of the corporate culture and human resources base

The Company recognizes that, in order to overcome major changes in the business environment brought about by generative AI and to maintain and strengthen its corporate competitiveness, it is essential to attract and retain excellent personnel. To that end, the Company believes it is necessary to strengthen its human resources base through, among other things, the introduction of evaluation and compensation systems that appropriately evaluate medium- to long-term achievements and challenges, and the acquisition of personnel with expertise in advanced technologies through industry-academia collaboration such as joint AI research with universities. The Company believes that taking the Company Shares private through the Transaction will be beneficial in that it will make it possible to create an environment in which the Company can implement bold measures for the succession and strengthening of its corporate culture and human resources base, without concern for short-term evaluations by the stock market.

(iv) Expansion of capabilities through strategic M&A and alliances

With respect to areas in which the Company will undertake AI-driven business transformation for its clients and the acquisition of AI use cases, the Company recognizes that there is room to expand its capabilities through strategic M&A that fundamentally strengthens the value offered by the Company Group, such as investments in, alliances with, or the acquisition as subsidiaries of, companies with AI engineers and AI consultants, AI ventures and the like. The Company believes that taking the Company Shares private will be beneficial in that it will enable the Company to expand its capabilities for achieving high-quality growth that fundamentally raises the competitiveness of the Company Group as a whole, without concern for short-term stock market evaluations arising from the various costs of strategic M&A.

(v) Expansion of growth opportunities for employees and development of an environment in which personnel can better demonstrate their abilities

In order to more quickly develop project leaders who can respond to the new development processes accompanying the advancement of AI, the Company recognizes the importance of providing employees with challenging opportunities that lead to growth, such as developing top-class AI engineers, supporting employees in obtaining doctoral degrees at universities, acquiring AI capabilities including AI-driven development and design and the implementation of AI agents, creating opportunities for advanced roles not bound by conventional IT consulting and system development, and creating opportunities for further involvement in clients' core systems and data infrastructure. Although these measures require a certain period of education or reskilling, and the possibility that they may lead to a decline in profitability in the short term cannot be ruled out, the Company believes that taking the Company Shares private will be beneficial in that it will enable the Company to boldly allocate resources to expanding growth opportunities for employees and developing an environment in which personnel can better demonstrate their abilities.

(vi) Reduction of costs of maintaining the listing

Due to, among other things, the tightening of regulations on capital markets in recent years, the additional and continuous disclosure requirements to stakeholders through annual securities reports, corporate governance reports and the like have been increasing year by year, and the human and financial cost burden necessary to maintain a stock listing as a listed company has been on an upward trend. The possibility that these costs may become a significant burden on the management of the Company Group cannot be ruled out. The Company believes that going private will be beneficial in that it will eliminate the human and financial cost burden related to maintaining the listing and allow the Company to allocate its human and financial resources to measures for establishing a medium- to long-term competitive advantage.

On the other hand, the Company also considered the disadvantages of taking the Company Shares private through the Transaction. In this regard, since the Transaction is intended to result in the delisting of the Company, it may affect the Company's ability to secure excellent personnel and win projects, which it has enjoyed through the social credibility and enhanced name recognition as a listed company. However, the Company's presence has been growing year by year as a rare company capable of building mission-critical core systems seamlessly from grand design through requirements definition and development and of executing integrated reforms of management, operations and IT, and the Company can effectively utilize the brand it has built up over the 20-plus years since its listing. Therefore, the Company believes that the impact on winning projects and securing personnel will not be significant. Furthermore, if the Company Shares are taken private, the Company will no longer be able to raise funds through equity financing from capital markets and will bear a repayment burden from substantial borrowings. However, the Company assumes that areas in which it has strengths, such as the renewal of legacy systems, will not be replaced or eroded by AI within an extremely short period, and believes that, by further accelerating initiatives such as AI-driven development during that time and establishing a medium- to long-term competitive advantage, it can steadily generate cash flows to serve as the source of repayment. Accordingly, the Company believes that risks related to fund-raising can be avoided. In addition, in terms of governance, there may be concerns about financial matters arising from a loosening of investment discipline as a result of going private. However, while the Company will make investments in structural reforms for establishing a medium- to long-term competitive advantage with greater speed than ever before, it recognizes the need to make the amounts and timing of such investments even more disciplined, taking into account the repayment of borrowings from financial institutions. For these and other reasons, the Company believes that financial governance will continue to be maintained. The Company also assumes that there will be no particular impact from the termination of capital relationships with existing shareholders (for example, business partner shareholders). Based on the above, at the Board of Directors meeting held on July 29, 2026, the Company determined that the advantages of taking the Company Shares private outweigh the disadvantages, and that taking the Company Shares private through the Transaction is the best option for enhancing the Company's corporate value.

Furthermore, as described in "(1) Basis for and Reasons for the Amount of Cash Expected to Be Delivered to Shareholders through the Treatment of Fractions" in "3. Basis for the Amount of Cash Expected to Be Delivered to Shareholders through the Treatment of Fractions in the Consolidation of Shares" below, the Company determined that the Tender Offer provides the Company's general shareholders with a reasonable opportunity to sell their Company Shares.

Based on the above, at the Board of Directors meeting held on July 29, 2026, the Company resolved to express its opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer. For the method of the resolution at the above Board of Directors meeting, please refer to "(vii) Approval of All Disinterested Directors of the Company (Including Directors Who Are Audit and Supervisory Committee Members)" in "(3) Measures to Ensure Fairness" of "3. Basis for the Amount of Cash Expected to Be Delivered to Shareholders through the Treatment of Fractions in the Consolidation of Shares" below.

Thereafter, as stated above, the Tender Offer was completed, but since the Tender Offeror was unable to acquire all of the Company Shares (excluding the Non-Tendered Shares and the Company Shares held by the Company) through the Tender Offer, as announced in the Opinion Press Release, at the request of the Tender Offeror, the Company resolved at the Board Meeting to submit to the Extraordinary General Shareholders' Meeting a proposal for the Consolidation of Shares, under which every 10,000,000 Company Shares will be consolidated into one share with an effective date of December 25, 2026, subject to the approval of the shareholders at the Extraordinary General Shareholders' Meeting, in order to make the Tender Offeror the only shareholder of the Company in the Company's shareholder register. As a result of the Consolidation of Shares, the number of Company Shares held by shareholders other than the Tender Offeror is expected to become a fraction of less than one share.

2. Outline of the Consolidation of Shares

(1) Schedule of the Consolidation of Shares

(i)	Date of public notice of the record date for the Extraordinary General Shareholders' Meeting	Friday, September 25, 2026
(ii)	Record date for the Extraordinary General Shareholders' Meeting	Friday, October 9, 2026
(iii)	Date of resolution of the Board of Directors	Wednesday, October 28, 2026
(iv)	Date of the Extraordinary General Shareholders' Meeting	Monday, November 30, 2026 (scheduled)
(v)	Date of designation as Securities to Be Delisted	Monday, November 30, 2026 (scheduled)
(vi)	Final trading date of the Company Shares	Tuesday, December 22, 2026 (scheduled)
(vii)	Delisting date of the Company Shares	Wednesday, December 23, 2026 (scheduled)
(viii)	Effective date of the Consolidation of Shares	Friday, December 25, 2026 (scheduled)

(2) Details of the Consolidation of Shares

(i) Class of shares to be consolidated

Common stock

(ii) Consolidation ratio

Every 10,000,000 Company Shares will be consolidated into one share.

(iii) Total number of issued shares to be reduced

88,679,113 shares (Note)

(Note) This figure is calculated by deducting the total number of issued shares after the effective date stated in (v) below from the total number of issued shares before the effective date stated in (iv) below.

(iv) Total number of issued shares before the effective date

88,679,121 shares (Note)

(Note) The total number of issued shares before the effective date is the number of shares obtained by deducting, from the total number of issued shares as of October 9, 2026 (95,328,000 shares), the 6,648,879 treasury shares that the Company resolved to cancel at the Board Meeting and that are scheduled to be cancelled on December 24, 2026 (the sum of all of the treasury shares held by the Company as of October 9, 2026 (6,594,016 shares) and the restricted shares that the Company plans to acquire without consideration by December 24, 2026 (54,863 shares)).

(v) Total number of issued shares after the effective date

8 shares

(vi) Total number of authorized shares as of the effective date

32 shares

(vii) Method of treatment in the event that fractions of less than one share arise, and the amount of cash expected to be delivered to shareholders through such treatment

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

As described in "1. Purpose of and Reasons for the Consolidation of Shares" above, as a result of the Consolidation of Shares, the number of Company Shares held by shareholders other than the Tender Offeror is expected to become a fraction of less than one share. With respect to the fractions of less than one share resulting from the Consolidation of Shares, the Company will sell the number of shares equivalent to the total number of such fractions (if such total number includes a fraction of less than one share, such fraction will be rounded down) and deliver the proceeds of such sale to shareholders in proportion to their fractions. With respect to such sale, given that the Consolidation of Shares will be implemented as part of the Transaction, the purpose of which is to make the Tender Offeror the only shareholder of the Company in the shareholder register, and that the Company Shares are scheduled to be delisted on December 23, 2026 and will become shares without a market price, so that a buyer is unlikely to appear through an auction, the Company plans to sell such shares to the Tender Offeror with the permission of the court pursuant to Article 234, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended; the same applies hereinafter) as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the same Act.

If the above court permission is obtained as scheduled, the sale price is expected to be set at a price such that shareholders will receive cash in an amount equal to the number of Company Shares held by each of them as recorded in the Company's final shareholder register on December 24, 2026, the day immediately preceding the effective date of the Consolidation of Shares, multiplied by 2,451 yen, the same amount as the Tender Offer Price. However, the amount actually delivered may differ from the above amount in cases such as where the court permission is not obtained or where adjustments for fractions in the calculation are required.

(b) Name of the person expected to purchase the shares to be sold

KeyWest Network Co., Ltd.

(c) Method by which the person expected to purchase the shares to be sold will secure funds for payment of the sale proceeds, and the appropriateness of such method

The Tender Offeror plans to fund the acquisition of the Company Shares equivalent to the total number of fractions resulting from the Consolidation of Shares through borrowings from Sumitomo Mitsui Banking Corporation ("SMBC"), and the Company has confirmed the Tender Offeror's method of securing funds by reviewing the loan certificate dated July 29, 2026 regarding the borrowings from SMBC, which was submitted as an attachment to the tender offer registration statement for the Tender Offer. In addition, according to the Tender Offeror, no event that may hinder the payment of the sale proceeds for the Company Shares equivalent to the total number of fractions of less than one share resulting from the Consolidation of Shares has occurred, and the Tender Offeror is not aware of any possibility of such an event occurring in the future.

Based on the above, the Company has determined that the method by which the Tender Offeror will secure funds for payment of the sale proceeds for the Company Shares equivalent to the total number of fractions of less than one share is appropriate.

(d) Expected timing of the sale and of the delivery of the sale proceeds to shareholders

The Company plans to file a petition with the court in early January 2027, pursuant to Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the same Act, seeking permission to sell the Company Shares equivalent to the total number of fractions of less than one share resulting from the Consolidation of Shares and for the Tender Offeror to purchase such Company Shares. Although the timing of obtaining such permission may vary depending on the circumstances of the court and other factors, the Company expects, upon obtaining such court permission, to sell such Company Shares by way of purchase by the Tender Offeror around late January 2027, and thereafter, after making the necessary preparations to deliver the proceeds of such sale to shareholders, to deliver such sale proceeds to shareholders around mid-March 2027.

Taking into account the period required for the series of procedures for the sale from the effective date of the Consolidation of Shares, the Company has determined that the sale of the Company Shares equivalent to the total number of fractions of less than one share resulting from the Consolidation of Shares and the delivery of the sale proceeds to shareholders will be carried out at the respective times described above.

3. Basis for the Amount of Cash Expected to Be Delivered to Shareholders through the Treatment of Fractions in the Consolidation of Shares

(1) Basis for and Reasons for the Amount of Cash Expected to Be Delivered to Shareholders through the Treatment of Fractions

(i) Matters considered so as not to harm the interests of shareholders other than the parent company, etc., where there is a parent company, etc.

The Consolidation of Shares will be implemented as the second step of a so-called two-step acquisition following the Tender Offer. As described in "(3) Measures to Ensure the Fairness of the Tender Offer" in "3. Details of, and Grounds and Reasons for, the Opinion on the Tender Offer" of the Opinion Press Release, in view of the fact that the Tender Offer is being implemented as part of the Transaction, which constitutes a so-called management buyout (MBO), and that structural conflicts of interest exist, the Tender Offeror and the Company implemented the measures described in "(3) Measures to Ensure Fairness" below in order to ensure the fairness of the Transaction, 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 decision to implement the Tender Offer, and avoiding conflicts of interest.

(ii) Matters concerning the method of treatment in the event that fractions of less than one share arise, the amount of cash expected to be delivered to shareholders through such treatment, and the appropriateness of such amount

As described in "(a) Whether the treatment is expected to be under Article 235, Paragraph 1 of the Companies Act or under Article 234, Paragraph 2 of the same Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the same Act, and the reasons therefor" in "(vii) Method of treatment in the event that fractions of less than one share arise, and the amount of cash expected to be delivered to shareholders through such treatment" in "(2) Details of the Consolidation of Shares" above, the amount of cash expected to be delivered to shareholders through the treatment of fractions is expected to be the number of Company Shares held by each shareholder multiplied by 2,451 yen, the same amount as the Tender Offer Price.

In addition, in light of the following points, the Company determined that the Tender Offer Price (2,451 yen) and the other terms and conditions of the Tender Offer are fair to the Company's shareholders, and that the Tender Offer provides the Company's shareholders with a reasonable opportunity to sell their shares.

(a) The Tender Offer Price (2,451 yen) exceeds the upper limits of the valuation results based on the market price method and the comparable company analysis, and exceeds the median of the range of the valuation results based on the DCF method, among the results of the valuation of the Company Shares by Plutus Consulting described in "(b) Outline of Valuation" in "(i) Obtainment by the Company of a Share Valuation Report from an Independent Third-Party Valuation Institution" in "(3) Measures to Ensure Fairness" below.

(b) The Tender Offer Price (2,451 yen) exceeds the upper limits of the valuation results based on the average market price method and the comparable company analysis, and is within the range of the valuation results based on the DCF method, among the results of the valuation of the Company Shares by Frontier Management described in "(b) Outline of Valuation" in "(iv) Obtainment by the Special Committee of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Institution" in "(3) Measures to Ensure Fairness" below.

(c) The Tender Offer Price (2,451 yen) represents a premium of 4.74% on 2,340 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on July 28, 2026, the business day immediately preceding the announcement date of the Tender Offer (the "Reference Date"); 27.59% on 1,921 yen, the simple average closing price for the one-month period up to the Reference Date; 46.85% on 1,669 yen, the simple average closing price for the three-month period up to the Reference Date; and 45.55% on 1,684 yen, the simple average closing price for the six-month period up to the Reference Date. These premium levels were compared with (A) the premium levels in 173 cases of tender offers that were announced and completed between June 28, 2019 and May 31, 2026, in which the aggregate voting rights ownership ratio of the tender offeror and its specially related parties before the tender offer was 45% or more and which were aimed at acquiring all shares (going private) (excluding cases with negative premiums; "Comparable Cases I") (the averages of the premiums on the closing price on the business day immediately preceding the announcement date and on the simple average closing prices for the one-month, three-month and six-month periods prior to the announcement were 39.24%, 41.58%, 42.91% and 43.56%, respectively, and the medians were 38.02%, 40.04%, 39.36% and 38.72%, respectively), and (B) the premium levels in 16 cases of tender offers announced between June 28, 2019 and May 31, 2026 for the purpose of MBOs or the conversion of listed subsidiaries or listed affiliates into wholly-owned subsidiaries by their parent companies or other affiliated companies, in which, as in the case of the Company, the PBR was 2 times or higher and the acquirer's ownership ratio was 40% or higher (excluding cases with negative premiums, cases in which the disclosure documents referred to speculative media reports, and cases in which the tender offer was not completed; "Comparable Cases II") (the averages of the premiums on the closing price on the business day immediately preceding the announcement date and on the simple average closing prices for the one-month, three-month and six-month periods prior to the announcement were 31.44%, 31.31%, 33.59% and 35.88%, respectively, and the medians were 30.55%, 30.45%, 29.00% and 32.63%, respectively). Although a certain premium has been secured over the closing price on the business day immediately preceding the announcement date, it is significantly below the averages and medians in Comparable Cases I and Comparable Cases II. However, given that the Company's share price has fluctuated widely recently and is in a phase of sharp increase, it is considered appropriate, in considering premium levels, to also take into account averages and medians over longer periods so as to reduce the impact of sharp share price fluctuations over a short period. Although the premium over the one-month simple average closing price is below both the averages and medians in Comparable Cases I and Comparable Cases II, a certain level has been secured even in a situation where the Company's share price had risen sharply over approximately the most recent one month; the premium over the three-month simple average closing price exceeds both the average and median in Comparable Cases I and the average and median in Comparable Cases II; and the premium over the six-month simple average closing price also exceeds both the average and median in Comparable Cases I and the average and median in Comparable Cases II. In light of the foregoing, the premiums can be evaluated as being at a considerable level in comparison with the one-month, three-month and six-month simple average closing prices.

(d) The Tender Offer Price (2,451 yen) exceeds 2,439 yen, the highest share price of the Company Shares since its listing (the closing price on August 12, 2025), and is considered a reasonable price from the perspective of providing a meaningful opportunity to recover investment to all of the Company's general shareholders who acquired the Company Shares on the stock market.

(e) As described in "(iv) Obtainment by the Special Committee of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Institution" in "(3) Measures to Ensure Fairness" below, Frontier Management has submitted the Fairness Opinion (Frontier Management) to the effect that the Tender Offer Price (2,451 yen) is fair to the Company's general shareholders from a financial point of view.

(f) The fairness of the procedures for the Transaction is considered to have been ensured, including by taking the measures to ensure the fairness of the Tender Offer described in "(3) Measures to Ensure Fairness" below.

(g) With respect to the process of discussions and negotiations on the terms and conditions of the Transaction, it is recognized that, after the above measures to ensure the fairness of the Tender Offer were taken at the Company, the Special Committee was substantially involved, and the Tender Offeror and the Company repeatedly negotiated in good faith.

(h) As described in Attachment 1 to the Opinion Press Release, the Report submitted by the Special Committee states that the terms and conditions of the Transaction, including the Tender Offer Price, are considered to be fair.

Based on the above, at the Board of Directors meeting held on July 29, 2026, the Company resolved to express its opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer. For the method of the resolution at the above Board of Directors meeting, please refer to "(vii) Approval of All Disinterested Directors of the Company (Including Directors Who Are Audit and Supervisory Committee Members)" in "(3) Measures to Ensure Fairness" below.

(iii) Disposal of important assets, assumption of significant obligations or other events that have a material impact on the status of the Company's assets that occurred after the last day of the most recent fiscal year

(a) The Tender Offer

As described in "1. Purpose of and Reasons for the Consolidation of Shares" above, the Tender Offeror conducted the Tender Offer from July 30, 2026 to September 10, 2026, and as a result, came to own 73,452,702 Company Shares (Ownership Ratio: 82.78%) as of September 17, 2026 (the commencement date of the settlement of the Tender Offer).

(b) Revision of the year-end dividend forecast for the fiscal year ending December 2026 (no dividend)

As described in the "Notice Regarding Revision of Year-End Dividend Forecast for the Fiscal Year Ending December 2026 (No Dividend)" released by the Company on July 29, 2026, the Company resolved at the Board of Directors meeting held on the same day not to pay a year-end dividend for the fiscal year ending December 2026, subject to the completion of the Tender Offer. For details, please refer to that announcement.

(c) Cancellation of treasury shares

At the Board Meeting, the Company resolved to cancel 6,648,879 treasury shares on December 24, 2026 (the sum of all of the treasury shares held by the Company as of October 9, 2026 (6,594,016 shares) and the restricted shares that the Company plans to acquire without consideration by December 24, 2026 (54,863 shares)). The cancellation of such treasury shares is subject to the approval and adoption, as originally proposed, of the proposal regarding the Consolidation of Shares at the Extraordinary General Shareholders' Meeting, and the total number of issued shares of the Company after the cancellation will be 88,679,121 shares.

(2) Expected Delisting

(i) Delisting

As described in "1. Purpose of and Reasons for the Consolidation of Shares" above, subject to the approval of the shareholders at the Extraordinary General Shareholders' Meeting, the Company plans to implement the Consolidation of Shares and make the Tender Offeror the only shareholder of the Company in the shareholder register. As a result, the Company Shares are expected to be delisted through the prescribed procedures in accordance with the delisting criteria of the Tokyo Stock Exchange.

As for the schedule, the Company Shares are expected to be designated as Securities to Be Delisted from November 30, 2026 to December 22, 2026, and then delisted on December 23, 2026. After the delisting, the Company Shares will no longer be traded on the Prime Market of the Tokyo Stock Exchange.

(ii) Reasons for seeking delisting

As described in "1. Purpose of and Reasons for the Consolidation of Shares" above, the Company concluded that taking the Company Shares private through the Transaction and ultimately making the Tender Offeror the only shareholder of the Company in the shareholder register will contribute to enhancing the Company's corporate value.

(iii) Impact on general shareholders and views thereon

As described in "(iii) Establishment by the Company of an Independent Special Committee and Obtainment of a Report from the Special Committee" in "(3) Measures to Ensure Fairness" below, on July 29, 2026, the Company obtained the Report from the Special Committee, which includes an opinion to the effect that the Transaction is fair to the Company's general shareholders.

(3) Measures to Ensure Fairness

In view of the fact that the Tender Offer is being implemented as part of the Transaction, which constitutes a so-called management buyout (MBO), and that structural conflicts of interest exist, the Tender Offeror and the Company implemented the following measures in order to ensure the fairness of the Transaction, 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 decision to implement the Tender Offer, and avoiding conflicts of interest.

The Company has been informed that the Tender Offeror did not set a minimum number of shares to be purchased in the Tender Offer on a so-called "majority of minority" basis, as it believed that setting such a minimum would make the completion of the Tender Offer uncertain and might instead not serve the interests of the Company's general shareholders who wish to tender their shares in the Tender Offer. However, since the Tender Offeror and the Company have implemented the following measures as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest, the Company believes that sufficient consideration has been given to the interests of the Company's general shareholders.

Statements below concerning measures implemented by the Tender Offeror are based on explanations received from the Tender Offeror.

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

(a) Name of the valuation institution and its relationship with the Company and the Tender Offeror, etc.

In expressing its opinion on the Tender Offer, in order to ensure the fairness of its decision-making regarding the Tender Offer Price presented by the Tender Offeror, etc., the Company requested Plutus Consulting, a financial advisor and third-party valuation institution independent of the Tender Offeror, etc. and the Company, to calculate the share value of the Company Shares, and obtained the Share Valuation Report (Plutus Consulting) dated July 28, 2026.

Plutus Consulting is not a related party of the Tender Offeror, etc. or the Company and has no material interest in the Transaction, including the Tender Offer, that needs to be disclosed. In addition, the fees payable to Plutus Consulting in connection with the Transaction consist solely of fixed fees payable regardless of the success or failure of the Transaction, and do not include any success fee contingent on the announcement or completion, etc. of the Transaction.

(b) Outline of Valuation

After considering which valuation methods to adopt from among multiple methods in calculating the share value of the Company Shares, on the premise that the Company is a going concern and based on the view that it is appropriate to evaluate the value of the Company Shares from multiple perspectives, Plutus Consulting calculated the share value of the Company using the market price method, since the Company Shares are listed on the Prime Market of the Tokyo Stock Exchange and a market price exists; the comparable company analysis, since there are multiple listed companies comparable to the Company and it is possible to infer the share value of the Company Shares by comparison with similar companies; and the DCF method, in order to reflect the details and forecasts of the Company's business performance in the valuation. The Company obtained the Share Valuation Report (Plutus Consulting) dated July 28, 2026 from Plutus Consulting. Since the Company has implemented various measures to ensure the fairness of the Tender Offer as described in "(3) Measures to Ensure Fairness" in consideration of the interests of the Company's general shareholders, the Company determined that it was not necessary to obtain a fairness opinion, and has not obtained a fairness opinion from Plutus Consulting.

The ranges of the per-share value of the Company Shares calculated based on each of the above methods are as follows:

Market price method: 1,669 yen to 2,340 yen

Comparable company analysis: 1,830 yen to 2,293 yen

DCF method: 2,003 yen to 2,686 yen

Under the market price method, with July 28, 2026 as the reference date for the calculation, the range of the per-share value of the Company Shares was calculated to be 1,669 yen to 2,340 yen, based on the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on the reference date of 2,340 yen, the simple average closing price for the most recent one month of 1,921 yen, the simple average closing price for the most recent three months of 1,669 yen, and the simple average closing price for the most recent six months of 1,684 yen.

Under the comparable company analysis, after selecting TISI Inc., Nomura Research Institute, Ltd., BIPROGY Inc., DTS CORPORATION, NSD CO., LTD., CEC Co., Ltd. and SIGMAXYZ Holdings Inc. as listed companies engaged in businesses similar to those of the Company, the calculation was performed using the ratio of enterprise value to EBITA (EV/EBITA multiple) and the ratio of enterprise value to EBITDA (EV/EBITDA multiple), and the range of the per-share value of the Company Shares was calculated to be 1,830 yen to 2,293 yen.

Under the DCF method, the financial forecasts of the Company included in the business plan used by Plutus Consulting as the basis for the calculation under the DCF method (the "Business Plan") were prepared by the Company for the IT Consulting & Services Segment and the Business Innovation Segment, taking into account business results up to the most recent period and various measures for future growth, and the period from the fiscal year ending December 2026 to the fiscal year ending December 2029 was adopted as the forecast period, being a period for which future forecasts can reasonably be made. Based on the Business Plan prepared by the Company, and on the premise of various factors such as the earnings forecasts and investment plans in the business plan, etc. for the four fiscal years from the fiscal year ending December 2026 to the fiscal year ending December 2029 and publicly available information, Plutus Consulting analyzed the corporate value and share value of the Company by discounting the free cash flows that the Company is expected to generate from the third quarter of the fiscal year ending December 2026 onward to present value at a certain discount rate, and calculated the range of the per-share value of the Company Shares to be 2,003 yen to 2,686 yen. The discount rate adopted was the weighted average cost of capital (WACC), at 8.03% to 9.30%. In calculating the terminal value, the perpetual growth rate method and the multiple method were adopted. Under the perpetual growth rate method, the perpetual growth rate was set in the range of 0% to 1%, and the terminal value was calculated to be 167,285 million yen to 219,632 million yen; the minimum value of the perpetual growth rate is based on the long-term economic environment theoretically assumed, and the maximum value is based on the inflation rate, demographics and other macro factors. Under the multiple method, the EV/EBITA multiple and the EV/EBITDA multiple were adopted, and, taking into account the levels of companies in the industry and other factors, the EV/EBITA multiple was set at 7.0x to 9.1x and the EV/EBITDA multiple at 6.4x to 7.5x, and the terminal value was calculated to be 156,151 million yen to 207,236 million yen.

As non-business assets, surplus cash and deposits (calculated by deducting from the Company's cash and deposits the cash and deposits for business use estimated by comprehensively taking into account past cash flow results and other factors) and the investment securities held by the Company were added. With respect to shares of listed companies, the tax effect assuming a sale at market value was taken into account.

The Business Plan used by Plutus Consulting in its analysis under the DCF method does not include any fiscal year in which a significant increase or decrease in profit or a significant increase or decrease in free cash flow is expected.

The Business Plan was prepared for the purpose of examining the appropriateness of the terms and conditions of the Transaction by the Company's management, who have no interest in the Tender Offeror, etc., mainly taking into account the business environment surrounding the Company, such as past business results, the current earnings situation, market trends in the industry to which the Company belongs and the recent increase in personnel expenses, and the Tender Offeror, etc. were not involved in any way in the process of its preparation.

Since it is difficult to specifically estimate, as of the time of the calculation, the synergies expected to be realized through the execution of the Transaction, such synergies are not taken into account in the financial forecasts below.

The financial forecasts used as the basis for the analysis under the DCF method are as follows:

(Millions of yen)

	FY ending Dec. 2026 (6 months)	**FY ending Dec. 2027**	**FY ending Dec. 2028**	**FY ending Dec. 2029**
Net sales	42,277	84,539	91,164	97,788
Operating profit	10,120	16,646	19,000	21,156
EBITDA	11,804	19,871	22,129	24,285
Free cash flow	4,019	11,297	12,183	13,659

(Note) In calculating the share value of the Company Shares, Plutus Consulting has, in principle, used the information provided by the Company and publicly available information as is, on the premise that all such materials and information are accurate and complete, and has not independently verified their accuracy or completeness. In addition, Plutus Consulting has not independently evaluated or assessed the assets or liabilities (including off-balance-sheet assets and liabilities and other contingent liabilities) of the Company or its affiliates, nor has it requested any third-party institution to appraise or assess them. Furthermore, it is premised that the information on the Company's financial forecasts has been reasonably prepared based on the best forecasts and judgments available to the Company's management as of the time of the calculation. However, Plutus Consulting has confirmed the reasonableness of the Business Plan, which served as the basis for the calculation, through multiple question-and-answer sessions with the Company, from the perspective of whether there are any unreasonable points, after understanding that it was reasonably prepared based on the best forecasts and judgments available to the Company's management as of the time of the calculation and the current status of the Company. In addition, the Special Committee has confirmed the reasonableness of its content, important assumptions and preparation process.

(ii) Obtainment by the Company of Advice from an Independent Legal Advisor

In order to ensure the fairness and appropriateness of the decision-making by the Company's Board of Directors regarding the Transaction, including the Tender Offer, the Company appointed Nakamura, Tsunoda & Matsumoto as its legal advisor independent of the Tender Offeror, etc. and the Company, and has received legal advice from it regarding the process and method of decision-making by the Company's Board of Directors regarding the Transaction, including the Tender Offer, and other points to be noted in making decisions regarding the Transaction, including the Tender Offer.

Nakamura, Tsunoda & Matsumoto is not a related party of the Tender Offeror, etc. or the Company and has no material interest in the Transaction, including the Tender Offer. The fees payable to Nakamura, Tsunoda & Matsumoto are calculated by multiplying the hours worked by hourly rates regardless of the success or failure of the Transaction, and do not include any success fee contingent on the announcement or completion, etc. of the Transaction. In addition, the Special Committee approved the appointment of Nakamura, Tsunoda & Matsumoto as the Company's legal advisor after confirming that there are no issues with its independence and expertise.

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

(a) Background of the establishment, etc.

As described in "1. Purpose of and Reasons for the Consolidation of Shares" above, in view of the fact that the Transaction is being implemented as part of a so-called management buyout (MBO) and that structural conflicts of interest and information asymmetry typically exist, based on the resolution of the Company's Board of Directors meeting held on April 28, 2026, and for the purpose of eliminating arbitrariness in the Company's decision-making regarding the Transaction, including the Tender Offer, and ensuring the fairness, transparency and objectivity of the decision-making process, the Company established the Special Committee consisting of three members independent of the Tender Offeror, etc., the Company and the success or failure of the Transaction, including the Tender Offer: Mr. Akira Kawamoto (Outside Director (Audit and Supervisory Committee Member) of the Company; Vice Chairman of Aspirant Group Inc.), Ms. Miki Sakakibara (Outside Director (Audit and Supervisory Committee Member) of the Company; Executive Officer of Macnica Holdings, Inc.) and Ms. Yukiko Nishiura (Outside Director (Audit and Supervisory Committee Member) of the Company; Representative of Nishiura Certified Public Accountant Office). In determining the composition of the Special Committee, the Company selected the above three members from the perspective of ensuring an appropriate size so as to facilitate the flexible holding of meetings of the Special Committee and the smooth consolidation of opinions, while ensuring a balance of knowledge, experience and abilities of the Special Committee as a whole, taking into account that all of the members are independent officers as defined by the Tokyo Stock Exchange, that Mr. Akira Kawamoto has extensive experience and deep insight in the practice of corporate investment, that Ms. Miki Sakakibara has professional insight and extensive knowledge as an attorney, and that Ms. Yukiko Nishiura has professional knowledge and extensive experience as a certified public accountant. The Company has selected the above three persons as members of the Special Committee from the outset and has not changed the members of the Special Committee. In addition, Mr. Akira Kawamoto was selected as the chairperson of the Special Committee by mutual election among its members. The remuneration of each member of the Special Committee consists solely of remuneration paid as consideration for the performance of their duties regardless of the content of the report, and does not include any success fee contingent on the announcement or completion, etc. of the Transaction. Based on the above resolution of the Board of Directors, the Company consulted the Special Committee on the following matters (collectively, the "Consultation Matters"): (i) to consider whether the Transaction should be implemented (whether the Company's Board of Directors should express its support for the Tender Offer and whether it should recommend that the Company's shareholders tender their shares in the Tender Offer) and make a recommendation to the Company's Board of Directors; and (ii) to consider whether the Transaction is fair to the Company's general shareholders and state its opinion to the Company's Board of Directors (in considering (i), the Special Committee is to consider whether the Transaction should be implemented from the perspective of whether it will contribute to enhancing the Company's corporate value, and to consider and determine the fairness of the terms and conditions of the transaction and the fairness of the procedures from the perspective of promoting the interests of the Company's general shareholders; in addition, in making its recommendation, the Special Committee may use expressions that are appropriate as necessary in light of the form of the Transaction, laws and regulations, etc.).

In consulting the Special Committee, the Company's Board of Directors resolved that it would make decisions regarding the Transaction while respecting the judgment of the Special Committee to the maximum extent, and that, if the Special Committee determines that the terms and conditions of the Transaction are not appropriate, the Company's Board of Directors will not approve the Transaction. In addition, based on the above resolution of the Board of Directors, the Company granted the Special Committee (A) the authority to negotiate with the Tender Offeror, etc. and other persons regarding the terms and conditions, etc. of the Transaction (including indirect negotiations through the Company's officers, employees, advisors, etc.); (B) the authority, as necessary, to appoint professionals such as a financial advisor, third-party valuation institution and legal advisor for the Special Committee ("Advisors, etc.") (in which case the costs will be borne by the Company), or to designate or approve (including ex post approval) the Company's Advisors, etc. (if the Special Committee determines that it can rely on the Company's Advisors, etc. to seek professional advice, it may seek professional advice from the Company's Advisors, etc.); (C) the authority to request the attendance at the Special Committee of persons deemed necessary by the Special Committee and seek explanations of necessary information, and to receive from the Company's officers and employees information reasonably necessary for the consideration of and judgment on the Transaction; and (D) the authority to implement other matters that the Special Committee deems necessary in considering and making judgments on the Transaction.

(b) Process of consideration

The Special Committee held a total of 23 meetings, totaling approximately 36 hours, from April 28, 2026 to July 28, 2026, and also reported, shared information, deliberated and made decisions through e-mail and other means outside of meetings, and carefully considered and discussed the Consultation Matters. Specifically, based on the authority of the Special Committee described above, the Special Committee first approved Nakamura, Tsunoda & Matsumoto, the legal advisor appointed by the Company, and Plutus Consulting, the financial advisor and third-party valuation institution appointed by the Company, as advisors to the Company, after confirming that there are no issues with their independence and expertise. In addition, based on the authority of the Special Committee described above, after examining the independence and expertise of multiple candidates, the Special Committee decided to appoint Nishimura & Asahi as its own legal advisor and Frontier Management as its own financial advisor and third-party valuation institution.

Furthermore, as described in "(vi) Establishment of an Independent Review System at the Company" below, the Special Committee approved the review system for the Transaction established within the Company (including the scope of the Company's officers and employees involved in the consideration, negotiation and decision-making regarding the Transaction and their duties) after confirming that there are no issues from the perspective of independence and fairness.

On that basis, the Special Committee has considered the measures to be taken to ensure the fairness of the procedures in the Transaction, based on advice from Nishimura & Asahi, its own legal advisor, regarding the process and method of decision-making regarding the Transaction and other points to be noted in making decisions regarding the Transaction.

Specifically, the Special Committee first sent the Tender Offeror a list of questions concerning, among other things, its evaluation of the Company Group and its business environment, the purpose of and reasons for taking the Company private (delisting), the management structure and management policy after the Transaction, and the structure and schedule of the Transaction, received a written response from the Tender Offeror, conducted an interview with Mr. Kanemaru including a question-and-answer session, and considered and discussed these matters.

Next, the Special Committee sent the Company a list of questions concerning, among other things, the Company's views on the above explanations by the Tender Offeror, etc., the Company's views on whether the Company should be taken private by the Tender Offeror, and the Company's views on fund-raising after the implementation of the Transaction, conducted an interview with the Company including a question-and-answer session, and considered and discussed these matters.

In addition, with respect to the Business Plan, which the Company presented to the Tender Offeror and which Plutus Consulting and Frontier Management used as the basis for calculating the share value of the Company Shares, the Special Committee received an explanation from the Company regarding the process of formulating the Business Plan, and approved the Business Plan after confirming the reasonableness of its content, important assumptions and preparation process through multiple question-and-answer sessions.

On that basis, as described in "(i) Obtainment by the Company of a Share Valuation Report from an Independent Third-Party Valuation Institution" above and "(iv) Obtainment by the Special Committee of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Institution" below, Plutus Consulting and Frontier Management calculated the share value of the Company Shares on the basis of the Business Plan. The Special Committee received explanations from Plutus Consulting and Frontier Management regarding the methods of calculating the share value of the Company Shares, the reasons for adopting such methods, the details of the calculation under each method and the important assumptions, held question-and-answer sessions regarding such details and the important assumptions of such calculations, and confirmed their reasonableness.

After the above consideration, the Special Committee received timely updates from the Company on the background and details of the discussions and negotiations with the Tender Offeror regarding the Transaction. As described in "1. Purpose of and Reasons for the Consolidation of Shares" above, negotiations were held regarding the Tender Offer Price, and each time a proposal was made by the Tender Offeror, the Special Committee considered it with the advice of Frontier Management and Nishimura & Asahi, and deliberated and considered the negotiation policy toward the Tender Offeror after taking into account the Company's opinions and the advice received by the Special Committee from Plutus Consulting and Nakamura, Tsunoda & Matsumoto. In this way, the Special Committee was substantially involved in the negotiations with the Tender Offeror.

In addition, the Special Committee received explanations from Nakamura, Tsunoda & Matsumoto, the Company's legal advisor, regarding the drafts of the press release and the position statement relating to the Tender Offer that the Company planned to announce or submit, and confirmed that sufficient information disclosure was planned.

(c) Details of judgment

As a result of careful discussion and consideration of the Consultation Matters through the above process, on July 29, 2026, the Special Committee unanimously submitted the Report to the Company's Board of Directors. For details of the Report, please refer to Attachment 1 to the Opinion Press Release.

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

(a) Name of the valuation institution and its relationship with the Company and the Tender Offeror, etc.

In considering the Consultation Matters, in order to ensure the appropriateness of the terms and conditions of the transaction, including the Tender Offer Price, the Special Committee requested Frontier Management, a financial advisor and third-party valuation institution independent of the Tender Offeror, etc. and the Company, to calculate the share value of the Company Shares, and obtained the Share Valuation Report (Frontier Management) and the Fairness Opinion (Frontier Management) dated July 28, 2026.

Frontier Management is not a related party of the Tender Offeror, etc. or the Company and has no material interest in the Transaction, including the Tender Offer. In addition, the fees payable to Frontier Management in connection with the Transaction consist solely of fixed fees payable regardless of the success or failure of the Transaction, and do not include any success fee contingent on the completion, etc. of the Transaction, including the Tender Offer.

(b) Outline of Valuation

After considering the valuation methods for the Tender Offer, on the premise that the Company is a going concern and based on the view that it is appropriate to evaluate the Company Shares from multiple perspectives, Frontier Management adopted the average market price method, since the Company Shares are listed on the Prime Market of the Tokyo Stock Exchange; the comparable company analysis, since there are comparable listed companies and it is possible to infer the share value by comparison with comparable listed companies; and the DCF method, in order to reflect the status of the Company's future business activities in the calculation, and calculated the share value of the Company Shares.

According to Frontier Management, the ranges of the per-share value of the Company Shares calculated based on each of the above methods are as follows:

Average market price method: 1,669 yen to 1,921 yen

Comparable company analysis: 1,606 yen to 2,119 yen

DCF method: 2,188 yen to 2,863 yen

Under the average market price method, with July 28, 2026, the business day immediately preceding the date of the resolution of the Company's Board of Directors regarding the expression of opinion on the Tender Offer, as the reference date for the calculation, the range of the per-share value of the Company Shares was calculated to be 1,669 yen to 1,921 yen, based on the simple average closing prices of the Company Shares on the Prime Market of the Tokyo Stock Exchange for the past one month of 1,921 yen, for the past three months of 1,669 yen, and for the past six months of 1,684 yen.

Under the comparable company analysis, Nomura Research Institute, Ltd., TISI Inc., BIPROGY Inc., Simplex Holdings, Inc., CEC Co., Ltd., Cresco Ltd. and SIGMAXYZ Holdings Inc. were selected as comparable listed companies engaged in businesses relatively similar to those of the Company. The share value of the Company Shares was calculated using the EBITDA multiples of the comparable companies, and the range of the per-share value was calculated to be 1,606 yen to 2,119 yen.

Under the DCF method, the corporate value and share value of the Company were calculated by discounting the free cash flows that the Company is expected to generate from the third quarter of the fiscal year ending December 2026 onward to present value at a certain discount rate, on the premise of various factors such as the Company's financial forecasts for the four fiscal years from the fiscal year ending December 2026 to the fiscal year ending December 2029 in the Business Plan prepared by the Company, the Company's financial information for the second quarter of the fiscal year ending December 2026 and publicly available information, and the range of the per-share value of the Company Shares was calculated to be 2,188 yen to 2,863 yen. The discount rate adopted was the weighted average cost of capital, at 7.9% to 9.7%. In calculating the discount rate, a size risk premium was taken into account in consideration of the Company's corporate size and other factors. In calculating the terminal value, the perpetual growth rate method and the multiple method were adopted. Using an EBITDA multiple to enterprise value of 6.8x to 8.4x based on the figures of the comparable listed companies selected in the comparable company analysis, and a perpetual growth rate of 0.00% to 1.00% set by comprehensively considering the business environment surrounding the Company, the Company's growth potential and other factors, the terminal value was calculated to be 123,315 million yen to 182,219 million yen.

The Business Plan used by Frontier Management in its analysis under the DCF method does not include any fiscal year in which a significant increase or decrease in profit or a significant increase or decrease in free cash flow is expected.

Since it is difficult to specifically estimate, as of the time of the calculation, the synergies expected to be realized through the execution of the Transaction, such synergies are not taken into account in the financial forecasts below.

The financial forecasts based on the Business Plan used by Frontier Management as the basis for the calculation under the DCF method are as follows:

(Millions of yen)

	FY ending Dec. 2026 (6 months)	FY ending Dec. 2027	FY ending Dec. 2028	FY ending Dec. 2029
Net sales	42,277	84,539	91,164	97,788
Operating profit	10,120	16,646	19,000	21,156
EBITDA	11,804	19,871	22,129	24,285
Free cash flow	5,527	11,661	13,211	14,667

In calculating the share value of the Company, Frontier Management has, in principle, used the information provided by the Company and publicly available information as is, and has relied on them on the premise that all such materials and information are accurate and complete and that there are no facts undisclosed to Frontier Management that may have a material effect on the analysis and calculation of the Tender Offer Price, and has not independently verified their accuracy. In addition, it is premised that the information on the Company's financial forecasts has been reasonably prepared based on the best forecasts and judgments available to the Company's management as of the time of the calculation. Furthermore, Frontier Management has not independently evaluated or assessed the assets or liabilities (including off-balance-sheet assets and liabilities and other contingent liabilities) of the Company, nor has it requested any third-party institution to appraise or assess them.

(c) Outline of the Fairness Opinion (Frontier Management)

On July 28, 2026, the Special Committee obtained from Frontier Management the Fairness Opinion (Frontier Management) to the effect that the Tender Offer Price of 2,451 yen per share is fair to the Company's general shareholders from a financial point of view. In light of the results of the calculation of the share value of the Company Shares based on the Business Plan and other factors, Frontier Management expresses its opinion that the Tender Offer Price of 2,451 yen per share is fair to the Company's general shareholders from a financial point of view.

The Fairness Opinion (Frontier Management) was issued after, in addition to the results of the valuation of the Company Shares that Frontier Management conducted after receiving disclosure of and explanations regarding the current status and business outlook, etc. of the Company Group from the Company, question-and-answer sessions with the Company and the Special Committee regarding the outline, background and purpose of the Tender Offer, a review of the business environment of the Company Group, the economy, markets and financial conditions, etc. to the extent Frontier Management deemed necessary, and an internal review at Frontier Management.

In preparing the Fairness Opinion (Frontier Management), Frontier Management has used public information on the Company and information provided by the Company to Frontier Management, on the premise that all such information is accurate and complete and that there are no facts undisclosed to Frontier Management that may have a material effect on the analysis and calculation of the share value of the Company Shares. Frontier Management has not independently verified its accuracy or completeness and assumes no obligation to do so. Accordingly, Frontier Management assumes no responsibility arising from any deficiencies in such materials or any non-disclosure of material facts. In addition, Frontier Management has not independently evaluated or appraised the assets or liabilities (including financial derivatives, off-balance-sheet assets and liabilities and other contingent liabilities) of the Company or its affiliates, including individual analyses and evaluations, nor has it requested any third-party institution to evaluate or appraise them. Furthermore, Frontier Management has not evaluated or investigated the creditworthiness of the Company or its affiliates, including the applicability of applicable laws and regulations relating to bankruptcy, suspension of payments or similar matters.

Frontier Management has assumed that the business plan and other information and materials relating to the future of the Company have been reasonably prepared or examined by the Company's management based on the best forecasts and judgments currently available, and that the financial condition of the Company will develop in accordance with such business plan. In addition, Frontier Management does not guarantee the feasibility of the business plan and expresses no view whatsoever on the analyses or forecasts on which they were based or the assumptions underlying them.

Frontier Management is not a professional institution in legal, accounting or tax matters, and does not independently analyze or examine, and assumes no obligation to analyze or examine, the existence or absence of legal, accounting or tax issues relating to the Tender Offer.

Frontier Management serves as the financial advisor to the Special Committee in connection with the Tender Offer, has been involved in part of the negotiations relating to the Tender Offer, and will receive a fee in connection with the submission of the Fairness Opinion (Frontier Management) as consideration for its services. The exemption and indemnification provisions set forth in the engagement agreement between the Company and Frontier Management apply to the submission of the Fairness Opinion (Frontier Management).

The Fairness Opinion (Frontier Management) is intended solely to provide the Special Committee with information to be used as a reference in examining the appropriateness of the tender offer price in the Tender Offer, and is not intended to provide information to any other person. The Fairness Opinion (Frontier Management) does not express any opinion on the share price of the Company, whether before or after the announcement of the Tender Offer. In addition, the Fairness Opinion (Frontier Management) does not address the positioning of the Tender Offer in the Company's business strategy or the benefits brought about by the implementation of the Tender Offer, and does not express any opinion on the management decision regarding whether or not the Company should implement the Tender Offer. Furthermore, the Fairness Opinion (Frontier Management) does not express any opinion to the Company's minority shareholders, creditors or other related parties, does not solicit or recommend to the Company's minority shareholders the tendering of their shares in the Tender Offer or the exercise of shareholder rights such as voting rights in relation to the Tender Offer, and Frontier Management has no authority to do so. Accordingly, Frontier Management assumes no responsibility to minority shareholders or third parties who rely on the Fairness Opinion (Frontier Management).

The content of the Fairness Opinion (Frontier Management) is premised on not being disclosed to any third party, whether by way of summary, reference, quotation or otherwise, or used for any other purpose, without the prior written consent of Frontier Management, except as permitted under the engagement agreement between the Company and Frontier Management.

The Fairness Opinion (Frontier Management) is premised on the business environment, economy, markets, financial conditions and other circumstances as of the date of the Fairness Opinion (Frontier Management), and relies on the information available to Frontier Management as of that date. In submitting the Fairness Opinion (Frontier Management), Frontier Management has not analyzed or examined, and assumes no obligation to analyze or examine, whether the Tender Offer Price is the best price achievable.

Although the content of the Fairness Opinion (Frontier Management) or the matters on which it is premised may be affected by future changes in the economic environment and other factors, Frontier Management assumes no obligation to amend, change or supplement its opinion.

The Fairness Opinion (Frontier Management) does not imply or suggest any opinion regarding matters other than those expressly stated in the Fairness Opinion (Frontier Management) or regarding the period after the date of submission of the Fairness Opinion (Frontier Management).

(v) Obtainment by the Special Committee of Advice from an Independent Legal Advisor

The Special Committee appointed Nishimura & Asahi as its own legal advisor independent of the Tender Offeror, etc. and the Company, and has received legal advice from Nishimura & Asahi, including advice regarding the measures to be taken to ensure the fairness of the procedures in the Transaction, the various procedures for the Transaction, and the method and process of the Company's decision-making regarding the Transaction. Nishimura & Asahi is not a related party of the Tender Offeror, etc. or the Company and has no material interest in the Transaction, including the Tender Offer, that needs to be disclosed. In addition, the fees payable to Nishimura & Asahi are calculated by multiplying the hours worked by hourly rates regardless of the success or failure of the Transaction, and do not include any success fee contingent on the completion of the Transaction.

(vi) Establishment of an Independent Review System at the Company

The Company established within the Company a system for considering and negotiating the Transaction from a standpoint independent of the Tender Offeror, etc. Specifically, since Mr. Kanemaru, the Company's Chairman and Representative Director, is in a structural conflict of interest with the Company in relation to the Transaction, he has not participated in any resolutions of the Board of Directors regarding the Transaction, nor has he participated in any way in the process of preparing the Business Plan, which serves as the basis for the valuation of the Company Shares, or in any discussions or negotiations with the Tender Offeror, etc. on behalf of the Company. The Company's review system for considering, negotiating and making decisions on the Transaction consists solely of six officers and employees recognized as independent of the Tender Offeror, etc. (Mr. Tomohiko Taniguchi, the Company's President and Representative Director; Mr. Yohei Saito, the Company's Director and Executive Vice President; and four employees), and this treatment was continued until July 29, 2026.

In addition, the review system established within the Company for the Transaction, including such treatment, specifically the scope of the officers and employees involved in the consideration, negotiation and decision-making regarding the Transaction and their duties (including duties requiring a high degree of independence, such as the preparation of the business plan serving as the basis for the valuation of the Company's shares), was based on the advice of Nakamura, Tsunoda & Matsumoto, and the Special Committee has approved that there are no issues from the perspective of independence.

(vii) Approval of All Disinterested Directors of the Company (Including Directors Who Are Audit and Supervisory Committee Members)

Taking into account the Share Valuation Report (Plutus Consulting) obtained from Plutus Consulting, the legal advice from Nakamura, Tsunoda & Matsumoto, and the Share Valuation Report (Frontier Management) and the Fairness Opinion (Frontier Management) submitted through the Special Committee, and while respecting to the maximum extent the content of the Report submitted by the Special Committee, the Company carefully discussed and considered the terms and conditions of the Transaction, including the Tender Offer. As a result, as described in "1. Purpose of and Reasons for the Consolidation of Shares" above, the Company determined that the Transaction, including the Tender Offer, is expected to enhance the Company's corporate value, that the Tender Offer Price and the other terms and conditions of the Tender Offer are fair to the Company's shareholders, and that the Tender Offer provides the Company's shareholders with a reasonable opportunity to sell their shares. Accordingly, at the Company's Board of Directors meeting held on July 29, 2026, the Company resolved, with the unanimous approval of the directors of the Company who participated in the deliberation and resolution (11 directors excluding Mr. Kanemaru), to express its opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer.

At the above Board of Directors meeting, since Mr. Kanemaru, the Company's Chairman and Representative Director, is the proposer of the Transaction and was the person executing the duties of the managing member of the Tender Offeror, and his interests may therefore not coincide with those of the Company's other general shareholders, from the perspective of avoiding any suspicion of conflicts of interest, he did not participate in any way in the deliberation or resolution of the proposal relating to the expression of opinion on the Tender Offer, nor has he participated in any way in discussions or negotiations with the Tender Offeror, etc. on behalf of the Company in relation to the Transaction.

(viii) Measures to Secure Purchase Opportunities for Other Acquirers

The Company has been informed that, while the minimum tender offer period prescribed by laws and regulations is 20 business days, the Tender Offeror set the Tender Offer Period at 30 business days, which is longer than such minimum period. The Company has been informed that, by setting the Tender Offer Period longer than the statutory minimum of 20 business days, the Tender Offeror intended to ensure an appropriate opportunity for the Company's shareholders to make a decision on whether to tender their shares in the Tender Offer, and to ensure an opportunity for persons other than the Tender Offeror who may make an acquisition proposal for the Company Shares ("Competing Acquisition Proposers") to make a competing purchase, etc., thereby ensuring the fairness of the Tender Offer.

In addition, the Tender Offeror and the Company have not entered into any agreement that restricts Competing Acquisition Proposers from contacting the Company, such as an agreement containing deal protection provisions prohibiting the Company from contacting Competing Acquisition Proposers. In this way, together with the setting of the above Tender Offer Period, opportunities for competing purchases, etc. are ensured, thereby conducting an indirect market check and giving consideration to ensuring the fairness of the Tender Offer. The Company has been informed that, although an active market check has not been conducted in the Transaction, the Tender Offeror believes that the mere fact that an active market check has not been conducted does not make the measures to ensure the fairness of the Tender Offer insufficient, considering that the fairness of the procedures has been ensured through other measures to ensure fairness, that, in the first place, given that the Tender Offeror owned 30,187,000 Company Shares (Ownership Ratio: 34.02%) and Mr. Kanemaru owned 11,117,400 Company Shares (Ownership Ratio: 12.53%), it is difficult to say that this is a situation in which an active market check would function, and that it is not practically easy to conduct an active market check from the perspective of information management.

(ix) Measures to Ensure Opportunities for the Company's Shareholders to Appropriately Determine Whether to Tender Their Shares in the Tender Offer

The Company has been informed that, as described in "(4) Policy on Organizational Restructuring, etc. after the Tender Offer" in "3. Details of, and Grounds and Reasons for, the Opinion on the Tender Offer" of the Opinion Press Release, the Tender Offeror has given consideration to ensuring an opportunity for the Company's shareholders to appropriately decide whether to tender their shares in the Tender Offer, thereby preventing coerciveness, by (i) indicating that it plans to request the Company, promptly after the completion of the settlement of the Tender Offer and depending on the number of shares acquired by the Tender Offeror upon completion of the Tender Offer, to hold an extraordinary general shareholders' meeting whose agenda includes the Demand for Share Cash-Out (as defined in "(4) Policy on Organizational Restructuring, etc. after the Tender Offer" in "3. Details of, and Grounds and Reasons for, the Opinion on the Tender Offer" of the Opinion Press Release) or the Consolidation of Shares and a partial amendment to the Articles of Incorporation to abolish the provision for share unit subject to the Consolidation of Shares becoming effective, and that it will not adopt a method under which the Company's shareholders are not ensured appraisal rights or the right to file a petition for determination of the price; and (ii) making clear that the cash to be delivered to the Company's shareholders as consideration upon the Consolidation of Shares will be calculated so as to be equal to the price obtained by multiplying the Tender Offer Price by the number of Company Shares held by each such shareholder (excluding the Company and the Tender Offeror, etc.).

4. Future Outlook

As described in "3. Basis for the Amount of Cash Expected to Be Delivered to Shareholders through the Treatment of Fractions in the Consolidation of Shares" above, as a result of the implementation of the Consolidation of Shares, the Company Shares are scheduled to be delisted on December 23, 2026.

5. Matters Relating to MBO, etc.

(1) Application of the "Code of Conduct for MBO, etc."

The Consolidation of Shares will be implemented as part of the Transaction, which constitutes a so-called management buyout (MBO), and the "Code of Conduct for MBO, etc." set forth in Rule 441 of the Securities Listing Regulations applies.

(2) Status of Compliance with the Guidelines on Measures to Protect Minority Shareholders in Conducting Transactions, etc. with the Controlling Shareholder

As of October 28, 2026, the Tender Offeror is the parent company of the Company, and therefore the transaction relating to the Consolidation of Shares constitutes a transaction, etc. with the controlling shareholder.

Although the Company has not set forth "guidelines on measures to protect minority shareholders in conducting transactions, etc. with the controlling shareholder" in its corporate governance report, it is the Company's policy, when conducting transactions, etc. with the controlling shareholder, to take measures to ensure the fairness of the content and terms and conditions of the transactions, such as obtaining the advice of attorneys, third-party institutions and the like as necessary, to make decisions after careful deliberation by the Board of Directors, and to respond appropriately so as not to harm the interests of minority shareholders.

In implementing the Consolidation of Shares as well, as described in "(3) Measures to Ensure Fairness" of "3. Basis for the Amount of Cash Expected to Be Delivered to Shareholders through the Treatment of Fractions in the Consolidation of Shares" above, the Company's Board of Directors has carefully discussed and considered the matter, taking into account the Share Valuation Report (Plutus Consulting) prepared by Plutus Consulting, the legal advice obtained from Nakamura, Tsunoda & Matsumoto, the legal advisor, regarding the method and process of decision-making by the Company's Board of Directors, including the various procedures for the Transaction including the Consolidation of Shares, and other points to be noted, the Report submitted by the Special Committee, and other related materials. The Company believes that it has responded appropriately so as not to harm the interests of minority shareholders, and that it is in compliance with the above policy.

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

With respect to the Transaction, including the Consolidation of Shares, the Company has taken measures to ensure fairness and measures to avoid conflicts of interest as described in "(3) Measures to Ensure Fairness" of "3. Basis for the Amount of Cash Expected to Be Delivered to Shareholders through the Treatment of Fractions in the Consolidation of Shares" above.

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

In addition, as described in "(iii) Establishment by the Company of an Independent Special Committee and Obtainment of a Report from the Special Committee" in "(3) Measures to Ensure Fairness" of "3. Basis for the Amount of Cash Expected to Be Delivered to Shareholders through the Treatment of Fractions in the Consolidation of Shares" above, the Company has received the Report from the Special Committee regarding the Transaction, including the Consolidation of Shares, being fair to the Company's general shareholders. For details of the Report, please refer to Attachment 1 to the Opinion Press Release.

III. Abolition of Provision for Share Unit

1. Reason for the abolition

If the Consolidation of Shares becomes effective, the total number of issued shares of the Company will be 8 shares, and it will no longer be necessary to set forth a share unit.

2. Scheduled date of the abolition

December 25, 2026 (scheduled)

3. Conditions for the abolition

The abolition is subject to the approval and adoption, as originally proposed, of the proposal regarding the Consolidation of Shares and the proposal regarding the partial amendments to the Articles of Incorporation described in "IV. Partial Amendments to the Articles of Incorporation" below at the Extraordinary General Shareholders' Meeting, and the Consolidation of Shares becoming effective.

IV. Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

(1) If the proposal regarding the Consolidation of Shares is approved and adopted as originally proposed at the Extraordinary General Shareholders' Meeting and the Consolidation of Shares becomes effective, the total number of authorized shares of the Company Shares will be reduced to 32 shares in accordance with the provisions of Article 182, Paragraph 2 of the Companies Act. In order to clarify this point, Article 6 (Total Number of Authorized Shares) of the Articles of Incorporation will be amended, subject to the Consolidation of Shares becoming effective.

(2) If the proposal regarding the Consolidation of Shares is approved and adopted as originally proposed at the Extraordinary General Shareholders' Meeting and the Consolidation of Shares becomes effective, the total number of issued shares of the Company will be 8 shares, and it will no longer be necessary to set forth a share unit. Accordingly, subject to the Consolidation of Shares becoming effective, in order to abolish the provision for the share unit of the Company Shares, which is currently 100 shares per unit, Article 7 (Share Unit) and Article 8 (Rights Relating to Shares Less Than One Unit) of the Articles of Incorporation will be deleted in their entirety, and the article numbers will be moved up accordingly.

(3) If the proposal regarding the Consolidation of Shares is approved and adopted as originally proposed at the Extraordinary General Shareholders' Meeting and the Consolidation of Shares becomes effective, the Company Shares are expected to be delisted, and after the delisting, the Company Shares will no longer be traded on the Tokyo Stock Exchange. Accordingly, Article 9 (Acquisition of Own Shares) of the Articles of Incorporation will be deleted in its entirety, and the article numbers will be moved up accordingly.

(4) If the proposal regarding the Consolidation of Shares is approved and adopted as originally proposed at the Extraordinary General Shareholders' Meeting and the Consolidation of Shares becomes effective, the Company Shares will be delisted and the Tender Offeror will be the only person holding one or more Company Shares. As a result, the provisions concerning the record date for the annual general shareholders' meeting and the provisions concerning the electronic provision system for general shareholders' meeting materials will no longer be necessary. Accordingly, subject to the Consolidation of Shares becoming effective, Article 13 (Record Date for Annual General Shareholders' Meeting) and Article 15 (Measures for Electronic Provision, etc.) of the Articles of Incorporation will be deleted in their entirety, and the article numbers will be moved up accordingly.

2. Details of the amendments

The details of the amendments are as follows. (Amended portions are underlined.) The amendments to the Articles of Incorporation under this proposal will become effective on December 25, 2026, the effective date of the Consolidation of Shares, subject to the proposal regarding the consolidation of shares being approved and adopted as originally proposed at the Extraordinary General Shareholders' Meeting and the Consolidation of Shares becoming effective.

Current Articles of Incorporation	**Proposed Amendments**
Articles 1 to 5 (Text omitted)	Articles 1 to 5 (Unchanged)
(Total Number of Authorized Shares) Article 6 The total number of authorized shares of the Company shall be 378,752,000 shares.	(Total Number of Authorized Shares) Article 6 The total number of authorized shares of the Company shall be <u>32 shares</u>.
(Share Unit) Article 7 The number of shares constituting one unit of shares of the Company shall be 100 shares.	<u>(Deleted)</u>
(Rights Relating to Shares Less Than One Unit) Article 8 Shareholders of the Company may not exercise any rights with respect to shares less than one unit held by them other than the following rights: (1) The rights set forth in each item of Article 189, Paragraph 2 of the Companies Act; (2) The right to make a request pursuant to the provisions of Article 166, Paragraph 1 of the Companies Act; and	<u>(Deleted)</u>

(3) The right to receive an allotment of shares for subscription and an allotment of share acquisition rights for subscription in proportion to the number of shares held by the shareholder.	
(Acquisition of Own Shares) Article 9 Pursuant to the provisions of Article 165, Paragraph 2 of the Companies Act, the Company may acquire its own shares through market transactions, etc. by resolution of the Board of Directors.	(Deleted)
Articles 10 to 12 (Text omitted)	Articles 7 to 9 (Unchanged)
(Record Date for Annual General Shareholders' Meeting) Article 13 The record date for voting rights at the annual general shareholders' meeting of the Company shall be December 31 of each year.	(Deleted)
Article 14 (Text omitted)	Article 10 (Unchanged)
(Measures for Electronic Provision, etc.) Article 15 When convening a general shareholders' meeting, the Company shall take measures for electronic provision of information constituting the content of reference documents for the general shareholders' meeting, etc. 2. Among the matters for which measures for electronic provision are taken, the Company may choose not to include all or part of the matters specified by the Ordinance of the Ministry of Justice in the documents delivered to shareholders who have requested delivery of documents by the record date for voting rights.	(Deleted)
Articles 16 to 35 (Text omitted)	Articles 11 to 30 (Unchanged)

3. Schedule of the amendments

December 25, 2026 (scheduled)

V. Reduction of the Amount of Capital Stock

1. Purpose of the Capital Reduction

As part of its management strategy for achieving sustainable growth and enhancing its medium- to long-term corporate value, the Company will carry out a reduction of the amount of capital stock (the "Capital Reduction") pursuant to the provisions of Article 447, Paragraph 1 of the Companies Act, for the purpose of maintaining financial soundness through the application of appropriate taxation in line with its business scale and ensuring flexibility and agility in its capital policy. The Capital Reduction will not change the total number of issued shares or the amount of net assets, and will not affect the number of shares held by shareholders or the amount of net assets per share.

2. Details of the Capital Reduction

(1) Amount of capital stock to be reduced

The amount of capital stock of 4,000,000,000 yen will be reduced by 3,900,000,000 yen to 100,000,000 yen.

(2) Method of the Capital Reduction

Pursuant to the provisions of Article 447, Paragraph 1 of the Companies Act, after the amount of capital stock is reduced as described above, the entire amount of the reduction will be transferred to "other capital surplus."

3. Schedule of the Capital Reduction

(i)	Date of resolution of the Board of Directors	Wednesday, October 28, 2026
(ii)	Date of public notice to creditors for objections	Wednesday, November 18, 2026 (scheduled)
(iii)	Date of resolution of the Extraordinary General Shareholders' Meeting	Monday, November 30, 2026 (scheduled)
(iv)	Final date for creditors to state objections	Friday, December 18, 2026 (scheduled)
(v)	Effective date	Friday, December 25, 2026 (scheduled)

4. Future Outlook

The Capital Reduction will have no impact on the Company's business results.

End