

This is the English translation of a Japanese press release published on March 13, 2026. If there are any differences in content or interpretation, the Japanese version shall prevail.

March 13, 2026

To Whom It May Concern:

Company name: Hisamitsu Pharmaceutical Co., Inc.
Representative: Kazuhide Nakatomi, President & CEO
(TSE Prime, NSE Premier and FSE Code No. 4530)
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**Notice Concerning the Convocation of an Extraordinary General Shareholders' Meeting
Regarding Share Consolidation, Abolition of Provisions on Share Units, and Partial
Amendment of the Articles of Incorporation**

Hisamitsu Pharmaceutical Co., Inc. (the "Company") hereby announces that, at the meeting of its board of directors held on March 13, 2026, it resolved to convene an extraordinary general shareholders' meeting scheduled to be held on April 17, 2026 (the "Extraordinary General Shareholders' Meeting") and to submit proposals regarding a share consolidation, the abolition of the provisions on share units, and a partial amendment of the Company's articles of incorporation to the Extraordinary General Shareholders' Meeting, as set forth below.

In the course of the above procedures, the Company's common stock (the "Company's Stock") will fall under the delisting criteria of Tokyo Stock Exchange, Inc. (the "TSE"), Nagoya Stock Exchange, Inc. (the "NSE"), and Fukuoka Stock Exchange (the "FSE"). As a result, the Company's Stock is expected to be designated as securities under supervision from April 17, 2026 until May 10, 2026, and to be delisted as of May 11, 2026.

After the delisting, the Company's Stock will no longer be tradable on the Prime Market of the TSE, the Premier Market of the NSE, or the Main Market of the FSE. Shareholders are kindly requested to take note of this matter.

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

1. Date and Time

April 17, 2026 (Friday) at 10:00 a.m.

2. Place

Head Office of the Company 408 Tashiro Daikan-machi, Tosu-shi, Saga, Japan

II. Matters to Be Resolved at the Extraordinary General Shareholders' Meeting

Items for Resolution:

Proposal No. 1: Share Consolidation

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

III. Share Consolidation

1. Purpose and Reasons for a Share Consolidation

As announced in the Company's press release entitled "Announcement of Implementation of Management Buyout (MBO) and Recommendation for Tendering Shares" dated January 6, 2026 (the "Opinion Statement Press Release"), TAIYO KOSAN CO., INC. (the "Offeror") conducted a tender offer for the common stock of the Company (the "Company's Stock"), the Share Acquisition Rights (Note 1), and the American Depositary Receipts (Note 3) of the Company, as part of a transaction aimed at taking the Company private through the acquisition of all of the Company's Stock (including any shares of the Company's Stock issuable upon exercise of the Share Acquisition Rights, but excluding the treasury shares held by the Company and the Non-tendered Shares (Note 2)), the Share Acquisition Rights, and the ADRs (the "Transaction").

The tender offer (the "Tender Offer") was conducted with the tender offer period set from January 7, 2026 to February 19, 2026 (the "Tender Offer Period") with respect to the Company's Stock, the Share Acquisition Rights, and the ADRs.

(Note 1)

"Share Acquisition Rights" means, collectively, the following share acquisition rights (i) through (xi):

- (i) The share acquisition rights issued pursuant to the resolution of the meeting of the Company's board of directors held on July 10, 2015 (the "First Series Share Acquisition Rights") (Exercise period: July 28, 2015 to July 27, 2065)
- (ii) The share acquisition rights issued pursuant to the resolution of the meeting of the Company's board of directors held on July 8, 2016 (the "Second Series Share Acquisition Rights") (Exercise period: July 26, 2016 to July 25, 2066)
- (iii) The share acquisition rights issued pursuant to the resolution of the meeting of the Company's board of directors held on July 7, 2017 (the "Third Series Share Acquisition Rights") (Exercise period: July 26, 2017 to July 25, 2067)

- (iv) The share acquisition rights issued pursuant to the resolution of the meeting of the Company's board of directors held on July 6, 2018 (the "Fourth Series Share Acquisition Rights") (Exercise period: July 25, 2018 to July 24, 2068)
- (v) The share acquisition rights issued pursuant to the resolution of the meeting of the Company's board of directors held on July 10, 2019 (the "Fifth Series Share Acquisition Rights") (Exercise period: July 27, 2019 to July 26, 2069)
- (vi) The share acquisition rights issued pursuant to the resolution of the meeting of the Company's board of directors held on July 9, 2020 (the "Sixth Series Share Acquisition Rights") (Exercise period: July 29, 2020 to July 28, 2070)
- (vii) The share acquisition rights issued pursuant to the resolution of the meeting of the Company's board of directors held on July 8, 2021 (the "Seventh Series Share Acquisition Rights") (Exercise period: July 27, 2021 to July 26, 2071)
- (viii) The share acquisition rights issued pursuant to the resolution of the meeting of the Company's board of directors held on July 7, 2022 (the "Eighth Series Share Acquisition Rights") (Exercise period: July 26, 2022 to July 25, 2072)
- (ix) The share acquisition rights issued pursuant to the resolution of the meeting of the Company's board of directors held on July 13, 2023 (the "Ninth Series Share Acquisition Rights") (Exercise period: August 1, 2023 to July 31, 2073)
- (x) The share acquisition rights issued pursuant to the resolution of the meeting of the Company's board of directors held on July 11, 2024 (the "Tenth Series Share Acquisition Rights") (Exercise period: July 30, 2024 to July 29, 2074)
- (xi) The share acquisition rights issued pursuant to the resolution of the meeting of the Company's board of directors held on July 10, 2025 (the "Eleventh Series Share Acquisition Rights") (Exercise period: July 29, 2025 to July 28, 2075)

(Note 2)

"Non-tendered Shares" means an aggregate of 4,044,142 shares, consisting of (i) an aggregate of 3,917,742 shares of the Company's Stock held by Mr. Kazuhide Nakatomi, TKY CO., INC. ("TKY"), Nakatomi Asset Management Co., Inc. (the "Nakatomi Asset Management"), SSTM CO., INC. ("SSTM"), STM CO., INC. ("STM"), and TM CO., LTD. ("TM"), and (ii) 126,400 shares of the Company's Stock held by Nakatomi Kosan Co., Inc. ("Nakatomi Kosan"; Mr. Kazuhide Nakatomi, TKY, Nakatomi Asset Management, SSTM, STM, TM, and Nakatomi Kosan are hereinafter collectively referred to as the "Non-tendering Shareholders") (Note 4).

(Note 3)

"American Depositary Shares" means the shares of the Company's stock deposited with Citibank, N.A. (the "Depositary Bank") and represented by American Depositary Receipts issued in the United States by the Depositary Bank.

(Note 4)

Mr. Kazuhide Nakatomi, TKY, Nakatomi Asset Management, STM, and TM indirectly hold fractional shares through the cumulative stock investment plan. As these fractional shares are held in the name of a securities company, the number of shares of the Company's Stock held by Mr. Kazuhide Nakatomi, TKY, Nakatomi Asset Management, STM, and TM does not include these fractional shares. The same applies hereinafter to the number of shares held by Mr. Kazuhide Nakatomi, TKY, Nakatomi Asset Management, STM, and TM.

Further, as announced in the Company's press release entitled "Notice Regarding Results of Tender Offer for Shares, Etc. of Hisamitsu Pharmaceutical Co., Inc. by TAIYO KOSAN CO., INC. and Change in Parent Company, the Largest Shareholder that is a Major Shareholder, and Major Shareholder" dated February 20, 2026 (the "Tender Offer Results Press Release"), as a result of the successful completion of the Tender Offer, the Offeror came to own 43,574,799 shares of the Company's Stock (ownership ratio (Note 5): 61.81%) as of February 27, 2026, which is the commencement date of settlement of the Tender Offer.

As of the same date, the number of shares of the Company's Stock held by the Non-tendering Shareholders was 4,044,142 shares (ownership ratio: 5.74%), and accordingly, the total number of shares of the Company's Stock held by the Offeror and the Non-tendering Shareholders amounted to 47,618,941 shares (aggregate ownership ratio: 67.55%).

(Note 5)

"Ownership ratio" means the ratio (rounded to the second decimal place; the same applies hereinafter to the calculation of ownership ratios) to the number of shares (70,497,220 shares) obtained by subtracting the number of treasury shares held by the Company (4,762,875 shares) as of November 30, 2025, as stated in the "Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending February 28, 2026 Japanese GAAP" (the "Company's Third Quarter Financial Results") announced by the Company on January 6, 2026 (this number of treasury shares does not include the number of shares of the Company's Stock (298,500 shares) held by the Exclusive Trust for Hisamitsu Pharmaceutical Employee Shareholding Association as trust property under the Company's "Trust-type Employee Shareholding Incentive Plan (E-Ship)" and the cross-held shares (30,450 shares) held by MARUTO SANGYO CO., LTD., an equity-method affiliate of the Company, as of November 30, 2025, reported by the Company), from the total number of issued shares (75,164,895 shares,) of the Company as of the same date, as stated in the Company's Third Quarter Financial Results, and adding the number of shares of the Company's Stock (95,200 shares) underlying the Share Acquisition Rights (952 rights) reported by the Company as remaining as of December 25, 2025.

As announced in the Opinion Statement Press Release, on October 20, 2025, the Company received a written request from Mr. Kazuhide Nakatomi requesting the commencement of discussions regarding the Transaction (the "Written Request").

As described in "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" below, in light of the fact that the Transaction is to be conducted as part of a management buyout (MBO) (Note 6) and involves structural conflicts of interest, the Company, in proceeding with its consideration of the Transaction, placed importance on ensuring the fairness of the purchase price per share of the Company's Stock in the Tender Offer (the "Tender Offer Price"), eliminating any arbitrariness in the decision-making process leading to the decision to implement the Tender Offer, and avoiding conflicts of interest.

From these perspectives, and for the purpose of ensuring the fairness of the Transaction, including the Tender Offer, in late October 2025, the Company appointed Nishimura & Asahi (Gaikokuho Kyodo Jigyo) ("Nishimura & Asahi") as its independent legal advisor, and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("MUMSS") as its financial advisor and independent third-party valuator. Both advisors are independent from the Company Group (consisting of the Company, its 19 consolidated subsidiaries, three equity-method affiliates, and one non-consolidated subsidiary that is not an equity-method affiliate, totaling 24 companies as of January 6, 2026), the Offeror, the Non-tendering Shareholders, the Nakatomi Health Science Promotion Foundation (number of shares held: 1,637,100 shares; ownership ratio: 2.32%), the Nakatomi Memorial Foundation (number of shares held: 1,000,000 shares; ownership ratio: 1.42%), the Nakatomi Sports Promotion Foundation (number of shares held: 21,000 shares; ownership ratio: 0.03%) (collectively, the "Foundations"), MUFG Bank, Ltd. (number of shares held: 3,452,600 shares; ownership ratio: 4.90%), The Bank of Fukuoka, Ltd. (number of shares held: 3,321,872 shares; ownership ratio: 4.71%), The Nishi-Nippon City Bank, Ltd. (number of shares held: 4,370,000 shares; ownership ratio: 6.20%), The Bank of Saga Ltd. (number of shares held: 2,356,000 shares; ownership ratio: 3.34%) (collectively, the "Tendering Financial Institutions"), and SMBC Nikko Securities Inc ("SMBC Nikko Securities").

(Note 6)

"Management buyout (MBO)" generally means a transaction whereby the management team of the acquisition target company acquires shares in such company by entirely or partially funding the acquisition, on the assumption that the company will continue its business.

In addition, the Company's board of directors resolved, at its meeting held on November 13, 2025, to set up a special committee consisting of four members, namely, Mr. Tetsugo Matsuo, Ms. Tamako Watanabe and Ms. Midori Noguchi, who are independent Outside Directors of the Company, and Mr. Kentaro Watanabe who is an independent Outside Corporate Auditor of the Company, for the purpose of discussing the proposal for the Transaction (the "Special Committee"; for the composition,

specific activities, and other details of the Special Committee, please see "(III) The Company's Establishment of an Independent Special Committee and Receipt of a Written Report from the Special Committee" in "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" below), establishing a system for conducting discussions and negotiations on the Transaction. At the First Special Committee Meeting held on November 13, 2025, the Special Committee approved the appointment of MUMSS as the Company's financial advisor and third-party valuator and the appointment of Nishimura & Asahi as the Company's legal advisor, after confirming that neither had any problem in terms of expertise and independence from the Company Group, the Offeror, the Non-tendering Shareholders, the Foundations, the Tendering Financial Institutions, and SMBC Nikko Securities, and from success or failure of the Transaction.

In addition, as described in "(V) Establishment of an Independent Discussion System at the Company" in "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" below, the Company established an internal system for conducting discussions and negotiations and making decisions relating to the Transaction independently of the Offeror, the Non-tendering Shareholders, the Foundations, the Tendering Financial Institutions, and SMBC Nikko Securities (including the scope and duties of officers and employees involved in discussions, negotiations, and decision-making relating to the Transaction). The discussion system was approved by the Special Committee at the First Special Committee Meeting held on November 13, 2025, in terms of having no problem with its independence or fairness.

Under the system described above, the Company conducted discussions and negotiations with the Offeror and carefully considered the Transaction in terms of pros and cons and terms and conditions the Transaction, in light of the outline of the Tender Offer, including the purpose of the Transaction, the impact of the Transaction on the Company Group, the management policy after the Transaction, and the current stock price trends, based on the negotiation policy confirmed by the Special Committee in advance and based on the Special Committee's opinions, instructions, requests, etc., given or made during critical phases of the negotiations, and with advice from MUMSS and Nishimura & Asahi, as described in "(i) Background, purpose, and decision-making process leading to Offeror's decision to implement Tender Offer" in "(II) Background, purpose, and decision-making process leading to Offeror's decision to implement Tender Offer, and management policy after Tender Offer" above.

Specifically, on December 5, 2025, the Company received from Mr. Kazuhide Nakatomi an initial proposal, which set (i) the Tender Offer Price at 5,280 yen (which represented a premium of 26.74% on 4,166 yen, which was the closing price of the Company's Stock quoted on the Prime Market of the TSE on December 4, 2025, the business day immediately preceding the date of the proposal, a premium of 26.59% on 4,171 yen, which was the simple average closing price over the past one-month period ending on the same business day, a premium of 27.05% on 4,156 yen, which was the

simple average closing price over the past three-month period ending on the same business day, and a premium of 27.29% on 4,148 yen, which was the simple average closing price over the past six-month period ending on the same business day), (ii) the Share Acquisition Right Purchase Price at 1 yen, considering, among other things, that the Share Acquisition Rights were issued to the Company's directors in the form of share compensation-type share acquisition rights, which are subject to the condition that those share acquisition rights allotted to the Company's directors in their capacity as such can be exercised within the exercise period of the Share Acquisition Rights only on and after the day immediately following the date on which their holders are no longer the Company's directors, which prevents these holders from exercising their Share Acquisition Rights even after the Offeror has acquired the Share Acquisition Rights, and (iii) the ADS Purchase Price at 5,280 yen.

In response, on December 12, 2025, the Company replied to Mr. Kazuhide Nakatomi that the Tender Offer Price proposed in the initial proposal underrated the potential shareholder value that would be realized by the measures that had already been implemented or were being considered for subsequent implementation by the Company, and that the proposed price could absolutely not be considered to be sufficient in light of the intrinsic value of the Company.

Based on the above reply, on December 16, 2025, the Company received from Mr. Kazuhide Nakatomi a second price proposal, which set (i) the Tender Offer Price at 5,660 yen (which represented a premium of 35.15% on 4,188 yen, which was the closing price of the Company's Stock quoted on the Prime Market of the TSE on December 15, 2025, the business day immediately preceding the date of the proposal, a premium of 34.83% on 4,198 yen, which was the simple average closing price over the past one-month period ending on the same business day, a premium of 36.68% on 4,141 yen, which was the simple average closing price over the past three-month period ending on the same business day, and a premium of 36.45% on 4,148 yen, which was the simple average closing price over the past six-month period ending on the same business day), (ii) the Share Acquisition Right Purchase Price at 1 yen, and (iii) the ADS Purchase Price at 5,660 yen.

In response, on December 18, 2025, the Company replied to Mr. Kazuhide Nakatomi that the Tender Offer Price proposed in the second proposal still underrated the potential shareholder value of the Company and could absolutely not be considered to be sufficient in light of the intrinsic value of the Company.

Based on the above reply, on December 22, 2025, the Company received from Mr. Kazuhide Nakatomi a third price proposal, which set (i) the Tender Offer Price at 5,800 yen (which represented a premium of 35.90% on 4,268 yen, which was the closing price of the Company's Stock quoted on the Prime Market of the TSE on December 19, 2025, the business day immediately preceding the date of the proposal, a premium of 37.60% on 4,215 yen, which was the simple average closing price over the past one-month period ending on the same business day, a premium of 39.93% on 4,145 yen, which was the simple average closing price over the past three-month period ending on the

same business day, and a premium of 39.83% on 4,148 yen, which was the simple average closing price over the past six-month period ending on the same business day), (ii) the Share Acquisition Right Purchase Price at 1 yen, and (iii) the ADS Purchase Price at 5,800 yen.

In response, on December 23, 2025, the Company replied to Mr. Kazuhide Nakatomi that the Company believed that the Tender Offer Price proposed in the third proposal still did not fully reflect the intrinsic value of the Company.

Based on the above reply, on December 26, 2025, the Company received from Mr. Kazuhide Nakatomi a fourth price proposal, which set (i) the Tender Offer Price at 6,000 yen (which represented a premium of 37.08% on 4,377 yen, which was the closing price of the Company's Stock quoted on the Prime Market of the TSE on December 25, 2025, the business day immediately preceding the date of the proposal, a premium of 41.68% on 4,235 yen, which was the simple average closing price over the past one-month period ending on the same business day, a premium of 44.51% on 4,152 yen, which was the simple average closing price over the past three-month period ending on the same business day, and a premium of 44.37% on 4,156 yen, which was the simple average closing price over the past six-month period ending on the same business day), (ii) the Share Acquisition Right Purchase Price at 1 yen, and (iii) the ADS Purchase Price at 6,000 yen.

In response, on December 26, 2025, the Company replied to Mr. Kazuhide Nakatomi that the Company believed that the Tender Offer Price proposed in the fourth proposal still did not fully reflect the intrinsic value of the Company.

Based on the above reply, on December 30, 2025, the Company received from Mr. Kazuhide Nakatomi the fifth price proposal, which set (i) the Tender Offer Price at 6,072 yen (which represented a premium of 39.11% on 4,365 yen, which was the closing price of the Company's Stock quoted on the Prime Market of the TSE on December 29, 2025, the business day immediately preceding the date of the proposal, a premium of 43.01% on 4,246 yen, which was the simple average closing price over the past one-month period ending on the same business day, a premium of 46.00% on 4,159 yen, which was the simple average closing price over the past three-month period ending on the same business day, and a premium of 45.93% on 4,161 yen, which was the simple average closing price over the past six-month period ending on the same business day), (ii) the Share Acquisition Right Purchase Price at 1 yen, and (iii) the ADS Purchase Price at 6,072 yen.

In response, on January 3, 2026, the Company requested Mr. Kazuhide Nakatomi to raise the Tender Offer Price and submit a legally binding final proposal.

Based on this, on January 5, 2026, the Company received from Mr. Kazuhide Nakatomi the sixth and legally binding proposal, which set (i) the Tender Offer Price at 6,082 yen (which represented a premium of 38.48% on 4,392 yen, which was the closing price of the Company's Stock quoted on the Prime Market of the TSE on December 30, 2025, the business day immediately preceding the date of the proposal, a premium of 43.00% on 4,253 yen, which was the simple average closing price

over the past one-month period ending on the same business day, a premium of 46.06% on 4,164 yen, which was the simple average closing price over the past three-month period ending on the same business day, and a premium of 46.06% on 4,164 yen, which was the simple average closing price over the past six-month period ending on the same business day), (ii) the Share Acquisition Right Purchase Price at 1 yen, and (iii) the ADS Purchase Price at 6,082 yen. In response, on January 6, 2026, the Company informed Mr. Kazuhide Nakatomi that it accepted the sixth proposal.

Through the process described above, the Company carefully discussed and considered the Transaction, at its board of directors' meeting held on January 6, 2026, in terms of whether or not the Transaction would contribute to increasing the corporate value of the Company Group, whether or not the terms and conditions of the Transaction, including the Tender Offer Price, were fair and appropriate, whether or not the fairness of the procedures involved in the Transaction is ensured, and whether or not the Transaction was considered fair for the Company's general shareholders, based on the legal advice received from Nishimura & Asahi, advice from financial perspectives provided by MUMSS, and the share valuation report dated January 6, 2026 received regarding the valuation results of the Company's Stock (the "Share Valuation Report"), and with maximum respect for the content of the decision of the Special Committee described in the Written Report (as defined in "(III) The Company's Establishment of an Independent Special Committee and Receipt of a Written Report from the Special Committee" in "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" below).

After the discussion and consideration, the Company concluded that the Transaction would contribute to increasing the corporate value of the Company Group, as described below.

The pharmaceutical product and healthcare business market is facing a period of major reforms amid changes in the socioeconomic environment, such as changes in individuals' views on life and values, the advancement of digitalization, the rapid aging of societies, the increase in medical expenses, and continuing measures to control medical expenses, such as the enhancement of measures to promote the use of generic drugs or Japan's elective care scheme, as well as the decrease in the stability of pharmaceutical businesses in the U.S. due to changes in regulations and policies that are represented by pharmaceutical tariffs and the most-favored-nation pricing(Note 7) policy. In this environment, and owing to the Company's intention to further accelerate the realization of a better QOL of people across the world and contribute to a sustainable society through pharmaceutical business, the Company is expected to play an increasingly significant social role in this market. The Company believes that, in the prescription product and OTC (Note 8) product industries which are surrounded by a severe business environment, the Company will be able to fulfill its mission as a pharmaceutical company by continuing to develop pharmaceuticals that meet the needs of healthcare professionals, patients, and consumers, and aiming to improve the QOL of patients and consumers. The Company is also aware of the importance of flexibly meeting changes

in the social situation and consumers' attitude, establishing the rebranding of not just Salonpas® but also the entire Company Group, and continuing to provide products that will continue to be chosen by customers. Furthermore, towards further increasing overseas market share, the Company is aware of the importance of providing products that are suitable to each country's market by keeping an eye on changes in customer needs and consumption behavior in the new normal (Note 9) era. Under these circumstances, the business environment surrounding the Company is expected to become even more severe, with such factors as the downward pressure on price arising from the fiercer development competition with competitors, the increased maturity of the Japanese pharmaceutical market, and the increased number of competing items, among other things, as well as the securing of their quality and safety and responding to the demand for higher quality standards. Amid this situation, the Company is expected to steer its management from medium- to long-term perspectives. The Company Group has developed its business activities based on patch technology that the Group has accumulated, with the aim of delivering a better QOL to the world and contributing to a sustainable society. However, the Company has reached a view that, in order to achieve a more advanced, sustainable growth and a higher profitability in the current business environment, it was essential that the Company implement various measures more actively, promptly, and reliably than ever. Specifically Mr. Kazuhide Nakatomi intends to take measures including (A) maximizing the value of existing products in the prescription product business, (B) investment for business transformation in the prescription product business, (C) improving profitability in the domestic OTC product business through cost pass-through and cost management, (D), investment to expand product lineup and business in overseas OTC product business and (E) expansion of mail-order and e-commerce sales in the domestic OTC product business. The Company understands that all of these measures should be actively promoted to increase the corporate value of the Company on a medium- to long-term basis, since all of these measures will contribute to increasing profits and the corporate value of the Company by increasing sales on a medium- to long-term basis through, among other things, enhancing the profitability of existing products, creating new social values, maintaining product quality, providing added values to products, increasing the Company's market share in new markets, and strengthening and extending the Company's sales channel.

(Note 7)

"most-favored-nation pricing" means pricing lowered to the same level as the minimum price in any country.

(Note 8)

"OTC products" means non-prescription products sold at pharmacies or drug stores.

(Note 9)

"new normal" means a new common sense that becomes established in people's life and business after significant changes in society that have created structural changes that would prevent people

from returning to their common sense or attitude before those changes in society.

However, carrying out these measures may temporarily affect the Company's sales. It will also require a considerable advance investment for a certain period. While these measures are expected to increase the corporate value of the Company Group on a medium- to long-term basis, they entail the risk of lowering the profit level, deteriorating cash flow, etc. on a short-term basis. We are afraid that if the Company carries out these measures while remaining listed, there is an undeniable possibility that these measures will not be sufficiently appreciated by the capital market, resulting in a drop of the stock price of the Company and causing a negative impact on the Company's shareholders on a short-term basis. On the other hand, in light of the business environment surrounding the Company as described above, we believe that reducing or postponing these measures will lead to reduced competitiveness and profitability of the Company Group on a medium- to long-term basis.

The Company concluded that the best option for increasing the corporate value of the Company Group would be to promptly and actively carry out the measures described above by allowing the Company to make agile and flexible decisions that are free from short-term evaluations by the capital market, through providing the Company's shareholders with an opportunity to sell their shares without suffering any short-term negative impact and through going private to bring the ownership and management together.

In this regard, generally speaking, once the Company goes private, it will no longer be able to raise funds from the capital market by equity financing. There is also a possibility that going private may result in the Company losing certain advantages that it has enjoyed as a listed company in terms of recruitment of human resources backed by the increased social reputation and name recognition that have been enjoyed by the Company as a listed company. Furthermore, there is an undeniable possibility that the Company's dissolution of its capital relationship with its existing shareholders and becoming part of the Offeror Group (which collectively refers to the Offeror and its subsidiaries and affiliates; the same applies hereinafter) may create a disadvantage in terms of the Company's independence, which may negatively affect the Company's employees, business partners, and other stakeholders. However, we believe that the disadvantages of going private are limited in terms of financing because, considering the current financial condition of the Company, the Company is unlikely to need financing by equity financing for the time being, and because the Company expects to raise funds through indirect financing where necessary based on its good relationships with financial institutions through long-term transactions with them and in light of the recent good financing environment. We also believe that the possibility is very slim that the Company's employees, business partners, and other stakeholders will be negatively affected by the Company's dissolution of its capital relationship with its existing shareholders and becoming part of the Offeror Group, in

light of, among other things, the fact that the Company has already established a certain brand power and a good reputation among its business partners, that all members of the Offeror Group are asset management companies of Mr. Kazuhide Nakatomi and his relatives and do not run business, and that the Offeror intends to operate the Company's business while maintaining the Company's current management system after the Transaction in principle.

In addition, recent years have seen a revision of the Corporate Governance Code and enhanced regulations on the capital market, resulting in the continued increase in the personal and financial costs that are required to keep the Company listed. We believe that there is an undeniable possibility that these costs may be significant burden in driving the management of the Company. Since these costs of keeping the Company listed have increased year by year, we believe that reducing these costs through the Transaction will help the Company to increase its corporate value from a long-term perspective.

Based on the above considerations, the Company's board of directors concluded that the advantages of taking the Company private will exceed the disadvantages, and that going private through the Transaction, including the Tender Offer, will contribute to increasing the corporate value of the Company Group.

Furthermore, based on the following facts among others, the Company has concluded that the Tender Offer Price (6,082 yen) and other terms and conditions of the Tender Offer are fair for the Company's shareholders, and that the Tender Offer will provide the Company's shareholders with a reasonable opportunity to sell their shares.

- (a) The Tender Offer Price (6,082 yen) is, among the valuation results of the Company's Stock provided by MUMSS as described in "(II) Summary of Valuation" in "(3) Information on Valuation" below, above the upper limit of the range calculated by the market share price analysis and that calculated by the comparable company analysis and is within the range calculated by the discounted cash flow analysis ("DCF Analysis") and is above the median of this range.
- (b) The Tender Offer Price (6,082 yen) represents a premium of 35.16% on 4,500 yen, which was the closing price of the Company's Stock quoted on the Prime Market of the TSE on January 5, 2026, i.e., the business day immediately preceding the scheduled date of announcement of the Transaction, a premium of 41.94% on 4,285 yen, which was the simple average closing price over the past one-month period ending on the same business day, a premium of 45.75% on 4,173 yen, which was the simple average closing price over the past three-month period ending on the same business day, and a premium of 45.78% on 4,172 yen, which was the simple average closing price over the past six-month period ending on the same business day. The Company believes that these premium levels do not

significantly deviate from the median premiums seen in the 92 tender offer cases that were announced on or after June 28, 2019, the date on which the Ministry of Economy, Trade and Industry published the "Fair M&A Guidelines," and were successfully consummated on or before January 5, 2026 and intended to take a listed company private by management buyout (MBO) (excluding cases that failed, cases in which the market price of the Company's stock surged or rapidly changed because of speculative media coverage or the like, cases of two-step tender offers, cases in which the tender offer was conducted when the Company was insolvent, and cases in which the tender offer price was discounted from the market price of the Company's stock immediately before the announcement of the tender offer). The median premiums in such comparable tender offer transactions were 42.55% on the closing price on the business day immediately preceding the announcement, 45.34% on the simple average closing price over the past one-month period ending on the same business day, 46.52% on the simple average closing price over the past three-month period ending on the same business day, and 48.56% on the simple average closing price over the past six-month period ending on the same business day. Taking into account that a substantial number of comparable transactions involved premiums below such median levels, the Company believes that the premiums attached to the Tender Offer Price cannot be considered to present a level that is materially different from, or unreasonable as compared with, those seen in such comparable transactions, and are therefore reasonable and not materially inferior to those seen in such comparable transactions.

- (c) We believe that consideration is given to the interests of the Company's general shareholders, such as that the measures described in "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" below are taken to avoid conflicts of interest.
- (d) The Tender Offer Price was determined after the measures to avoid conflicts of interest described above have been taken and after several discussions and negotiations that are equivalent to those that should take place in an arm's-length transaction have been conducted between the Company and the Offeror or, more specifically, after the Company has seriously and continually conducted discussions and negotiations with the Offeror based on, among other things, discussions with the Special Committee, the valuation results of the Company's Stock and advice from financial perspectives provided by MUMSS, and legal advice received from Nishimura & Asahi.
- (e) The Special Committee reviewed the negotiation policy in advance and expressed its opinion that the terms and conditions of the Tender Offer, including the Tender Offer Price, are appropriate after receiving timely reports of the negotiations and providing opinions and instructions and making requests, etc. at critical phases of the negotiations.

For the reasons described above, the Company concluded that the Transaction would contribute to increasing the corporate value of the Company, and that the terms and conditions of the Transaction, including the Tender Offer Price, are appropriate. Based on this conclusion, the Company's board of directors has resolved, at its meeting held on January 6, 2026, that the Company express its opinion in support of the Tender Offer, and that the Company (i) recommend its shareholders to tender their shares in the Tender Offer, (ii) recommend the holders of the ADRs to deliver their ADRs to the Depository Bank in advance and to receive their shares in the Company's Stock corresponding to the ADSs represented by the ADRs, before tendering their shares in the Company's Stock in the Tender Offer, and (iii) leave the decision of whether or not to tender the Share Acquisition Rights in the Tender Offer to the discretion of the holders of the Share Acquisition Rights (the "Share Acquisition Right Holders"). For the details of the decision-making process of the board of directors, please see "(IV) Unanimous Approval by All of the Non-interested Directors of the Company and No Objection from Any of the Non-interested Corporate Auditors" in "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" below. Thereafter, as described above, although the Tender Offer was successfully completed, the Offeror was unable to acquire all of the Company's Stock (including any shares of the Company's Stock issuable upon exercise of the Share Acquisition Rights, but excluding the treasury shares held by the Company and the Non-tendered Shares), all of the Share Acquisition Rights, and all of the ADRs through the Tender Offer. Accordingly, as announced in the Opinion Statement Press Release, upon request from the Offeror, the Company resolved, at the meeting of its board of directors held on March 13, 2026, subject to obtaining the approval of the shareholders at the Extraordinary General Shareholders' Meeting, to make the Offeror and the Non-tendering Shareholders the only shareholders of the Company and to take the Company private by implementing a share consolidation whereby 23,467,182 shares of the Company's Stock will be consolidated into one (1) share, as described in "2. Summary of the Share Consolidation" below (the "Share Consolidation"), and to submit the proposal relating to the Share Consolidation to the Extraordinary General Shareholders' Meeting. As a result of the Share Consolidation, the number of shares of the Company's Stock held by shareholders other than the Offeror and the Non-tendering Shareholders is expected to be less than one (1) share.

For further details regarding the background and process of the Transaction, please refer to the Opinion Statement Press Release and the Tender Offer Results Press Release.

2. Summary of the Share Consolidation

(1) Schedule of the Share Consolidation

(i)	Public Notice of Record Date for Convening Extraordinary General Meeting of Shareholders	February 13, 2026 (Friday)
(ii)	Record Date for Convening Extraordinary General Meeting of Shareholders	February 28, 2026 (Saturday)
(iii)	Date of the Board of Directors' Resolution	March 13, 2026 (Friday)
(iv)	Date for the Extraordinary General Meeting of Shareholders	April 17, 2026 (Friday) (Scheduled)
(v)	Date of Designation as Securities Under Supervision	April 17, 2026 (Friday) (Scheduled)
(vi)	Last Trading Day of the Company's Stock	May 8, 2026 (Friday) (Scheduled)
(vii)	Delisting Date of the Company's Stock	May 11, 2026 (Monday) (Scheduled)
(viii)	Effective Date of the Share Consolidation	May 13, 2026 (Wednesday) (Scheduled)

(2) Details of the Share Consolidation

(I) Class of Shares to Be Consolidated
Common stock

(II) Consolidation Ratio

The Company's Stock will be consolidated at a ratio of one (1) share for every 23,467,182 shares of the Company's Stock.

(III) Reduction in the Total Number of Issued Shares
70,401,544 shares

(IV) Total Number of Issued Shares Before the Effective Date
70,401,547 shares
(Note 10)

At the meeting of its board of directors held on March 13, 2026, the Company resolved to cancel 4,763,348 shares of treasury stock as of May 12, 2026 (which corresponds to all treasury shares held by the Company as of February 28, 2026). Accordingly, the "total number of issued shares before the effective date" stated above reflects the number of issued shares after such cancellation.

(V) Total Number of Issued Shares After the Effective Date
3 shares

(VI) Total Number of Authorized Shares as of the Effective Date
12 shares

(VII) Treatment of Fractional Shares and Amount of Cash Expected to Be Delivered to Shareholders as a Result of Such Treatment

As described in “1. Purpose and Reason for the Share Consolidation” above, as a result of the Share Consolidation, the number of shares of the Company’s Stock held by shareholders other than the Offeror and the Non-tendering Shareholders is expected to be less than one (1) share.

With respect to the treatment of fractions of less than one (1) share arising from the Share Consolidation, the aggregate number of such fractional shares (and if such aggregate number includes a fraction of less than one (1) share, such fraction shall be rounded down pursuant to the provisions of Article 235, Paragraph 1 of the Companies Act (Act No. 86 of 2005, as amended; the “Companies Act”)) will be sold in accordance with the provisions of Article 235 of the Companies Act and other applicable laws and regulations, and the proceeds obtained from such sale will be distributed to the shareholders who hold such fractional shares in proportion to the respective fractions held by them.

With respect to such sale procedures, in light of the fact that the Share Consolidation is to be implemented as part of the Transaction aimed at taking the Company private, that the Company’s Stock is scheduled to be delisted as of May 11, 2026 and will thereafter constitute shares without a market price, and that it is therefore considered unlikely that a purchaser will appear through an auction, the Company plans to sell the number of shares equivalent to the aggregate number of such fractional shares to the Offeror, upon obtaining permission from the court pursuant to the provisions of Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 thereof.

With respect to the sale price in such case, if the required court permission is obtained as scheduled, the Company plans to set the sale price so that shareholders listed or recorded in the Company’s final shareholder register as of May 12, 2026, which is the day immediately preceding the effective date of the Share Consolidation, will receive cash in an amount equivalent to the number of shares of the Company’s Stock held by such shareholders multiplied by the Tender Offer Price of 6,082 yen.

However, if the court permission is not obtained, or if adjustments due to fractional calculations are required, the actual amount of cash delivered may differ from the amount described above.

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

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

(I) Matters Considered so as Not to Harm the Interests of Shareholders of the Company Other Than the Parent Company, etc., Where a Parent Company, etc. Exists

In light of the fact that the Tender Offer was conducted as part of a so-called management buyout (MBO) and involves structural conflicts of interest, the Offeror and the Company implemented the measures described in “(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest” below, for the purpose of ensuring the fairness of the Tender Offer Price, eliminating any arbitrariness in the decision-making process leading to the decision to implement the Tender Offer, and avoiding conflicts of interest, thereby ensuring the fairness of the Transaction, including the Tender Offer.

(II) Matters Concerning the Method of Treatment in the Event that Fractions of Less Than One (1) Share Arise

(i) Whether the Treatment Is to Be Conducted Pursuant to Article 235, Paragraph 1 of the Companies Act or Article 234, Paragraph 2 thereof as Applied Mutatis Mutandis Pursuant to Article 235, Paragraph 2 of the Companies Act, and the Reasons Therefor

With respect to whether the treatment is to be conducted pursuant to Article 235, Paragraph 1 of the Companies Act or Article 234, Paragraph 2 thereof as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the Companies Act, and the reasons therefor, please refer to “2. Summary of the Share Consolidation,” “(2) Details of the Share Consolidation,” “(vii) Treatment of Fractional Shares and Amount of Cash Expected to Be Delivered to Shareholders as a Result of Such Treatment” above.

(ii) Name of the Person Expected to Purchase the Shares Subject to Sale
TAIYO KOSAN CO., INC. (the Offeror)

(iii) Method by Which the Person Expected to Purchase the Shares Subject to Sale Will Secure Funds for Payment of the Purchase Price and the Reasonableness of Such Method

According to the Offeror, it plans to fund the acquisition of the Company’s Stock corresponding to the aggregate number of fractions of less than one (1) share arising from the Share Consolidation through borrowings from Sumitomo Mitsui Banking Corporation (“SMBC”) and MUFG Bank, Ltd. In the course of implementing the

procedures for the Transaction, the Company confirmed that the Offeror had secured the necessary funds by reviewing the tender offer registration statement submitted by the Offeror on January 7, 2026, as well as the loan commitment letters and equity commitment letters attached thereto. In addition, according to the Offeror, no event has occurred since that date that would hinder the payment of the consideration for the sale of the Company's Stock corresponding to the aggregate number of fractions of less than one (1) share arising from the Share Consolidation, nor does the Offeror recognize any possibility that such an event will occur in the future. Based on the foregoing, the Company has determined that the method by which the Offeror will secure the funds necessary to pay the consideration for the sale of the Company's Stock corresponding to the aggregate number of fractions of less than one (1) share arising from the Share Consolidation is reasonable.

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

The Company plans, around late May to early June 2026, to file a petition with the court seeking permission to sell the Company's Stock corresponding to the aggregate number of fractions of less than one (1) share arising from the Share Consolidation, pursuant to the provisions of Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis pursuant to Article 235, Paragraph 2 thereof. Although the timing of obtaining such court permission may vary depending on the status of the court and other factors, the Company expects to obtain the court permission and sell such Company's Stock to the Offeror around mid- to late June 2026. Thereafter, following the completion of the necessary preparations for the delivery of the proceeds of such sale to shareholders, the Company expects to deliver such proceeds to shareholders around mid-August 2026. Taking into account the period required for a series of procedures related to the sale from the effective date of the Share Consolidation, the Company has determined that the sale of the Company's Stock corresponding to the aggregate number of fractions of less than one (1) share arising from the Share Consolidation, and the delivery of the proceeds thereof to shareholders, will be carried out at the respective times described above.

(v) Matters Concerning the Amount of Cash Expected to Be Delivered to Shareholders as a Result of the Treatment of Fractional Shares and the Reasonableness of Such Amount

The amount of cash expected to be delivered to shareholders as a result of the treatment of fractional shares is, as described in "2. Summary of the Share Consolidation," "(2) Details of the Share Consolidation," "(vii) Treatment of Fractional

Shares and Amount of Cash Expected to Be Delivered to Shareholders as a Result of Such Treatment” above, expected to be an amount obtained by multiplying the number of shares of the Company’s Stock held by each shareholder as listed or recorded in the Company’s final shareholder register as of May 12, 2026, which is the day immediately preceding the effective date of the Share Consolidation, by 6,082 yen, which is the same price as the Tender Offer Price. Based on the points set forth below, the Company has determined that the Tender Offer Price of 6,082 yen per share is reasonable and provides the Company’s shareholders with a reasonable opportunity to sell their shares.

- (a) The Tender Offer Price (6,082 yen) is, among the valuation results of the Company’s Stock provided by MUMSS as described in “(II) Summary of Valuation” in “(3) Information on Valuation” in “Details of, and Grounds and Reasons for, the Company’s Opinion on the Tender Offer” of the Opinion Statement Press Release, above the upper limit of the range calculated by the market share price analysis and that calculated by the comparable company analysis and is within the range calculated by the DCF Analysis and is above the average of such range.
- (b) The Tender Offer Price (6,082 yen) represents a premium of 35.16% on 4,500 yen, which was the closing price of the Company’s Stock quoted on the Prime Market of the TSE on January 5, 2026, i.e., the business day immediately preceding the scheduled date of announcement of the Transaction, a premium of 41.94% on 4,285 yen, which was the simple average closing price over the past one-month period ending on the same business day, a premium of 45.75% on 4,173 yen, which was the simple average closing price over the past three-month period ending on the same business day, and a premium of 45.78% on 4,172 yen, which was the simple average closing price over the past six-month period ending on the same business day. The Company believes that these premium levels do not significantly deviate from the median premiums seen in the 92 tender offer cases that were announced on or after June 28, 2019, the date on which the Ministry of Economy, Trade and Industry published the “Fair M&A Guidelines,” and were successfully consummated on or before January 5, 2026 and intended to take a listed company private by management buyout (MBO) (excluding cases that failed, cases in which the market price of the Company’s stock surged or rapidly changed because of speculative media coverage or the like, cases of two-step tender offers, cases in which the tender offer was conducted when the Company was insolvent, and cases in which the tender offer price was discounted from the market price of the Company’s stock immediately before the announcement of the tender offer).

The median premiums in such comparable tender offer transactions were 42.55% on the closing price on the business day immediately preceding the announcement, 45.34% on the simple average closing price over the past one-month period ending on the same business day, 46.52% on the simple average closing price over the past three-month period ending on the same business day, and 48.56% on the simple average closing price over the past six-month period ending on the same business day. Taking into account that a substantial number of comparable transactions involved premiums below such median levels, the Company believes that the premiums attached to the Tender Offer Price cannot be considered to present a level that is materially different from, or unreasonable as compared with, those seen in such comparable transactions, and are therefore reasonable and not materially inferior to those seen in such comparable transactions.

- (c) We believe that consideration is given to the interests of the Company's general shareholders, such as that the measures described in "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" below are taken to avoid conflicts of interest.
- (d) The Tender Offer Price was determined after the measures to avoid conflicts of interest described above have been taken and after several discussions and negotiations that are equivalent to those that should take place in an arm's-length transaction have been conducted between the Company and the Offeror or, more specifically, after the Company has seriously and continually conducted discussions and negotiations with the Offeror based on, among other things, discussions with the Special Committee, the valuation results of the Company's Stock and advice from financial perspectives provided by MUMSS, and legal advice received from Nishimura & Asahi.
- (e) The Special Committee reviewed the negotiation policy in advance and expressed its opinion that the terms and conditions of the Tender Offer, including the Tender Offer Price, are appropriate after receiving timely reports of the negotiations and providing opinions and instructions and making requests, etc. at critical phases of the negotiations.

In addition to the foregoing, the Company has confirmed that, from the time it resolved, at the meeting of its board of directors held on January 6, 2026, to express its opinion in support of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer, until the time of the resolution adopted at the meeting of its

board of directors held on March 13, 2026 to convene the Extraordinary General Shareholders' Meeting, no material changes have occurred in the assumptions or conditions underlying the calculation of the Tender Offer Price. Based on the above, the Company has determined that the amount of cash expected to be delivered to shareholders as a result of the treatment of fractional shares is reasonable.

(III) Material Events Affecting the Status of the Company's Assets Occurring After the End of the Most Recent Fiscal Year

(i) Completion of the Tender Offer

As described in "1. Purpose and Reason for the Share Consolidation" above, the Offeror conducted the Tender Offer during the period from January 7, 2026 to February 19, 2026. As a result of the Tender Offer, as of February 27, 2026, which is the commencement date of settlement of the Tender Offer, the Offeror came to hold 43,574,799 shares of the Company's Stock (ownership ratio: 61.81%). As of the same date, the number of shares of the Company's Stock held by the Non-tendering Shareholders was 4,044,142 shares (ownership ratio: 5.74%), and accordingly, the total number of shares of the Company's Stock held by the Offeror and the Non-tendering Shareholders amounted to 47,618,941 shares (aggregate ownership ratio: 67.55%).

(ii) Cancellation of Treasury Shares

At the meeting of its board of directors held on March 13, 2026, the Company resolved to cancel all treasury shares held by the Company as of that date, effective May 12, 2026. Such cancellation of treasury shares is subject to the condition that the proposal relating to the Share Consolidation is approved as originally proposed at the Extraordinary General Shareholders' Meeting. Following the cancellation of the treasury shares, the total number of issued shares of the Company will be reduced from 75,164,895 shares to the number obtained by subtracting the number of treasury shares held by the Company as of February 28, 2026.

(iii) Non-payment of Dividends from Surplus

As announced in the Company's press release entitled "Announcement on Revision of the Dividend Forecast for the Fiscal Year Ending February 28, 2026 (No Dividend)" dated January 6, 2026, at the meeting of its board of directors held on the same date, the Company resolved, subject to the successful completion of the Tender Offer, not to pay dividends from surplus with a record date of February 28, 2026. For further details, please refer to the relevant press release.

(2) Expected Delisting

(I) Delisting

As described in “1. Purpose and Reason for the Share Consolidation” above, subject to obtaining the approval of the shareholders at the Extraordinary General Shareholders’ Meeting, the Company plans to implement the Share Consolidation and to make the Offeror and the Non-tendering Shareholders the only shareholders of the Company. As a result, the Company’s Stock is expected to be delisted from Tokyo Stock Exchange, Inc., Nagoya Stock Exchange, Inc., and Fukuoka Stock Exchange in accordance with the respective delisting criteria of such exchanges following the prescribed procedures. Specifically, the Company’s Stock is expected to be designated as securities under supervision during the period from April 17, 2026 to May 10, 2026, and to be delisted as of May 11, 2026. After the delisting, the Company’s Stock will no longer be tradable on the Prime Market of Tokyo Stock Exchange, Inc., the Premier Market of Nagoya Stock Exchange, Inc., or the Main Market of Fukuoka Stock Exchange.

(II) Reason for the Delisting

As described in “1. Purpose and Reason for the Share Consolidation” above, the Company has concluded that proceeding with the Transaction together with the Offeror will contribute to the enhancement of the Company’s corporate value going forward.

(III) Impact on Minority Shareholders and the Company’s Views Thereon

As described in “(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest,”“(III) Establishment of an Independent Special Committee at the Company and Receipt of a Written Report from the Special Committee” below, the Company received, as of January 6, 2026, a written report from the Special Committee stating that the implementation of the Transaction is considered to be fair for the general shareholders of the Company.

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

In light of the fact that the Share Consolidation constitutes the second-step procedure of a so-called two-step acquisition following the Tender Offer, and that, among other things, the Tender Offer was conducted as part of a management buyout (MBO) and involves structural conflict-of-interest issues, the Offeror and the Company implemented the following measures for the purpose of ensuring the fairness of the Transaction, including the Tender Offer, in terms

of ensuring the fairness of the Tender Offer Price, etc., eliminating any arbitrariness that may arise in the decision-making process leading to the decision to implement the Tender Offer, and avoiding conflicts of interest. The information provided below regarding the measures implemented by the Offeror is based on explanations received by the Company from the Offeror.

(I) The Company's Receipt of a Share Valuation Report from Its Independent Third-Party Valuator

As described in "1. Purpose and Reasons for a Share Consolidation" above, the Company: appointed MUMSS as the Company's financial advisor and third-party valuator independent from the Company Group, the Offeror, the Non-tendering Shareholders, the Foundation, the Tendering Financial Institutions, and SMBC Nikko Securities, and from success or failure of the Transaction; received from MUMSS advice and assistance from financial perspectives, including advice on the valuation of the Company's Stock and on the policy for negotiating with the Offeror; and received the Share Valuation Report dated January 6, 2026 from MUMSS. In this regard, the Company has not obtained from MUMSS an opinion letter on the fairness of the Tender Offer Price (a fairness opinion), since the Offeror and the Company have taken measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest, as described in this section, "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest." For a summary of the Share Valuation Report, please see "(3) Information on Valuation" in the Opinion Statement Press Release.

MUMSS is not a related party of the Offeror or the Company Group and does not have any material interest in the Tender Offer. In this regard, while the fees payable to MUMSS include a contingency fee payable subject to the successful consummation of the Transaction, we believe that the fact that this contingency fee is included in the fees payable to MUMSS does not deny the independence of MUMSS when taking into consideration, among other things, general business practices in similar transactions and whether or not it is appropriate to use a fee system that imposes reasonable financial burden on the Company if the Transaction fails to take place.

In addition, the Special Committee approved MUMSS as the Company's financial advisor and third-party valuator at the First Special Committee Meeting held on November 13, 2025, after confirming that there was no problem with its independence and expertise.

(II) The Company's Receipt of Advice from Its Independent Legal Advisor

As described in "1. Purpose and Reasons for a Share Consolidation" above, the Company appointed Nishimura & Asahi as the Company's legal advisor independent from the Company Group, the Offeror, the Non-tendering Shareholders, the Foundation, the Tendering Financial Institutions, and SMBC Nikko Securities, and from success or failure of the Transaction, and received from Nishimura & Asahi necessary legal advice on: measures to be taken to ensure the fairness of the procedures involved in the Transaction; the Company's board of directors' decision-making methods and process, including the procedures involved in the Transaction; and other points to note.

Nishimura & Asahi is not a related party of the Offeror or the Company Group and does not have any material interest in the Tender Offer. While Nishimura & Asahi is the Company's legal counsel, it is an outside law firm that provides legal services to a large number of clients as well as to the Company. The Company has a legal advisory agreement with Nishimura & Asahi as one of its clients to continually seek and receive legal advice from it in its capacity as an outside legal expert regarding the Company's business or business decisions, based on Nishimura & Asahi's experience and specialties. The fact that the Company has that legal advisory agreement with Nishimura & Asahi does not compromise its independence from the Company. In addition, the fees payable to Nishimura & Asahi in connection with the Transaction are hourly rates only, regardless of success or failure of the Transaction, and do not include any contingency fee payable subject to the successful consummation of the Transaction, which means that Nishimura & Asahi has no material interest in success or failure of the Transaction. Therefore, the Company has concluded that there is no problem with Nishimura & Asahi's independence from the Company Group, the Offeror, the Non-tendering Shareholders, the Foundation, the Tendering Financial Institutions, and SMBC Nikko Securities, and from success or failure of the Transaction.

In addition, the Special Committee approved Nishimura & Asahi as the Company's legal advisor at the First Special Committee Meeting held on November 13, 2025, after confirming that there was no problem with its independence and expertise.

(III) The Company's Establishment of an Independent Special Committee and Receipt of a Written Report from the Special Committee

In light of, among other things, the fact that the Transaction will be conducted as part of a so-called management buyout (MBO) and may involve structural conflicts of interest in the Company's consideration of the Transaction, the Company, based on its board of directors' resolution adopted at the board of directors' meeting held on November 13, 2025, set up the Special Committee which was independent from the Offeror, the Non-tendering Shareholders, the Foundation, the Tendering Financial Institutions, SMBC Nikko Securities, and from

success or failure of the Transaction, and consisted of the following four members, for the purpose of ensuring the fairness of the Transaction, including the Tender Offer, by ensuring that the Company would make careful decisions about the Transaction, including the Tender Offer, and by eliminating potential arbitrariness and conflicts of interest in the decision-making process of the Company's board of directors: Mr. Tetsugo Matsuo (President & Representative Director of Matsuo Construction Co., Ltd., Outside Director of FM Saga Co., Ltd., Outside Director of Saga Ube Concrete Kogyo Co., Ltd., Chairman of Saga General Construction Association, and Outside Director of New Otani Kyushu Co., Ltd.), Ms. Tamako Watanabe (Representative of Itsuki Accounting Firm and Outside Auditor of SHOEI CO., LTD.), and Ms. Midori Noguchi (Representative Director and President of Office Noguchi Co., Ltd. and CEO & Tax Accountant of Graces Tax accounting firm), all of whom are the Company's independent Outside Directors, and Mr. Kentaro Watanabe (Representative of Kentaro Watanabe Law Firm), who is an independent Corporate Auditor of the Company. Mr. Yuichiro Anzai, who is an independent Outside Director of the Company, serves as a director of the Nakatomi Health Science Promotion Foundation, which is a shareholder of the Company and intends to roll over its equity interest in the Company into equity of the Offeror. As such, Mr. Anzai may be considered to have a special interest in the Offeror in the context of the Transaction. For this reason, Mr. Anzai was not appointed as a member of the Special Committee. The Company appointed the above four members as the original members of the Special Committee, none of whom has been replaced. Mr. Tetsugo Matsuo was elected as chairperson of the Special Committee by its members. The fees payable to the members of the Special Committee for their services are fixed regardless of the content of the committee's report, and include no contingency fees payable subject to the successful consummation of the Transaction.

Based on the resolution of the Company's board of directors mentioned above, the Company consulted the Special Committee on the following matters: (i) whether the purpose of the Transaction is legitimate and reasonable (including whether or not the Transaction will contribute to increasing the corporate value of the Company); (ii) whether the terms and conditions of the Transaction are fair and appropriate; (iii) whether the procedures involved in the Transaction are fair; (iv) whether or not the Transaction is considered fair for the general shareholders of the Company; (v) based on (i) through (iv) above, whether or not it is appropriate for the Company's board of directors to express its opinion in support of the tender offer in the Transaction and to recommend the Company's shareholders to tender their shares in the Tender Offer; and (vi) any other matters that the Company's board of directors may consult the Special Committee as appropriate in considering the Transaction ((i) through (vi) collectively, the "Consultation Matters").

The Company's board of directors has also resolved, at its meeting mentioned above, that

the Company's board of directors must respect the Special Committee's opinion as much as possible when making decisions relating to the Transaction (including the Company's expression of its opinion on the Tender Offer), and must refrain from making a decision to conduct the Transaction if the Special Committee concludes that the Transaction is not appropriate. In addition, based on the resolution of the board of directors described above, the Company has authorized the Special Committee: (a) to nominate or approve (including giving subsequent approval of) the Company's third-party valuator, legal advisor, financial advisor, and other advisors ("Advisors"); (b) to appoint Advisors to the Special Committee if deemed necessary by the Special Committee in considering the Consultation Matters; (c) to receive information necessary for the Special Committee to consider the Transaction and make decisions relating to the Transaction from the Company's officers and employees and other persons considered necessary by the Special Committee, in order to ensure that appropriate decisions are made; and (d) to be substantially involved in the process of negotiating the terms and conditions of the Transaction by, among other things, reviewing the policy for negotiating the terms and conditions of the Transaction in advance, receiving timely reports on the status of negotiations, expressing the Special Committee's opinion during critical phases, and giving instructions and making requests, and to directly conduct negotiations where necessary, in order to ensure the fairness of the terms and conditions of the Transaction.

The Special Committee held a total of 9 meetings during the period from November 13, 2025 until January 6, 2026, for a total of approximately 11 hours, during which the Consultation Matters were carefully discussed and considered.

Specifically, first, on November 13, 2025, the Special Committee approved the appointment of Nishimura & Asahi as the Company's legal advisor and the appointment of MUMSS as the Company's financial advisor and third-party valuator, after confirming that there was no problem with their independence and expertise. The Special Committee also confirmed that it would receive advice from the Company's Advisors where necessary and would not appoint the Special Committee's own Advisors.

Then, the Special Committee considered measures to be taken to ensure the fairness of the procedures involved in the Transaction, based on the explanations received from Nishimura & Asahi and MUMSS.

The Special Committee received from the Company explanations on the Company's line of business, external environment, current business challenges, the details of the business plans prepared by the Company for a reasonably foreseeable period, i.e., from the fiscal year ending February 28, 2027 to the fiscal year ending February 28, 2031 (the "Business Plans") on which MUMSS's share valuation was based, how the Offeror came to consider the Transaction, and

the details of the Offeror's proposal, followed by Q&A sessions. The Special Committee also received from the Offeror explanations on the background, significance, and purpose of the Transaction, the expected impact of the Transaction, the structure and terms and conditions of the Transaction, and the Company's post-Transaction management structure and management policy, followed by Q&A sessions. Furthermore, the Special Committee was substantially involved in the process of negotiation between the Company and the Offeror by, among other things, receiving timely reports from the Company on the progress, details, etc. of discussions and negotiations between the Offeror and the Company, conducting discussions at meetings of the Special Committee, and having the Company conduct negotiations in accordance with the policy for conducting negotiations on the Offeror's requests for reconsideration of the Tender Offer Price approved by the Special Committee. Moreover, the Special Committee: received from MUMSS explanations on the methods and results of valuation of the Company's Stock and examined whether the methods and results were reasonable by exchanging questions and answers regarding the assumptions for, and the details, results, etc. of, the valuation methods from financial perspectives; received from Nishimura & Asahi explanations on the measures taken to reduce or prevent conflicts of interest in the Transaction and on the Transaction and exchanged questions and answers regarding the general significance and concept of measures taken to ensure fairness and regarding the sufficiency of the measures taken in the Transaction, among other things; and received from the Company explanations on, among other things, the progress of negotiations on, and the process of determination of, the terms and conditions of the Transaction and exchanged questions and answers regarding whether the Tender Offer Price proposed by the Offeror appropriately reflected the intrinsic value that could be achieved by the Company. Based on these details, the Special Committee has carefully discussed and considered the Consultation Matters.

In addition, the Special Committee received from Nishimura & Asahi and MUMSS explanations on the content of the Company's draft press release and draft statement of opinion regarding the Tender Offer to be released or submitted by the Company, as well as on the content of the Offeror's draft tender offer notification for the Tender Offer to be submitted by the Offeror. The Special Committee has confirmed that the Offeror and the Company intend to make extensive information disclosure with advice from their respective financial advisors and legal advisors.

After carefully discussing and considering the Consultation Matters as described above, the Special Committee, on January 6, 2026, has unanimously submitted to the Company's board of directors a written report setting forth, in summary, the following conclusions on the Consultation Matters (the "Written Report").

(i) The Committee's Findings

(a) Consultation Matter (I)

The Committee considers that the Transaction will contribute to increasing the corporate value of the Company, and believes that the purpose of the Transaction is legitimate and reasonable.

(b) Consultation Matter (II)

The Committee believes that the terms and conditions of the Transaction are fair and appropriate.

(c) Consultation Matter (III)

The Committee believes that the procedures involved in the Transaction are fair.

(d) Consultation Matter (IV)

The Committee believes that the Transaction is fair for the general shareholders of the Company.

(e) Consultation Matter (V)

Based on the findings described in 1 through 4 above, the Committee believes that it is appropriate for the Company's board of directors to: (i) express its opinion in support of the Tender Offer; (ii) recommend that the Company's shareholders tender their shares in the Tender Offer; (iii) recommend that the holders of the ADRs deliver their ADRs to the Depositary Bank in advance and receive their shares in the Company's Stock corresponding to the ADSs represented by the ADRs, before tendering their shares in the Company's Stock in the Tender Offer; and (iv) leave the decision of whether or not to tender the Share Acquisition Rights in the Tender Offer to the discretion of the holders of the Share Acquisition Rights (the "Share Acquisition Right Holders").

Please note that, while the preceding paragraph contains the Committee's findings on the ADRs and the Share Acquisition Rights that are not expressly mentioned in Consultation Matter (V), the Committee reports the above findings based on an understanding that Consultation Matter (V) includes sub-questions of whether or not it is appropriate for the Company's board of directors to recommend the holders of the ADRs and the Share Acquisition Right Holders to tender their shares in the Tender

Offer.

(f) Consultation Matter (VI)

The Company consulted the Committee on no other matters than the Consultation Matters listed in 1 through 5 above.

(ii) Reasons for the Findings

1. Legitimacy and Reasonableness of the Transaction (Including Whether the Transaction will Contribute to Increasing the Corporate Value of the Company)

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

Below are facts found by the Committee by exchanging questions and answers with the Company, the Offeror, and Mr. Nakatomi regarding, among other things, the specific details of the purpose of the Transaction and those of the Company's corporate value that is expected to increase through the Transaction.

(A) The Company's Line of Business and Management Policy

The Company was founded as Komatsuya in 1847 where Tashiro, Tosu City, Saga is currently located. For nearly 180 years since its foundation, the Company has continued to develop and has steadily grown. In December 1903, the Company's predecessor Hisamitsu & Co. was established. In February 1951, Hisamitsu & Co. absorbed Miyaki Seiyaku Co., which had been incorporated in May 1944 for the purpose of manufacturing pharmaceuticals, and Tashiro Koki Kogyo Kabushiki Kaisha, which had been incorporated in February 1948 for the purpose of manufacturing and marketing mining machinery and other forgings. In September 1962, Hisamitsu & Co. was listed in the Second Section of the TSE and the Main Board of the FSE, followed by in the Second Section of the NSE in September 1971. In July 1972, the Company was shifted to the First Section of the TSE and the First Section of the NSE. As a result of the market restructuring of the TSE and the NSE in April 2022, the Company is listed in the Prime Market of the TSE, the Premier Market of the NSE, and the Main Board of the FSE as of today.

As of today, the Company's group consists of a total of 24 companies, including the Company and its 19 consolidated subsidiaries, three equity-method affiliates, and one non-consolidated subsidiary that is a non-equity-method affiliate (collectively, the

"Company Group"). The Company Group's mission is Promoting "TE-A-TE" Culture Worldwide. "TE-A-TE" is a practice of compassion to others. With this mission, the Company Group develops its business activities based on patch technology that the Group has accumulated, with the aim of delivering a better QOL to the world and contributing to a sustainable society.

The Company Group mainly operates pharmaceutical business, which is the Company Group's single reportable segment, in Japan and abroad. In its pharmaceutical business, the Company Group conducts R&D, manufacture, purchase, sale, etc. of prescription and non-prescription products, among other things. An overview of the Company Group's business is provided below.

(I) Prescription Products

The environment surrounding prescription products remains severe in terms of government measures to control medical expenses, such as the promotion of use of generic drugs and the reduction in NHI drug prices of long-term listed products, which has stemmed from the further optimization of drug pricing. Amid this market environment, the Company Group has manufactured and marketed female hormone patches, patches for asthma treatment, patches for treating overactive bladders, transdermal treatment drugs for allergic rhinitis, among others, with its main products being the transdermal anti-inflammatory pain relief patches MOHRUS® Tapes and MOHRUS® Pap XR and the transdermal long-acting cancer pain relief patch ZICTHORU® Tapes. The Company Group has also further reinforced its activities for providing academic information to healthcare professionals by regularly holding seminars, academic meetings, lecture meetings, etc. in different regions in addition to engaging in conventional MR activities, and has enhanced its sales, production, and R&D functions, with the aim of developing new pharmaceutical products that meet the needs of healthcare professionals and patients.

(II) Non-prescription Products (OTC Products)

The Company Group manufactures and markets OTC products, with a focus on pain relief and anti-inflammatory brands for external use, including Salonpas®, which celebrates 90 years since its launch, and Feitas®, Nobinobi® Salonship®, Air® Salonpas®, etc. Other OTC products manufactured and marketed by the Company Group include the therapeutic drug for athlete's foot, Butenalock®, among others. The Company Group has developed products that meet customers'

needs, including not only OTC products but also quasi-pharmaceutical products and cosmetics, among others.

In Japan, the Company Group works to further increase the value of its existing brands, such as Salonpas®, in the OTC product market while working on product development with a focus on efficacy and usability so that the group's products contribute to improving the QOL of customers. The Company Group conducts product development and makes improvement in a manner that meets customer needs, as well as conducting active marketing activities such as running TV and SNS ads to increase the awareness of the group's brands. Furthermore, the Company Group set up Hisamitsu Wellness, a mail order business handling pharmaceuticals, health food, etc., to adapt to consumers' shift to online channels in their purchasing behavior. Through Hisamitsu Wellness, the Company Group has worked on the development of more customized products and services.

Overseas, Salonpas® has been recognized worldwide as the world's No. 1 brand in terms of market share for nine consecutive years since 2016 in the anti-inflammatory pain relief patch category of the OTC product market. The Company Group started overseas marketing of Salonpas® when the product started to be exported in 1937. Today, the marketing of Salonpas® has expanded to over 40 different countries and regions, including Asia, the U.S., and the Eurozone. The Company Group strives to establish the Company's brands, including intellectual property, manufacturing technology, and quality control technology, while working on further improvement of overseas production factories in the U.S., Brazil, Vietnam, and Indonesia by improving production equipment and strengthening personnel systems, among others, to provide a stable supply of products, and on pharmaceutical applications and the development of sales systems in foreign countries that are new to the Company Group.

(B) The Company's Business Environment

The pharmaceutical product and healthcare business market is facing a period of major reforms amid changes in the socioeconomic environment, such as changes in individuals' views on life and values, the advancement of digitalization, the rapid aging of societies, the increase in medical expenses, and continuing measures to control medical expenses, such as the enhancement of measures to promote the use of generic

drugs or Japan's elective care scheme, as well as the decrease in the stability of pharmaceutical businesses in the U.S. due to changes in regulations and policies that are represented by pharmaceutical tariffs and the most-favored-nation pricing policy. In this environment, and owing to the Company's intention to further accelerate the realization of a better QOL of people across the world and contribute to a sustainable society through pharmaceutical business, the Company is expected to play an increasingly significant social role in this market. The Company believes that, in the prescription product and OTC product industries which are surrounded by a severe business environment, the Company will be able to fulfill its mission as a pharmaceutical company by continuing to develop pharmaceuticals that meet the needs of healthcare professionals, patients, and consumers, and aiming to improve the QOL of patients and consumers. The Company is also aware of the importance of flexibly meeting changes in the social situation and consumers' attitude, establishing the rebranding of not just Salonpas® but also the entire Company Group, and continuing to provide products that will continue to be chosen by customers. Furthermore, towards further increasing overseas market share, the Company is aware of the importance of providing products that are suitable to each country's market by keeping an eye on changes in customer needs and consumption behavior (i.e., the diversification of consumers' standards for selecting products and consumers' methods for obtaining product information) in the new normal era, which was triggered by COVID-19. Under these circumstances, the business environment surrounding the Company is expected to become even more severe, with such factors as the downward pressure on price arising from the fiercer development competition with competitors, the increased maturity of the Japanese pharmaceutical market, and the increased number of competing items, among other things, as well as higher quality standards required of pharmaceuticals, not to mention the securing of their quality and safety. Amid this situation, the Company is expected to steer its management from medium- to long-term perspectives.

(C) The Company's Business Challenges

Under these circumstances, the business environment surrounding the Company is expected to become even more severe, with such factors as the downward pressure on price arising from the fiercer development competition with competitors, the increased maturity of the Japanese pharmaceutical market, and the increased number of competing items, among other things, as well as higher quality standards required of pharmaceuticals, not to mention the securing of their quality and safety. Amid this

situation, the Company is expected to steer its management from medium- to long-term perspectives.

(2) Circumstances Leading to Consideration of the Transaction; the Purpose and Other Aspects of the Transaction

According to the explanations and other information received by the Committee from the Offeror and Mr. Nakatomi, the measures to increase the Company's corporate value, the purpose of the Transaction, and the disadvantages of the Company's delisting, as understood by the Offeror and Mr. Nakatomi are as follows:

(A) Measures to Increase the Company's Corporate Value; the Purpose of the Transaction

Given these circumstances, Mr. Nakatomi and the Offeror believes that continuing to develop the Company Group's existing businesses as before will not be sufficient to achieve its sustainable growth. Specifically, he believes that implementing the following measures will enable the Company Group to further enhance its corporate value.

(I) Maximizing the value of existing products in the prescription product business

Mr. Nakatomi recognizes that the domestic prescription product industry is facing a challenging business environment due to the impact of ongoing measures to contain drug prices. To fulfill the Company Group's mission of "Delivering a Better QOL to the World" in such a business environment, he believes that maximizing the value of existing products, as well as developing new ones, would be an effective approach. For example, with respect to the "MOHRUS®" product group, which is one of the Company Group's core prescription products, he intends to leverage the products' strength of broad clinical use in aiming to obtain designation as basic pharmaceuticals, thereby mitigating drug price declines. For "ZICTHORU® Tapes," in addition to existing sales measures, such as hosting seminars, academic conferences, and lectures, and placing promotional materials within medical facilities, he intends to work on expanding prescriptions, promoting sales through differentiation from existing products, and strengthening collaboration with exclusive distributors. He believes that while these efforts will initially require upfront investment in R&D and promotional expenses, potentially slowing profit growth in the short term, they will lead to increased profits through expanded sales from a medium- to long-term perspective.

(II) Investment for business transformation in the prescription product business

Mr. Nakatomi recognizes that recently in the prescription product industry, R&D utilizing diverse drug discovery platform technologies has led to the diversification and increased complexity of drug discovery modalities, including not only traditional small-molecule drugs but also antibody drugs, nucleic acid therapeutics, cell therapies, and other medium-molecule and macromolecule drugs. Similarly, he understands that the Company Group's medicated patch business also faces a strong demand for transformation to address this trend of diversification and increased complexity of drug discovery modalities. In response to these changing circumstances, the Company is advancing the development of HP-6050, a drug utilizing microneedle technology, as the first step in the business transformation. Conventional medicated patches have been limited to making transdermal delivery of small-molecule compounds, and creating medicated patch for the delivery of medium-molecule and macromolecule compounds has been a significant challenge. On the other hand, the microneedle technology being developed by the Company Group is expected to enable the rapid and efficient transfer of drugs into the bloodstream, regardless of molecular size, while also allowing for safer and more convenient transdermal drug delivery. Therefore, this technology is understood to be capable of solving the challenges of conventional medicated patch. To achieve the world's first commercialization of a prescription pharmaceutical using this microneedle technology and to maximize its value, significant upfront costs and investments will be required, including not only R&D for microneedle drugs like the HP-6050 and vaccines, but also R&D for cosmetics and other applications beyond therapeutics and the construction of a microneedle manufacturing facility for practical application of the technology. While this may pressure the Company Group's profits in the short term, it is expected to contribute to enhancing corporate value from a medium- to long-term perspective by creating social value that surpasses that of existing pharmaceuticals.

(III) Improving profitability in the domestic OTC product business through cost pass-through and cost management

Mr. Nakatomi recognizes that, while the domestic OTC product market has continued to grow since the spread of COVID-19, owing to increased public awareness of self-medication and the resurgence of inbound demand, concerns exist about the domestic market reaching its ceiling in the future due to population

decline. Concurrently, in recent years, raw material prices have remained elevated due to factors such as the global surge in resource prices caused by the crisis in Ukraine and rising pressure on raw material and energy prices driven by the historic depreciation of the yen against the backdrop of the widening interest rate differential between Japan and the United States. To respond to these environmental changes, he believes that the Company Group can seek to expand profits by improving gross profit through pass-through of the increased costs of rising raw material and energy prices to product prices, while also improving productivity through manufacturing line enhancements and appropriately managing distribution margins, such as rebates and allowances paid to pharmaceutical wholesalers. He recognizes that if the Company Group fails to gain customer understanding regarding the retail price adjustments related to the cost pass-through, it could negatively impact sales, such as through temporary customer attrition. However, he believes that the cost pass-through will enable the Company Group to maintain product quality and provide customers with added value beyond the price on an ongoing basis, resulting in sustainable medium- to long-term growth.

(IV) Investment to expand product lineup and business in overseas OTC product business

The global OTC product market continues to expand steadily, in advanced nations experiencing aging populations similar to Japan and emerging economies where healthcare insurance systems are underdeveloped and demand for affordable OTC products is high. In this environment, not only major global OTC pharmaceutical manufacturers but also Japanese manufacturers are actively pursuing overseas expansion through acquisitions and partnerships with local companies, intensifying competition. While concerns exist about the domestic market reaching its ceiling as described above, in order for OTC products to continue driving the Company Group's performance as a growth business in the overseas markets, where market expansion is anticipated, expanding business through the enhancement of the product lineup by leveraging the globally strong brand asset of "Salonpas®" and the development of new markets would be an effective approach. In countries and regions, primarily the United States and Asia, where "Salonpas®" already enjoys high recognition and usage rates, it would be possible to strengthen the Company Group's market position by introducing additional products to enhance the product lineup. Simultaneously, in new target markets, such as Global South countries

where medicated patch like “Salonpas®” are not yet widely used, it would be possible to leverage the experience and expertise in pharmaceutical regulatory submissions to enter and develop new markets ahead of competitors, thereby gaining market share and expanding sales. To achieve this, the Company Group will need to further accelerate the globalization of its organizational and management systems, including the development of structures and fostering of human resources across the entire value chain, including R&D, pharmaceutical affairs, production, and sales, which will require the investment of adequate management resources.

(V) Expansion of mail-order and e-commerce sales in the domestic OTC product business

Mr. Nakatomi recognizes that, following the COVID-19 pandemic, factors such as the diversification of lifestyles and the advancement of digitalization have driven the expansion of direct-to-consumer sales, including mail-order and e-commerce sales, leading to significant changes in purchasing patterns. To respond to this environmental change, he considers it essential to aim to strengthen and expand the Company’s product sales channels by not only maintaining sales through pharmacies and drugstores but also actively enhancing efforts in the e-commerce field, including e-commerce malls like Amazon and Rakuten, as well as the Company’s own e-commerce platform. While the Company sells OTC products and health foods on e-commerce malls and its own e-commerce platform, its efforts in this area are not particularly proactive. To enhance the Company’s corporate value going forward, it would be necessary to increase growth investments in the e-commerce field. Furthermore, he believes that expanding the range of products for its own e-commerce platform and exclusive products for e-commerce malls can drive further sales growth.

On the other hand, Mr. Nakatomi believes that as long as the Company maintains its stock listing, it is required to focus on shareholder interests in its management, necessitating consideration for securing and distributing short-term profits. Therefore, he considers that the listing of the Company’s Stock is highly likely to become a hindrance to executing medium- to long-term measures, such as temporary expenditures and upfront investments that could potentially lead to a decline in short-term profit levels or worsening cash flow, or fundamental structural reforms. In addition, the measures outlined in (i) to (v) above do not necessarily contribute to immediate

profitability and they involve considerable time and significant risk. Therefore, it would be difficult to maintain listing of the Company's Stock and expect its shareholders to bear these risks and fully support the implementation of these measures. Moreover, considering the medium- to long-term maximization of the Company Group's corporate value, he believes it is essential to establish a robust and stable management structure that enables agile and flexible decision-making from a medium- to long-term perspective, allowing the Company Group to unite in promoting business expansion and strengthening of its management foundation.

Furthermore, Mr. Nakatomi recognizes that, due to factors such as the regulatory tightening in the capital markets in recent years, the amount of additional and continuous information disclosure to stakeholders through securities reports, corporate governance reports, and other documents has been increasing year by year, and the burden of human and financial costs necessary for a listed company to maintain its stock listing is trending upward. He believes that the possibility of these costs becoming a significant burden on the Company Group's management efforts cannot be denied.

(B) Disadvantages of Delisting

Since its listing in 1962, the Company Group has enjoyed various benefits as a listed company, including enhanced recognition facilitating the recruitment of outstanding talent and improved social credibility. On the other hand, considering the Company Group's current financial situation, where funds necessary for business activities are sufficiently secured through methods such as borrowings from financial institutions, he believes that the need for large-scale fundraising through equity finance is not particularly high for the time being. In addition, given that the Company Group's social credibility and brand power have already been established through its business activities, he believes that the necessity for the Company to maintain its listing and the benefits it can enjoy by doing so have relatively diminished.

(3) Discussions by the Committee

(A) The Company's Line of Business and Business Environment

The Committee believes that the Company, the Offeror, and Mr. Nakatomi's understanding of the Company's line of business and business environment described in (1) above is not unreasonable based on the explanations received from the parties

involved, published documents, materials submitted at each meeting, and is consistent with general explanations on, and the Company's board of directors' understanding of, the environment of the industry and market to which the Company belongs.

(B) Measures to Increase the Company's Corporate Value; the Purpose of the Transaction

In light of the business environment described above, the Committee considers that all of the measures to increase the Company's corporate value described in (2)(A) above (the "**Corporate Value-Increasing Measures**") will contribute to increasing profits and the corporate value of the Company by increasing sales on a medium- to long-term basis through, among other things, enhancing the profitability of existing products, creating new social values, maintaining product quality, providing added values to products, increasing the Company's market share in new markets, and strengthening and extending the Company's sales channel. Therefore, the Committee considers that the Corporate Value-Increasing Measures are reasonable based on the Company's current line of business and business condition and are practical as measures to increase the Company's future medium- to long-term corporate value and, as such, reasonable.

However, the Corporate Value-Increasing Measures may temporarily affect the Company's sales. They will also require a considerable advance investment for a certain period. While these measures are expected to increase the corporate value of the Company Group on a medium- to long-term basis, they entail the risk of lowering the profit level, deteriorating cash flow, etc. on a short-term basis. In the first place, due to their nature as corporate value-increasing measures, there is inevitably a certain uncertainty in whether these measures will produce their expected results. If the Company carries out these measures while remaining listed, there is an undeniable possibility that these measures will not be sufficiently appreciated by the capital market, resulting in a drop of the stock price of the Company and causing a negative impact on the Company's shareholders on a short-term basis. On the other hand, in light of the business environment surrounding the Company as described in (1) above, the Committee believes that reducing or postponing these measures will lead to reduced competitiveness and profitability of the Company Group on a medium- to long-term basis.

Considering the nature of the Corporate Value-Increasing Measures as described above,

while they are reasonable measures to deal with changes in the business environment, there is a possibility that they may cause a drop in the share price of the Company and impair the value of the Company's Stock due to a temporary decrease in profit caused by their implementation and due to the certain uncertainty of the efforts. The Committee believes that it is not unreasonable to choose to delist the Company in order to boldly promote the Corporate Value-Increasing Measures without shifting to the Company's general shareholders the risks that may be incurred by the Company's shareholders due to the potential impairment of the Company's stock value caused by a drop in share price or due to the uncertainty.

For the reasons described above, the Committee considers that the explanations provided by the Offeror and Mr. Nakatomi on the Corporate Value-Increasing Measures and the purpose of the Transaction are not unreasonable, and that the Corporate Value-Increasing Measures and the purpose of the Transaction are legitimate and reasonable.

(C) Disadvantages of Delisting

Generally speaking, once the Company goes private, it will no longer be able to raise funds from the capital market by equity financing. There is also a possibility that going private may result in the Company losing certain advantages that it has enjoyed as a listed company in terms of recruitment of human resources backed by the increased social reputation and name recognition that have been enjoyed by the Company as a listed company. Furthermore, there is an undeniable possibility that the Company's dissolution of its capital relationship with its existing shareholders and becoming part of the Offeror Group (which collectively refers to the Offeror and its subsidiaries and affiliates; the same applies hereinafter) may create a disadvantage in terms of the Company's independence, which may negatively affect the Company's employees, business partners, and other stakeholders. However, we believe that the disadvantages of going private are limited in terms of financing because, considering the current financial condition of the Company, the Company is unlikely to need financing by equity financing for the time being, and because the Company expects to raise funds through indirect financing where necessary based on its good relationships with financial institutions through long-term transactions with them and in light of the recent good financing environment. We also believe that the possibility is very slim that the Company's employees, business partners, and other stakeholders will be negatively affected by the Company's dissolution of its capital relationship with its existing

shareholders and becoming part of the Offeror Group, in light of, among other things, the fact that the Company has already established a certain brand power and a good reputation among its business partners, that all members of the Offeror Group are asset management companies of Mr. Nakatomi and his relatives and do not run business, and that the Offeror intends to operate the Company's business while maintaining the Company's current management system after the Transaction in principle.

In addition, recent years have seen a revision of the Corporate Governance Code and enhanced regulations on the capital market, resulting in the continued increase in the personal and financial costs that are required to keep the Company listed. We believe that there is an undeniable possibility that these costs may be significant burden in driving the management of the Company. Since these costs of keeping the Company listed have increased year by year, we believe that reducing these costs through the Transaction will help the Company to increase its corporate value from a long-term perspective.

(D) Sub-summary

Based on the discussions described in (A) through (C) above, the Committee considers that the advantages of the Transaction exceed its disadvantages and the Transaction will contribute to increasing the corporate value of the Company, and believes that the purpose of the Transaction is legitimate and reasonable.

2. Fairness and Appropriateness of the Terms and Conditions of the Transaction

(1) Process of Discussions and Negotiations on Terms and Conditions

On December 5, 2025, the Company received from Mr. Nakatomi an initial proposal, which set (i) the Tender Offer Price at 5,280 yen (which represented a premium of 26.74% on 4,166 yen, which was the closing price of the Company's Stock quoted on the Prime Market of the TSE on December 4, 2025, the business day immediately preceding the date of the proposal, a premium of 26.59% on 4,171 yen, which was the simple average closing price over the past one-month period ending on the same business day, a premium of 27.05% on 4,156 yen, which was the simple average closing price over the past three-month period ending on the same business day, and a premium of 27.29% on 4,148 yen, which was the simple average closing price over the past six-month period ending on the same business day), (ii) the Share Acquisition Right

Purchase Price at 1 yen, considering, among other things, that the Share Acquisition Rights were issued to the Company's directors in the form of share compensation-type share acquisition rights, which are subject to the condition that those share acquisition rights allotted to the Company's directors in their capacity as such can be exercised within the exercise period of the Share Acquisition Rights only on and after the day immediately following the date on which their holders are no longer the Company's directors, which prevents these holders from exercising their Share Acquisition Rights even after the Offeror has acquired the Share Acquisition Rights, and (iii) the ADS Purchase Price at 5,280 yen.

In response, on December 12, 2025, the Company replied to Mr. Nakatomi that the Tender Offer Price proposed in the initial proposal underrated the potential shareholder value that would be realized by the measures that had already been implemented or were being considered for subsequent implementation by the Company, and that the proposed price could absolutely not be considered to be sufficient in light of the intrinsic value of the Company.

Based on the above reply, on December 16, 2025, the Company received from Mr. Nakatomi a second price proposal, which set (i) the Tender Offer Price at 5,660 yen (which represented a premium of 35.15% on 4,188 yen, which was the closing price of the Company's Stock quoted on the Prime Market of the TSE on December 15, 2025, the business day immediately preceding the date of the proposal, a premium of 34.83% on 4,198 yen, which was the simple average closing price over the past one-month period ending on the same business day, a premium of 36.68% on 4,141 yen, which was the simple average closing price over the past three-month period ending on the same business day, and a premium of 36.45% on 4,148 yen, which was the simple average closing price over the past six-month period ending on the same business day), (ii) the Share Acquisition Right Purchase Price at 1 yen, and (iii) the ADS Purchase Price at 5,660 yen.

In response, on December 18, 2025, the Company replied to Mr. Nakatomi that the Tender Offer Price proposed in the second proposal still underrated the potential shareholder value of the Company and could absolutely not be considered to be sufficient in light of the intrinsic value of the Company.

Based on the above reply, on December 22, 2025, the Company received from Mr.

Nakatomi a third price proposal, which set (i) the Tender Offer Price at 5,800 yen (which represented a premium of 35.90% on 4,268 yen, which was the closing price of the Company's Stock quoted on the Prime Market of the TSE on December 19, 2025, the business day immediately preceding the date of the proposal, a premium of 37.60% on 4,215 yen, which was the simple average closing price over the past one-month period ending on the same business day, a premium of 39.93% on 4,145 yen, which was the simple average closing price over the past three-month period ending on the same business day, and a premium of 39.83% on 4,148 yen, which was the simple average closing price over the past six-month period ending on the same business day), (ii) the Share Acquisition Right Purchase Price at 1 yen, and (iii) the ADS Purchase Price at 5,800 yen.

In response, on December 23, 2025, the Company replied to Mr. Nakatomi that the Company believed that the Tender Offer Price proposed in the third proposal still did not fully reflect the intrinsic value of the Company.

Based on the above reply, on December 26, 2025, the Company received from Mr. Nakatomi a fourth price proposal, which set (i) the Tender Offer Price at 6,000 yen (which represented a premium of 37.08% on 4,377 yen, which was the closing price of the Company's Stock quoted on the Prime Market of the TSE on December 25, 2025, the business day immediately preceding the date of the proposal, a premium of 41.68% on 4,235 yen, which was the simple average closing price over the past one-month period ending on the same business day, a premium of 44.51% on 4,152 yen, which was the simple average closing price over the past three-month period ending on the same business day, and a premium of 44.37% on 4,156 yen, which was the simple average closing price over the past six-month period ending on the same business day), (ii) the Share Acquisition Right Purchase Price at 1 yen, and (iii) the ADS Purchase Price at 6,000 yen.

In response, on December 26, 2025, the Company replied to Mr. Nakatomi that the Company believed that the Tender Offer Price proposed in the fourth proposal still did not fully reflect the intrinsic value of the Company.

Based on the above reply, on December 30, 2025, the Company received from Mr. Nakatomi the fifth price proposal, which set (i) the Tender Offer Price at 6,072 yen (which represented a premium of 39.11% on 4,365 yen, which was the closing price of the

Company's Stock quoted on the Prime Market of the TSE on December 29, 2025, the business day immediately preceding the date of the proposal, a premium of 43.01% on 4,246 yen, which was the simple average closing price over the past one-month period ending on the same business day, a premium of 46.00% on 4,159 yen, which was the simple average closing price over the past three-month period ending on the same business day, and a premium of 45.93% on 4,161 yen, which was the simple average closing price over the past six-month period ending on the same business day), (ii) the Share Acquisition Right Purchase Price at 1 yen, and (iii) the ADS Purchase Price at 6,072 yen.

In response, on January 3, 2026, the Company requested Mr. Nakatomi to raise the Tender Offer Price and submit a legally binding final proposal.

Based on this, on January 5, 2026, the Company received from Mr. Nakatomi the sixth and legally binding proposal, which set (i) the Tender Offer Price at 6,082 yen (which represented a premium of 38.48% on 4,392 yen, which was the closing price of the Company's Stock quoted on the Prime Market of the TSE on December 30, 2025, the business day immediately preceding the date of the proposal, a premium of 43.00% on 4,253 yen, which was the simple average closing price over the past one-month period ending on the same business day, a premium of 46.06% on 4,164 yen, which was the simple average closing price over the past three-month period ending on the same business day, and a premium of 46.06% on 4,164 yen, which was the simple average closing price over the past six-month period ending on the same business day), (ii) the Share Acquisition Right Purchase Price at 1 yen, and (iii) the ADS Purchase Price at 6,082 yen. In response, on January 6, 2026, the Company informed Mr. Nakatomi that it accepted the sixth proposal.

Regarding the process of discussions and negotiations on the terms and conditions of the Transaction, the Committee negotiated the terms and conditions, including the price, of the Transaction with the Offeror through the Offeror's financial advisor SMBC Nikko Securities and the Company's financial advisor MUMSS, which resulted in success in eliciting the Offeror's agreement to raise the price by 802 yen; while the Offeror's initial proposal was 5,280 yen per common share of the Company, the Offeror later agreed to set the Tender Offer Price at 6,082 yen.

Based on the above, the process of discussions and negotiations on the terms and

conditions of the Transaction was a fair one that the Committee considers is arm's length negotiations. The Committee considers that the process ensured an environment where reasonable efforts were made with the aim of conducting the Transaction upon terms and conditions that were as favorable as possible to the general shareholders of the Company while increasing its corporate value.

(2) Results of Evaluation of the Company's Stock Value; the Company's Business Plans

(A) Results of Evaluation of the Company's Stock Value

Before expressing its opinion on the Tender Offer, the Company requested its financial advisor MUMSS to evaluate the stock value of the Company, in MUMSS's capacity as third-party valuator independent from the Company Group, the Offeror, the Non-tendering Shareholders, the Foundations, the Financial Institutions, and SMBC Nikko Securities, and from success or failure of the Transaction, for the purpose of ensuring the fairness of the Company's decision-making on the Tender Offer Price presented by the Offeror. The Company received the share valuation report (the "**Share Valuation Report**") on January 6, 2026. In this regard, the Company has not obtained from MUMSS an opinion letter on the fairness of the Tender Offer Price (a fairness opinion), since the Offeror and the Company have taken measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest.

MUMSS calculated the value of the Company's Stock using the following methods: (i) market share price analysis, since the Company's Stock is listed on the Prime Market of the TSE and its market price is available; (ii) comparable company analysis, since there are listed companies whose business is relatively similar to that of the Company, which makes it possible to infer the stock value of the Company's Stock by means of comparison with similar companies; and (iii) discounted cash flow analysis ("**DCF Analysis**"), in order to reflect the Company's future business activities in the evaluation.

The following are the results of the calculation of the value per share of the Company's Stock produced using the different valuation methods:

Market share price analysis:	4,172 yen to 4,500 yen
Comparable company analysis:	4,424 yen to 5,128 yen
DCF Analysis:	5,578 yen to 6,570 yen

In the market share price analysis, with January 5, 2026 as the base date for valuation (the “**Base Valuation Date**”), the value per share of the Company’s Stock was calculated to be in the range between 4,172 yen and 4,500 yen, based on the closing price of the Company’s Stock on the Base Valuation Date which was 4,500 yen, the simple average closing price over the past one-month period ending on the Base Valuation Date which was 4,285 yen, the simple average closing price over the past three-month period ending on the Base Valuation Date which was 4,173 yen, and the simple average closing price over the past six-month period ending on the Base Valuation Date which was 4,172 yen.

In the comparable company analysis, Santen Pharmaceutical Co., Ltd., TSUMURA & CO., Zeria Pharmaceutical Co., Ltd., ROHTO Pharmaceutical Co., Ltd., and KOBAYASHI PHARMACEUTICAL CO., LTD. were selected as listed companies whose business is similar to that of the Company. Then the stock value of the Company was analyzed by using the ratio of earnings before interest, taxes, depreciation, and amortization (“**EBITDA**”) to corporate value (“**EBITDA Multiple**”). The value per share of the Company’s Stock was calculated to be in the range of 4,424 yen to 5,128 yen.

The DCF Analysis was based on the business plans prepared by the Company for a reasonably foreseeable period, i.e., from the fiscal year ending February 28, 2027 to the fiscal year ending February 28, 2031 (the “**Business Plans**”), as well as on various factors including publicly available information. The corporate value and stock value of the Company was analyzed by discounting, at a certain discount rate, the free cash flow that is expected to be generated by the Company in and after the fiscal year ending February 28, 2027. The value per share of the Company’s Stock was calculated to be in the range of 5,578 yen to 6,570 yen. The weighted average cost of capital (“**WACC**”) was used as the discount rate, with the WACC range used being 5.65% to 6.65%. The terminal value was calculated using the multiple method. Based on the EBITDA Multiple levels of other companies in the industry, the EBITDA Multiple was set in the range of 9.0 to 11.0, based on which the terminal value was calculated in the range of 242.1 billion yen to 310.1 billion yen. In this regard, with respect to certain investment securities held by the Company that the Company has determined can be treated as cash equivalents, such securities have been added to non-operating assets based on their fair market value, after taking into account the tax implications arising from their sale.

MUMSS based its DCF Analysis on the following financial forecasts, which were based on the Business Plans. The Business Plans cover some financial years for which a considerable increase or decrease in profit and free cash flow from the previous year is expected. Specifically, a significant decrease in free cash flow is expected for the fiscal year ending February 28, 2027 due to an increase in capital investment for introducing new products and a significant increase in free cash flow is expected for the fiscal year ending February 29, 2028 due to a decrease in capital investment for that fiscal year for as compared to the fiscal year ending February 28, 2027.

The synergies that are expected to be achieved as a result of the Transaction are not reflected in these financial forecasts, because it is difficult to specifically estimate those synergies at this point.

(in hundred millions of yen)

	FY ending Feb. 28, 2027	FY ending Feb. 29, 2028	FY ending Feb. 28, 2029	FY ending Feb. 28, 2030	FY ending Feb. 28, 2031
Net sales	1,807	1,931	1,955	2,010	2,065
Operating income	227	259	247	258	270
EBITDA	306	345	346	358	371
Free cash flow	(36)	131	169	200	210

The analysis by MUMSS and the analysis of the value of the Company's Stock on which MUMSS's analysis was based were intended for the Company's board of directors solely to be used as a reference by the board of directors. These analyses do not constitute a financial opinion or recommendation of MUMSS or any of its associated companies, nor are they intended to express any opinion or make any recommendation to the Company's shareholders regarding any action of them with respect to the Tender Offer. In analyzing and calculating the value of the Company's Stock, MUMSS relied on information that was already publicly available or was provided by or otherwise received from the Company, assuming that the information was accurate and complete and without independently verifying the accuracy and completeness of the information. MUMSS assumes that the financial forecasts were reasonably prepared and created by the Company's management team to reflect the best estimates and judgment on the Company's future financial conditions that are available at this point. MUMSS is not an

advisor for legal, accounting, or tax matters. MUMSS is a financial advisor and has relied on judgment by the Company or its legal, accounting, or tax advisors on any legal, accounting, or tax issues, without independently examining these issues. MUMSS did not independently evaluate or assess the assets and liabilities (including off-balance-sheet assets, off-balance-sheet liabilities, and other contingent liabilities) of the Company or its associated companies, nor did it request any third-party institution to perform any such evaluation or assessment. The analysis by MUMSS is based on the economic, financial, market, and other conditions existing as of the Base Valuation Date and on the information that had been obtained by MUMSS as of the Base Valuation Date. While the analysis by MUMSS or the assumptions used by MUMSS to prepare its share valuation report may be affected by events occurring after the Base Valuation Date, MUMSS has no obligation to update, revise, or review its share valuation report or analysis. The preparation of the share valuation report and the analysis based on which the report was prepared involved complicated processes, which makes the report and the analysis not always suited for partial analysis or summarized description of them. It is not allowed to deem the valuation range stated in this document based on a specific analysis to be MUMSS's evaluation of the actual value of the Company.

The Committee reviewed the Share Valuation Report and received from MUMSS detailed explanations on the report and the valuation methods used to prepare the report (selection of the valuation methods, the process and details of preparation of the financial forecasts based on which valuation by the DCF method was made, and the grounds for calculation of the discount rate, etc.), followed by Q&A sessions. Based on that, the Committee believes that the above methods used by MUMSS to determine the value of the Company's Stock are common and reasonable ones in light of the current practices. As for the details of the valuation, the Committee found nothing unreasonable in light of the current practices.

(B) Reasonableness of the Business Plans

The Committee received from the Company explanations on the details of the Business Plans, the important assumptions for the Business Plans, and the process of creation of the Business Plans, including the following points.

The Business Plans were prepared considering: (i) the Company's future measures and challenges, including changes in the composition of sales caused by the extension of

the Company's overseas business, impacts of drug price revisions, assumptions for the sales quantities and unit prices of the Company's major products, expected exchange rates, and the Company's capital investment plans; and (ii) planned sales, operating income or EBITDA, cost of sales, SGA, depreciation, etc. for each relevant business year based on the factors listed in (i) above. The Business Plans were prepared by an independent internal discussion system at the Company without the involvement of any of the persons involved in the tender offer, including Mr. Nakatomi and the Conflict-of-Interest Directors (as defined in 3.(1)(C) below).

After receiving the explanations described above, the Committee exchanged questions and answers with the Company regarding the process of preparation of the Business Plans, how the planned values were calculated, and whether the planned values were reasonable. The Committee saw no circumstances that would raise suspicion on the fairness of the process of preparation of the Business Plans nor did the Committee find anything unreasonable in the content of the Business Plans. Therefore, the Committee concluded that it was reasonable to use the Business Plans as an assumption for calculating the value of the Company's Stock and negotiating the tender offer price with the Offeror.

For the reasons described above, the Committee sees no circumstances that would raise suspicion on the fairness of the process of preparation of the Business Plans, based on which MUMSS calculated the stock value of the Company using the DCF method, nor does the Committee find anything unreasonable in the content of the Business Plans in light of the assumptions for the Business Plans, the process of their preparation, and the Company's current situation.

(C) Results of Evaluation of the Company's Stock Value; the Tender Offer Price

As compared to the results of evaluation of the Company's stock value by MUMSS described in (A) above, the Tender Offer Price is above the upper limit of the range calculated by the market share price analysis and that calculated by the comparable company analysis and is within the range calculated by the DCF Analysis and is above the median of this range. Based on this, the Committee can conclude that the Tender Offer Price is fair and reasonable for the Company's general shareholders when compared to the results of evaluation of the Company's stock value by MUMSS.

(3) Premium Levels

The Tender Offer Price (6,082 yen) represents a premium of 35.16% on 4,500 yen, which was the closing price of the Company's Stock quoted on the Prime Market of the TSE on January 5, 2026, i.e., the business day immediately preceding the scheduled date of announcement of the Transaction, a premium of 41.94% on 4,285 yen, which was the simple average closing price over the past one-month period ending on the same business day, a premium of 45.75% on 4,173 yen, which was the simple average closing price over the past three-month period ending on the same business day, and a premium of 45.78% on 4,172yen, which was the simple average closing price over the past six-month period ending on the same business day.

The Company believes that these premium levels do not significantly deviate from the median premiums seen in the 92 tender offer cases that were announced on or after June 28, 2019, the date on which the Ministry of Economy, Trade and Industry published the "Fair M&A Guidelines," and were successfully consummated on or before January 5, 2026 and intended to take a listed company private by management buyout (MBO) (excluding cases that failed, cases in which the market price of the Company's stock surged or rapidly changed because of speculative media coverage or the like, cases of two-step tender offers, cases in which the tender offer was conducted when the Company was insolvent, and cases in which the tender offer price was discounted from the market price of the Company's stock immediately before the announcement of the tender offer). The median premiums in such comparable tender offer transactions were 42.55% on the closing price on the business day immediately preceding the announcement, 45.34% on the simple average closing price over the past one-month period ending on the same business day, 46.52% on the simple average closing price over the past three-month period ending on the same business day, and 48.56% on the simple average closing price over the past six-month period ending on the same business day. Taking into account that a substantial number of comparable transactions involved premiums below such median levels, the Company believes that the premiums attached to the Tender Offer Price cannot be considered to present a level that is materially different from, or unreasonable as compared with, those seen in such comparable transactions, and are therefore reasonable and not materially inferior to those seen in such comparable transactions.

(4) Appropriateness of the Terms and Conditions of the Share Consolidation

If the Tender Offer is successfully completed but the Offeror is unable to acquire all of the shares of the Company's Stock (including any shares of the Company's Stock issuable upon exercise of the Share Acquisition Rights, but excluding the treasury shares held by the Company and the Non-tendered Shares), the Share Acquisition Rights, and the ADRs through the Tender Offer, the Offeror will implement a series of procedures to make the Offeror and the Non-tendering Shareholders the only shareholders of the Company (the "**Squeeze-out Procedure**").

Specifically, the Offeror intends to squeeze out the minority shareholders and take the Company private through a share consolidation (the "**Share Consolidation**"). This method is generally used in transactions similar to the Transaction, and the Committee believes that it is an appropriate means to conduct the Transaction.

As for the terms and conditions of the Squeeze-out Procedure, they will be calculated and determined based on the same price as the Tender Offer Price. The Squeeze-out Procedure is scheduled to take place subsequent to the Tender Offer. The Committee believes that it is reasonable to pay the same price in both procedures that are temporally close to each other.

(5) Appropriateness of the Terms and Conditions of the Share Acquisition Rights

The Share Acquisition Rights have been issued as share-compensation type share acquisition rights to the Company's directors and that, as a condition for exercising the Share Acquisition Rights, their holders may, during the exercise period of the Share Acquisition Rights and from the day following the date of losing their status as the Company's director, exercise the Share Acquisition Rights allocated based on such lost status, and the Offeror cannot exercise these Share Acquisition Rights even if it acquires them.

The Share Acquisition Right Purchase Price is set at 1 yen. This price was set by taking into account, among other things, the fact that the Share Acquisition Rights were issued to the Company's directors in the form of share compensation-type share acquisition rights, and that, from the viewpoint of the Offeror, even if the Offeror obtains Share Acquisition Rights through the Tender Offer, the Offeror will not be allowed to exercise the Share Acquisition Rights. The Committee believes that this conclusion by the Offeror

is not unreasonable.

(6) Appropriateness of the Purchase Price of the ADSs

The Tender Offer also covers the ADSs represented by the ADRs. The purchase price of the ADSs is set at 6,082 yen, which is the same price as the Tender Offer Price. The Committee believes that the purchase price of the ADSs gives sufficient consideration to the interests of the holders of the ADRs for the same reasons as the Tender Offer Price.

(7) Appropriateness of Other Terms and Conditions

According to the explanations received by the Committee from the Offeror, the Offeror intends to cover the cost of the Transaction, including the Tender Offer, by loans from Sumitomo Mitsui Banking Corporation and MUFG Bank (the "Bank Loans") and to obtain the Bank Loans no later than the business day immediately preceding the start date of payment for the Tender Offer, subject to the successful consummation of the Tender Offer, among other conditions. While the specific terms and conditions of the Bank Loans are to be set out in the loan agreements following separate negotiations with each bank, the collateral pledged under these loan agreements will be the shares of the Company's Stock held by the Offeror and the shares of the Company's Stock to be acquired through the Transaction. After the successful completion of the Squeeze-out Procedure, the collateral will also include certain assets of the Company.

Considering, among other factors, that the Company is expected to continue to earn consistent revenue in the future in light of the Business Plans among other things, and that, after being delisted, the Company will no longer need to take those measures to reward its shareholders that the Company has taken in the past, such as paying dividends to shareholders or acquiring treasury shares, the Committee finds that it is unlikely that those loan terms will have as a significant negative impact on the Company's financial condition. Therefore, the Committee believes that it is reasonable to cover the cost of the Transaction by the Bank Loans.

(8) Sub-summary

As described in (1) through (7) above, the Committee considers that the Tender Offer

Price, Etc. are fair and appropriate in light of the fact that: (a) they were determined after sufficient negotiations with the Offeror; (b) they are consistent with the results of evaluation of the Company's stock value by MUMSS; and (c) they ensure a premium level that is comparable to those seen in tender offer cases similar to the Tender Offer. The Committee also believes that the terms and conditions of the Transaction are appropriate, for the following reasons: (x) the price to be paid to the Company's shareholders in the Squeeze-out Procedure that will follow the Tender Offer will be calculated such that it will be the same as the price that they will receive if they tender their shares in the Tender Offer; and (y) no other terms and conditions appear to bring any circumstances that will be unfavorable to the Company's general shareholders.

3. Fairness of the Procedures Involved in the Transaction

The Fair M&A Guidelines published by the Ministry of Economy, Trade and Industry on June 28, 2019 (the "**Fair M&A Guidelines**") describe fair M&A practices primarily in an MBO or acquisition of a controlled company by controlling shareholders, which inherently involves the issues of structural conflicts of interest and information asymmetry. The Transaction constitutes an MBO as defined in the Fair M&A Guidelines.

The Committee believes that, in practice in Japan, an important criterion for judging the fairness of the procedures involved in the Transaction is whether or not these procedures are in compliance with the Fair M&A Guidelines. For this reason, below we discuss whether or not appropriate measures were taken in the Transaction in line with the fairness-ensuring measures set forth in the Fair M&A Guidelines.

(1) Establishment of an Independent Special Committee

(A) Timing of Establishment

As described in Part 2, 1 above, the Company's board of directors received from Mr. Nakatomi, on October 15, 2025, the initial oral suggestion for commencing discussions and negotiations toward implementation of the Transaction, followed by the Written Request received on October 20, 2025, in response to which the board of directors resolved on November 13, 2025 that the Committee be established. Subsequently, the first meeting of the Committee was held on the same day.

Therefore, the Committee finds that the Committee was involved in the Transaction from an initial stage of the process of formulating the terms and conditions of the Transaction.

(B) Composition of Committee Members (Independence, Affiliation, and Expertise)

The Company's board of directors appointed Mr. Tetsugo Matsuo, Ms. Tamako Watanabe, and Ms. Midori Noguchi, all of whom are the Company's independent Outside Directors, and Mr. Kentaro Watanabe, who is an independent Corporate Auditor of the Company. All four members of the Committee were independent from the Offeror, the Non-tendering Shareholders, the Foundations, the Financial Institutions, and SMBC Nikko Securities, and from success or failure of the Transaction, and did not have any material interest that was different from the Company's general shareholders in the Transaction. Mr. Yuichiro Anzai, who is an independent Outside Director of the Company, serves as a director of the Nakatomi Foundation, which is a shareholder of the Company and intends to roll over its equity interest in the Company into equity of the Offeror. As such, Mr. Anzai may be considered to have a special interest in the Offeror in the context of the Transaction. For this reason, Mr. Anzai was not appointed as a member of the Committee.

The independence of the Committee members has been confirmed for each member. Their appointment has been found to be made by giving sufficient consideration to their expertise and affiliation.

(C) Process of Establishment of the Committee and Appointment of Its Members

In light of the fact that the Transaction involves the structural conflicts of interest as described above, the Company's board of directors began to discuss the establishment of the Committee, its authority and responsibilities, and its members and their fees, based on Nishimura & Asahi's advice among other things. Of the directors of the Company, the following directors did not participate in any way and were not substantially involved in the above discussion or in the deliberations or resolutions on the establishment of the Committee or the appointment of its members, for the following reasons: (i) Mr. Nakatomi, because he is the Representative Director of the Offeror and intends to continue to manage the Company after the Transaction; (ii) Mr. Shinichi Murayama, because he is a shareholder of the Company and serves as a director of the Nakatomi Memorial Foundation which intends to roll over its equity interest in the

Company into equity of the Offeror; (iii) Mr. Yuichi Isobe, because he assists the Offeror in considering the Transaction; and (iv) Mr. Yuichiro Anzai, because he is a shareholder of the Company and intends to roll over his equity interest in the Company into equity of the Offeror (hereinafter Mr. Nakatomi, Mr. Shinichi Murayama, Mr. Yuichi Isobe, and Mr. Yuichiro Anzai are collectively referred to as the "**Conflict-of-Interest Directors**").

The Committee finds that, as described above, a system was secured where the Company's independent Outside Directors and independent Outside Corporate Auditor were substantially involved in the Committee on their own initiative in the processes of establishing the Committee, determining its authority and responsibilities, appointing its members, and determining their fees.

(D) Involvement in the Process of Negotiations of Transaction Terms with the Offeror

As described in Part 2, 1 above, when establishing the Committee, the Company's board of directors resolved that the board of directors must respect the Committee's opinion as much as possible when making decisions relating to the Transaction (including the Company's expression of its opinion on the Tender Offer), and must refrain from making a decision to conduct the Transaction if the Committee concludes that the Transaction is not appropriate. At the same time, based on the resolution of the Company's board of directors described above, the Company's board of directors resolved to authorize the Committee: (a) to nominate or approve (including giving subsequent approval of) the Company's Advisors; (b) to appoint Advisors to the Committee if deemed necessary by the Committee in considering the Consultation Matters; (c) to receive information necessary for the Committee to consider the Transaction and make decisions relating to the Transaction from the Company's officers and employees and other persons considered necessary by the Committee, in order to ensure that appropriate decisions are made; and (d) to be substantially involved in the process of negotiating the terms and conditions of the Transaction by, among other things, reviewing the policy for negotiating the terms and conditions of the Transaction in advance, receiving timely reports on the status of negotiations, expressing the Committee's opinion at critical phases, and giving instructions and making requests, and to directly conduct negotiations where necessary, in order to ensure the fairness of the terms and conditions of the Transaction.

In fact, the Committee not only received timely reports from the Company and MUMSS

on the course, details, etc. of discussions and negotiations between the Offeror and the Company on the Transaction but was also involved in the process of negotiations with the Offeror until the final proposal of 6,082 yen as the Tender Offer Price was received from the Offeror, after the Committee, together with the Company, had made approaches to the Offeror, including multiple requests for a revision of the Tender Office, etc., as described in 2 (1) above.

As described above, the Committee finds that it been directly and substantially involved, through the Company's board of directors, in the process of negotiations with the Offeror on the terms and conditions of the transaction.

(E) Process of Appointment of the Advisors

As described in Part 2, 1 above, in order to allow the Committee to consider the Consultation Matters, the Company's board of directors resolved to authorize the Committee: to nominate or approve (including giving subsequent approval of) the Company's Advisors; and appoint Advisors to the Committee if deemed necessary by the Committee. In response, at the first meeting of the Committee held on November 13, 2025, the Committee approved the appointment of the following entities as the Company's Advisors after confirming that there was no problem with their independence and expertise: Nishimura & Asahi, as the Company's legal advisor; and MUMSS, as the Company's financial advisor and third-party valuator.

The Committee finds that a system was secured where the Committee carefully considered and discussed the legitimacy and reasonableness of the purpose of the Transaction, the fairness and appropriateness of the terms and conditions of the Transaction, and the fairness of the procedures involved in the Transaction, among other things, for the purpose of increasing the corporate value of the Company and securing the interests of the Company's general shareholders, while receiving professional advice, opinions, etc. from Nishimura & Asahi and MUMSS in a timely manner in the process of considering the Transaction.

(F) Receipt of Information

As described in Part 2, 1 above, in order to allow the Committee to consider the

Consultation Matters, the Company's board of directors resolved to authorize the Committee to receive information necessary for the Committee to consider the Transaction and make decisions relating to the Transaction from the Company's officers and employees and other persons considered necessary by the Committee, in order to ensure that appropriate decisions are made by the Committee in considering the Transaction and making decisions relating to the Transaction. In response, the Committee, by exercising this authority, sent a written questionnaire to the Company, the Offeror, and Mr. Nakatomi in advance and received answers in advance, before conducting direct interviews with them and other activities.

Specifically, based on the details of the Offeror's proposal for the Transaction, the Committee received explanations on the Company's business overview, business environment, and business challenges, the details and assumptions of the Business Plans, and the impact of the Transaction on the Company's business, directly from the Company, the Offeror, and Mr. Nakatomi as necessary. In between the meeting dates of the Committee, the Committee collected information necessary to provide a report on the Consultation Matters through such means as email communications between the Company, the Advisors, and the committee members.

Thus, the Committee finds that it secured an environment that allowed it to obtain important information, including unpublished information, and to consider and make judgments based on such information.

(G) Fees

The Company's board of directors decided that the fees payable to the members of the Committee for their services be fixed regardless of the content of the committee's report.

In light of the fact that the special fees for the Committee to appropriately fulfill the roles expected of it in considering the Transaction are payable regardless of success or failure of the Transaction, the Committee finds that an environment has been created that encourages the members of the Committee to make commitments in terms of time and efforts and that allows them to make judgments independently of success or failure of the Transaction.

(H) Significance of the Committee's Decision for the Company's Board of Directors

As described in Part 2, 1 above, the Company's board of directors resolved that the board of directors must respect the Committee's opinion, including whether the Committee is in favor of the Tender Offer, as much as possible when making decisions relating to the Transaction, and must refrain from making a decision to conduct the Transaction if the Committee concludes that conducting the Transaction is not appropriate.

Thus, the Committee finds that a system was secured that allowed the Company's board of directors to make decisions relating to the Transaction with maximum respect for the Committee's opinions.

(l) Discussion System at the Company

Of the directors of the Company, the following directors did not in any way participate in the board of directors' deliberation or resolution of the proposal for the expression of the Company's opinion on the Tender Offer nor did they participate in any way in the discussions or negotiations with the Offeror regarding the Transaction on behalf of the Company, so as to avoid potential conflicts of interest in considering the Transaction since each of them may have a conflict with the Company in the Transaction for the following reasons: (i) Mr. Nakatomi, because he is the Representative Director of the Offeror and intends to continue to manage the Company after the Transaction; (ii) Mr. Shinichi Murayama, because he is a shareholder of the Company and serves as a director of the Nakatomi Memorial Foundation which intends to roll over its equity interest in the Company into equity of the Offeror; (iii) Mr. Yuichi Isobe, because he assists the Offeror in considering the Transaction; and (iv) Mr. Yuichiro Anzai, because he is a shareholder of the Company and intends to roll over his equity interest in the Company into equity of the Offeror.

In addition, after receiving the Written Request from Mr. Nakatomi on October 20, 2025, the Company set up a discussion system consisting only of a total of six members, including three directors (Mr. Kyu Saito, Mr. Nobuo Tsutsumi, and Mr. Koji Takiyama) and three employees of the Company who are believed to be independent from the Offeror, the Non-tendering Shareholders, the Foundations, the Financial Institutions, and SMBC Nikko Securities, as well as from the Transaction. Together with the Committee, this discussion system has been involved in the process of negotiation

between the Company and the Offeror on the terms and conditions of the Transaction, including the Tender Offer Price, Etc., as well as in the process of creation of the Business Plans.

Thus, the Committee finds that the following systems were set up at the Company to consider and negotiate the Transaction: (i) the internal discussion system independent from the Offeror, the Non-tendering Shareholders, the Foundations, the Financial Institutions, and SMBC Nikko Securities, as well as from success or failure of the Transaction; and (ii) the system that prevents directors and corporate auditors having an interest in the Transaction from being involved in the consideration of or negotiations on the Transaction.

(J) Sub-summary

As discussed in (A) through (I) above, the Committee finds that in order to accommodate consideration of the Transaction, the independent Committee was established by giving consideration to the suggestions made in the Fair M&A Guidelines regarding efforts to enhance the effectiveness of the Committee, and that the Committee has functioned effectively.

(2) Receipt of Professional Advice, etc. from Independent External Professionals

(A) Receipt of Advice from the Legal Advisor

The Committee finds that, in the Transaction, the Company appointed Nishimura & Asahi as the Company's legal advisor that is independent from the Company Group, the Offeror, the Non-tendering Shareholders, the Foundations, the Financial Institutions, and SMBC Nikko Securities and received from Nishimura & Asahi necessary legal advice on the methods and process of decision-making by the Company's board of directors, including various procedures involved in the Transaction, as well as on other points to note, in order to ensure the fairness and appropriateness of the process of decision-making by the Company's board of directors relating to the Tender Offer.

While Nishimura & Asahi is the Company's legal counsel, it is an outside law firm that provides legal services to a large number of clients as well as to the Company. The Company has a legal advisory agreement with Nishimura & Asahi as one of its clients

to continually seek and receive legal advice from it in its capacity as an outside legal expert regarding the Company's business or business decisions, based on Nishimura & Asahi's experience and specialties. The fact that the Company has that legal advisory agreement with Nishimura & Asahi does not compromise its independence from the Company. In addition, the fees payable to Nishimura & Asahi in connection with the Transaction are hourly rates only, regardless of success or failure of the Transaction, and do not include any contingency fee payable subject to the successful consummation of the Transaction, which means that Nishimura & Asahi has no material interest in success or failure of the Transaction. Therefore, the Committee believes that there is no problem with Nishimura & Asahi's independence from the Company Group, the Offeror, the Non-tendering Shareholders, the Foundations, the Financial Institutions, and SMBC Nikko Securities, and from success or failure of the Transaction.

(B) Receipt of a Share Valuation Report from the Third-Party Valuator and Receipt of Advice from the Financial Advisor

In order to ensure the fairness of the process of decision-making on the Tender Offer Price and other terms and conditions presented by the Offeror in the course of consideration of the Transaction, the Company: (i) appointed MUMSS as the Company's financial advisor and third-party valuator that is independent from the Company Group, the Offeror, the Non-tendering Shareholders, the Foundations, the Financial Institutions, and SMBC Nikko Securities; (ii) requested MUMSS to evaluate the stock value of the Company; and (iii) received the Share Valuation Report dated January 6, 2025. The Company has not obtained from MUMSS an opinion letter on the fairness of the Tender Offer Price and other terms and conditions (a fairness opinion). The Committee finds that MUMSS is not a related party of the Offeror or the Company Group and does not have any material interest in the Transaction.

While the fees payable to MUMSS in relation to the Transaction include a contingency fee payable subject to the successful consummation of the Transaction, the Committee believes that the fact that this contingency fee is included in the fees payable to MUMSS does not deny the independence of MUMSS when taking into consideration, among other things, general business practices in similar transactions and whether or not it is appropriate to use a fee system that imposes reasonable financial burden on the Company if the Transaction fails to take place.

(3) Securing an Opportunity for Other Offerors to Make a Takeover Offer (Market Check)

In the Transaction, the Tender Offer Period is set at 30 business days, which is longer than the statutory minimum period of 20 business days. According to the Offeror, the Offeror's intention in setting the Tender Offer Period that is long in light of the statutory minimum period is to ensure the appropriateness of the Tender Offer Price and other terms and conditions by securing an appropriate opportunity for the Company's minority shareholders to make their decision on whether or not to tender their shares in the Tender Offer, and by securing an opportunity for entities other than the Offeror ("Counter Offerors") to launch a counter tender offer or the like for shares of the Company's Stock. The Offeror has made no agreement with the Company that would restrict the Company from coming into contact with Counter Offerors.

Thus, a so-called indirect market check has been conducted in the Transaction, by conducting an M&A after creating an environment that allows Counter Offerors to make a counter offer after the announcement of the Tender Offer.

The Transaction does not involve a so-called active market check, which is investigating and considering whether or not there are other potential offerors in the market. However, the Fair M&A Guidelines point out some practical issues with an active market check, such as concerns over potential hindrance to M&As as well as information control issues. The Fair M&A Guidelines do not go so far as to say that an active market check is a measure that should preferably be taken in all instances (3.4.3.1 of the Fair M&A Guidelines). The Committee believes that, since the Transaction involves an indirect market check as described above, the fairness of the Transaction will not particularly be hindered even if it does not involve an active market check, for the following reasons: (i) as with any other transaction, it is not always easy in practice to conduct an active market check in the Transaction due to concerns over potential hindrance to M&As as well as information control issues; and (ii) it is not likely that any counter offer will be made against the Offeror's takeover offer, in light of, among other things, the fact that the Offeror, the Non-tendering Shareholders, the Foundations, the Financial Institutions, and SMBC Nikko Securities currently hold a total of more than 30% of the Company's Stock, and that the Transaction constitutes an MBO by Mr. Nakatomi, who has no intention to sell his shares of the Company Stock to anyone.

Therefore, the Committee believes that in the Transaction, an opportunity has been

secured for other potential offerors to make a takeover offer, since the Committee finds that while the Transaction constitutes an MBO and is not amenable to an active market check in some way, an indirect market check has been conducted in the Transaction.

(4) Provision of Extensive Information to the Company's General Shareholders; Increasing the Transparency of the Process

(A) Information on the Committee

The Committee considers that such information on the Committee as required by the Fair M&A Guidelines will be fully disclosed, since the following information will be disclosed in the Company's disclosure statement: (I) information on the independence and expertise of the members of the Committee; (II) the content of the resolution of the Company's board of directors to the effect that board of directors must respect the Committee's opinions as much as possible; (III) the course of discussions by the Committee; (IV) information on the Committee's substantial involvement in the negotiations between the Company and the Offeror; (V) the details of and reasons for the Committee's report (including the fairness and reasonableness of the purpose of the Transaction, the fairness and appropriateness of the terms and conditions of the Transaction, the fairness of the procedures involved in the Transaction, and the reasons for judging whether conducting the Transaction will be disadvantageous to the Company's minority shareholders); and (VI) the fact that the members of the Committee serve on the Committee for fees apart from remuneration for officers.

(B) Information on the Share Valuation Report

The Committee considers that such information on the share valuation report as required by the Fair M&A Guidelines will be fully disclosed, since the following information will be disclosed in the Company's disclosure statement: (I) out of the content of the Share Valuation Report received by the Company's board of directors from MUMSS, the information on the valuation methods (i.e., the market share price analysis, the comparable company analysis, and the DCF Analysis) and on the process of calculation of the Company's stock value based on these methods; and (II) the fact that MUMSS is independent from, and has no material interest in, the Company Group, the Offeror, the Non-tendering Shareholders, the Foundations, the Financial Institutions, and SMBC Nikko Securities.

(C) Other Information

The Committee considers that all other information required by the Fair M&A Guidelines will be fully disclosed, since the following and other information will be disclosed in the Company's disclosure statement:

- (I) The process leading up to conducting the Transaction, and the background, purpose, etc. of choosing to conduct the Transaction at that timing in light of the Company's business environment.
 - (II) The fact that the Conflict-of-Interest Directors may have a conflict of interest with the Company, and that the Conflict-of-Interest Directors were excluded from the process of decision-making during consideration of the Transaction by the Company's board of directors.
 - (III) The specific course of discussions and negotiations between the Company and the Offeror on the terms and conditions.
 - (IV) Information on the implementation of an indirect market check as a measure to accommodate counter offers.
 - (V) Whether or not any directors objected in the Company's board of directors' resolution to decide whether the board of directors is in favor of the Transaction.
- (5) Provision of Extensive Information to the Company's General Shareholders; Increasing the Transparency of the Process

If the Offeror fails to acquire all of the Company's Stock (including the shares of the Company's Stock to be delivered through exercise of the Share Acquisition Rights and excluding the treasury shares held by the Company and the Non-tendered Shares), the Share Acquisition Rights, and the ADRs through the Tender Offer in the Transaction, the procedure for the Share Consolidation is scheduled to take place for the purpose of allowing the Offeror to acquire all issued shares of the Company (i.e., a squeeze-out).

In the meantime, no circumstances exist that create a speculation that shareholders who do not submit their shares in the Tender Offer will suffer detrimental treatment, since the Offeror has made it clear, in its disclosure statement and other documents related to the Transaction, that the amount of money to be delivered to any shareholders who did not tender their shares in the Tender Offer in consideration of their shares

consolidated in the process of the Share Consolidation will be calculated and determined based on the same price as the Tender Offer Price. The Committee believes that this, coupled with the fact that the Tender Offer Period is set at a relatively long period as described in (3) above, secures an opportunity for the Company's shareholders to make an appropriate decision as to whether or not to tender their shares in the Tender Offer, and that by this opportunity, consideration is given to prevent coercing the Company's shareholders into tendering their shares in the Tender Offer.

(6) Sub-summary

The Committee believes that the fairness of the procedures involved in the Transaction is ensured, since appropriate actions have been taken in the Transaction in accordance with the fairness-ensuring measures suggested in the Fair M&A Guidelines, as discussed in (1) through (5) above.

4. Whether or not the Transaction Is Fair for the Company's General Shareholders

The Committee believes that the Transaction is fair for the Company's general shareholders, considering, as discussed in 1 through 3 above, that the Committee believes that the purpose of the Transaction is legitimate and reasonable, that the terms and conditions of the Transaction are fair and appropriate, and that the procedures involved in the Transaction are fair.

5. Whether or not it is appropriate for the Company's board of directors to express its opinion in support of the Tender Offer and to recommend the Company's shareholders to tender their shares in the Tender Offer

As discussed in 1 through 4 above, the Committee believes that the purpose of the Transaction is reasonable since the Transaction will contribute to maximizing the value of the Company and the common interests of its shareholders. The Committee also believes that the procedures involved in the Transaction are fair, and that the terms and conditions of the Transaction are appropriate.

Therefore, the Committee believes that it is appropriate for the Company's board of directors to: (i) express its opinion in support of the Tender Offer; (ii) recommend that the Company's shareholders tender their shares in the Tender Offer; (iii) recommend

that the holders of the ADRs deliver their ADRs to the Depository Bank in advance and to receive their shares in the Company's Stock corresponding to the ADSs represented by the ADRs, before tendering their shares in the Company's Stock in the Tender Offer; and (iv) leave the decision of whether or not to tender the Share Acquisition Rights in the Tender Offer to the discretion of the holders of the Share Acquisition Rights.

- ④ Unanimous Approval by All of the Non-interested Directors of the Company and No Objection from Any of the Non-interested Corporate Auditors

As described in "(III) The Company's Decision-Making Process Leading to Its Decision to Support the Tender Offer and Reasons Therefor" in "(2) Grounds and Reasons for the Company's Opinion" above, the Company's board of directors carefully discussed and considered whether or not the Transaction, including the Tender Offer, would contribute to increasing the corporate value of the Company Group and whether or not the terms and conditions of the Transaction, including the Tender Offer Price, were appropriate, based on the legal advice received from Nishimura & Asahi, the advice given by MUMSS from financial perspectives, and the content of the Share Valuation Report, and with maximum respect for the content of the decision of the Special Committee described in the Written Report.

After the discussion and consideration, the Company's board of directors concluded that the Transaction, including the Tender Offer, was expected to increase the corporate value of the Company Group, that the Tender Offer Price and other terms and conditions of the Tender Offer were reasonable for the Company's shareholders, and that the Tender Offer would provide the Company's shareholders with a reasonable opportunity to sell their shares, as described in "(III) The Company's Decision-Making Process Leading to Its Decision to Support the Tender Offer and Reasons Therefor" in "(2) Grounds and Reasons for the Company's Opinion" above. Therefore, at the Company's board of directors' meeting held today, the Company's directors who participated in the deliberation and resolution (i.e., six directors, excluding Mr. Kazuhide Nakatomi, Mr. Shinichi Murayama, Mr. Yuichi Isobe, and Mr. Yuichiro Anzai) have unanimously resolved that the Company express its opinion in support of the Tender Offer, and that the Company (i) recommend that its shareholders tender their shares in the Tender Offer, (ii) recommend that the holders of the ADRs deliver their ADRs to the Depository Bank in advance and receive their shares in the Company's Stock corresponding to the ADSs represented by the ADRs, before tendering their shares in the Company's Stock in the Tender Offer, and (iii) leave the decision of whether or not to tender the Share Acquisition

Rights in the Tender Offer to the discretion of the Share Acquisition Right Holders.

Of the directors of the Company, the following directors did not in any way participate in the board of directors' deliberation or resolution of the proposal for the expression of the Company's opinion on the Tender Offer nor did they participate in any way in the discussions or negotiations with the Offeror regarding the Transaction on behalf of the Company, so as to avoid potential conflicts of interest since each of them may have a conflict with the Company in the Transaction for the following reasons: (i) Mr. Kazuhide Nakatomi, because he is the Representative Director of the Offeror and intends to continue to manage the Company after the Transaction; (ii) Mr. Shinichi Murayama, because he is a shareholder of the Company and serves as a director of the Nakatomi Memorial Foundation which intends to roll over its equity interest in the Company into equity of the Offeror; (iii) Mr. Yuichi Isobe, because he assists the Offeror in considering the Transaction; and (iv) Mr. Yuichiro Anzai, because he is a shareholder of the Company and intends to roll over his equity interest in the Company into equity of the Offeror.

At the board of directors' meeting mentioned above, three of the four corporate auditors of the Company (two of whom are outside corporate auditors), excluding Mr. Nobuyuki Nakatomi, have unanimously expressed their opinion that they have no objection to the resolution described above. Mr. Nobuyuki Nakatomi did not in any way participate in the deliberation of the proposals relating to the Transaction, including the Tender Offer, at the board of directors' meeting mentioned above and refrained from expressing his opinion on the board of directors' resolution described above, in order to avoid potential conflicts of interest because he is a relative of Mr. Kazuhide Nakatomi. Mr. Nobuyuki Nakatomi did not in any way participate in the discussions or negotiations with the Offeror on behalf of the Company either.

⑤ Establishment of an Independent Discussion System at the Company

For the purpose of eliminating the structural conflict-of-interest issues, the Company established an internal system for conducting discussions and negotiations and making decisions relating to the Transaction independently of the Offeror, the Non-tendering Shareholders, the Foundation, the Tendering Financial Institutions, and SMBC Nikko Securities. Specifically, after receiving the Written Request on October 20, 2025, the Company set up a discussion system consisting only of a total of six members, including three directors (Mr. Kyu Saito, Mr. Nobuo Tsutsumi, and Mr. Koji Takiyama) and three employees of the Company who are believed to be independent from the Offeror, the

Non-tendering Shareholders, the Foundation, the Tendering Financial Institutions, and SMBC Nikko Securities. Together with the Special Committee, this discussion system has been involved in the process of negotiation between the Company and the Offeror on the terms and conditions of the Transaction, including the Tender Offer Price, as well as in the process of creation of the Business Plans. In addition, for the reasons described in "(IV) Unanimous Approval by All of the Non-interested Directors of the Company and No Objection from Any of the Non-interested Corporate Auditors" above, the Company decided to eliminate the involvement of Mr. Kazuhide Nakatomi, Mr. Shinichi Murayama, Mr. Yuichi Isobe, and Mr. Yuichiro Anzai in the processes described above, and this elimination has continued up to this day.

The internal discussion system for the Transaction set up by the Company, including how the system has been involved in the Company's activities described above and, more specifically, the scope and duties of officers and employees involved in discussions, negotiations, and decision-making relating to the Transaction (including duties that require high level of independence, such as creating the Business Plans), is based on the advice from Nishimura & Asahi. The Special Committee has approved the system in terms of being free from independence issues.

⑥ Securing Objective Circumstances to Ensure the Fairness of the Tender Offer

While the minimum statutory offer period for a tender offer is 20 Business Days, the Offeror has set the Tender Offer Period at 30 Business Days. By setting the Tender Offer Period that is long in light of the statutory minimum period, the Offeror intends to ensure the fairness of the Tender Offer by securing an appropriate opportunity for the Company's shareholders to make their decision on whether or not to tender their shares in the Tender Offer, and by securing an opportunity for persons other than the Offeror (any such person, a "Counter Offeror") to launch a counter tender offer or the like. The Offeror and the Company have made no agreement containing a deal protection clause that would prohibit the Company from coming into contact with entities other than the Offeror (each, a "Counter Offeror") or any other agreement that would restrict any such Counter Offeror from coming into contact with or otherwise approaching the Company. This, together with the longer Tender Offer Period, secures an opportunity for counter tender offers or the like, through which the Offer and the Company give consideration to ensure the fairness of the Tender Offer.

In this regard, the Tender Offer does not involve a so-called active market check (including, among others, a tender offer process before the announcement of the

Transaction), which is investigating and considering whether or not there are other potential offerors in the market. As described in the Written Report, the Special Committee has concluded that the fairness of the procedures involved in the Tender Offer will not be impaired by the absence of an active market check, for the following reasons: (i) it is not always easy in practice to conduct an active market check due to concerns over potential hindrance to M&As as well as information control issues; and (ii) it is not likely that any counter offer will be made against the Offeror's takeover offer, in light of, among other things, the fact that the Offeror, the Non-tendering Shareholders, the Foundations, the Tendering Financial Institutions, and SMBC Nikko Securities currently hold a total of more than 30% of the Company's Stock, and that the Transaction constitutes an MBO by Mr. Kazuhide Nakatomi, who has no intention to sell his shares of the Company Stock to anyone.

4. Future Outlook

As described in “① Delisting” under “(2) Expected Delisting” of “3. Basis, etc. for the Amount of Cash Expected to Be Delivered to Shareholders as a Result of the Treatment of Fractional Shares in Connection with the Share Consolidation” above, the Company's Stock is expected to be delisted in connection with the implementation of the Share Consolidation.

The Transaction constitutes a so-called management buyout (MBO), and Mr. Kazuhide Nakatomi is expected to continue to be involved in the management of the Company after the Transaction.

For further details, please refer to “3. Opinion of the Company on the Tender Offer,” “(2) Grounds and Reasons for the Company's Opinion,” “② Background, Purpose, and Decision-Making Process Leading the Offeror to Decide to Implement the Tender Offer and Management Policy After the Tender Offer,” “(ii) Management Policy After the Tender Offer” of the Opinion Statement Press Release.

5. Matters concerning MBO, etc.

(1) Applicability of the “Compliance Matters for MBOs, etc.”

The Share Consolidation is implemented as part of the Transaction, which constitutes a so-called management buyout (MBO). Accordingly, the “Compliance Matters for MBOs, etc.” set forth in Article 441 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc. apply.

- (2) Status of Compliance with the Guidelines on Measures for the Protection of Minority Shareholders in Transactions with a Controlling Shareholder, etc.

As of March 13, 2026, the Offeror constitutes the parent company of the Company, and the Share Consolidation is a transaction intended to make the Offeror and the Non-tendering Shareholders the only shareholders of the Company. Accordingly, the transaction relating to the Share Consolidation constitutes a transaction with a controlling shareholder, etc.

In implementing the Share Consolidation, as described in “(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest” under “3. Basis, etc. for the Amount of Cash Expected to Be Delivered to Shareholders as a Result of the Treatment of Fractional Shares in Connection with the Share Consolidation” above, the Company’s board of directors carefully discussed and considered the Transaction based on the Share Valuation Report prepared by MUMSS, the legal advice received from Nishimura & Asahi regarding the procedures for the Transaction, including the Share Consolidation, the method and process of decision-making by the board of directors and other relevant points of attention, the Written Report submitted by the Special Committee, and other related materials.

As a result, the Company believes that it has taken appropriate measures so as not to disadvantage minority shareholders, and has determined that the Transaction complies with the above-mentioned guidelines.

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

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

- (4) Summary of the Opinion Obtained from a Person Independent from the Controlling Shareholder Regarding Whether the Transaction Is Fair for General Shareholders

As of January 6, 2026, the Company received the Written Report from the Special Committee stating that the implementation of the Transaction is considered to be fair for the general shareholders of the Company.

For further details, please refer to “③ Establishment of an Independent Special Committee at the Company and Receipt of a Written Report from the Special Committee” under “(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest” of “3. Basis, etc. for the Amount of Cash Expected to Be Delivered to Shareholders as a Result of the Treatment of Fractional Shares in Connection with the Share Consolidation” above.

Since the Written Report relates to the Transaction, including the transaction relating to the Share Consolidation implemented as a procedure to make the Offeror and the Non-tendering Shareholders the only shareholders of the Company (the “Squeeze-out Procedures”), the Company has not newly obtained an opinion from a person independent from the controlling shareholder in implementing the transaction relating to the Share Consolidation as part of the Squeeze-out Procedures.

IV. Abolition of Provisions on Share Units

1. Reason for the Abolition

If the Share Consolidation becomes effective, the total number of issued shares of the Company will be three (3) shares, and therefore it will no longer be necessary to prescribe the number of shares constituting one (1) share unit.

2. Schedule of the Abolition

(i)	Date of the Board of Directors' Resolution	March 13, 2026 (Friday)
(ii)	Date of Resolution at the Extraordinary General Shareholders' Meeting	April 17, 2026 (Friday) (scheduled)
(iii)	Effective Date of the Abolition	May 13, 2026 (Wednesday) (scheduled)

3. Conditions for the Abolition

The abolition of the provisions on share units is subject to the condition that, at the Extraordinary General Shareholders' Meeting, the proposal relating to the Share Consolidation and the proposal relating to the partial amendment of the Articles of Incorporation for the abolition of the provisions on share units (please refer to “V. Partial Amendment of the Articles of Incorporation” below) are approved and adopted as originally proposed, and that the Share Consolidation becomes effective.

V. Partial Amendment to the Articles of Incorporation

1. Purpose of the Amendments to the Articles of Incorporation

- (1) If the proposal regarding the Share Consolidation is approved and passed as originally drafted and the Share Consolidation takes effect, the total number of authorized shares of the Company will be reduced to 12 shares in accordance with the provisions of Article 182, paragraph (2) of the Companies Act. In order to clarify this point, Article 5 (Total Number of Authorized Shares) will be amended on the condition that the Share Consolidation takes effect.
- (2) If the proposal regarding the Share Consolidation is approved and passed as originally drafted, the Company's Stock is expected to be delisted, and, following the delisting, the Company's Stock will no longer be tradable on the Prime Market of the TSE. Accordingly, subject to the Share Consolidation becoming effective, the Company proposes to delete Article 6 (Acquisition of Treasury Shares) of the Articles of Incorporation in its entirety and to renumber the subsequent articles as a result of such deletion.
- (3) If the proposal relating to the Share Consolidation is approved and adopted as originally proposed and the Share Consolidation becomes effective, the total number of issued shares of the Company will be three (3) shares, and it will therefore no longer be necessary to provide the share unit system. Accordingly, subject to the Share Consolidation becoming effective, the Company proposes to abolish the current share unit system, under which one (1) unit consists of 100 shares, by deleting Article 7 (Share Units) and Article 8 (Restrictions on the Rights of Holders of Shares Less Than One Unit) of the Articles of Incorporation in their entirety, and partially deleting Article 10 (Regulations on Handling of Shares), and to renumber the subsequent articles as a result of such amendments.
- (4) If the proposal relating to the Share Consolidation is approved and adopted as originally proposed and the Share Consolidation becomes effective, the Company's shareholders will be limited to the Offeror and the Non-tendering Shareholders only, and, as a result of the implementation of the Share Consolidation, the Company's Stock will be delisted. Accordingly, the provisions regarding the record date for the annual general shareholders' meeting and the provisions regarding the electronic provision system for shareholders' meeting materials will no longer be necessary. Therefore, subject to the Share Consolidation becoming effective, the Company proposes to delete Article 11 (Record Date) and Article 14 (Electronic Provision Measures, etc.) of the Articles of Incorporation in their entirety, and to renumber the subsequent articles as a result of such deletion.

2. Details of the Amendments to the Articles of Incorporation

The details of the amendments are as set forth below.

(The underlined parts show the changes.)

Current Articles of Incorporation	Proposed Amendments
(Total Number of Shares Authorized to be Issued)	(Total Number of Shares Authorized to be Issued)
<p>Article 5. The total number of shares authorized to be issued by the Company shall be <u>three hundred and eighty million (380,000,000)</u> shares.</p>	<p>Article 5. The total number of shares authorized to be issued by the Company shall be <u>twelve (12)</u> shares.</p>
(Acquisition of Treasury Stock)	(Deleted)
<p>Article 6. <u>The Company may acquire treasury stock by market transactions, etc. in accordance with a resolution of the Board of Directors.</u></p>	
(Number of Shares Constituting One Unit)	(Deleted)
<p>Article 7. <u>The number of the Company's shares constituting one (1) unit shall be one hundred (100)</u></p>	
(Restriction of Rights of Shareholders Holding Fractional Unit Shares)	(Deleted)
<p>Article 8. <u>The shareholders of the Company holding fractional unit shares may not exercise any rights other than those specified below:</u></p>	
<p>(1) <u>The right specified in any of the items of Article 189, Paragraph 2 of the Company Law;</u></p>	

Current Articles of Incorporation	Proposed Amendments
(2) <u>The right to claim acquisition pursuant to Article 166, Paragraph 1 of the Company Law; and</u>	
(3) <u>The right to receive the allotment of shares for offering or rights to subscribe for new shares for offering.</u>	
<u>Articles 9.</u> (Omitted)	<u>Articles 6.</u> (Unchanged)
(Share Handling Regulations)	(Share Handling Regulations)
<u>Article 10.</u> In addition to the provisions of laws and regulations or these Articles of Incorporation, the procedures and charges for all affairs related to shares and rights to subscribe for new shares, such as making entries or records into register of shareholders and registry of rights to subscribe for new shares <u>and repurchase of fractional unit shares</u> , shall be as specified in the Share Handling Regulations determined by the Board of Directors.	<u>Article 7.</u> In addition to the provisions of laws and regulations or these Articles of Incorporation, the procedures and charges for all affairs related to shares and rights to subscribe for new shares, such as making entries or records into register of shareholders and registry of rights to subscribe for new shares, shall be as specified in the Share Handling Regulations determined by the Board of Directors.
<u>(Record Date)</u>	(Deleted)
<u>Article 11.</u> The Company shall deem the <u>shareholders having voting rights entered into or recorded in the last register of shareholders as of the end of February each year as the shareholders entitled to exercise their rights in the ordinary</u>	

Current Articles of Incorporation	Proposed Amendments
<p><u>general meeting of shareholders concerning the fiscal year.</u></p> <p>② <u>Notwithstanding the preceding paragraph, the Company may, if necessary, deem the shareholders or registered pledgees of shares entered into or recorded in the last register of shareholders as of a certain date as the shareholders or the registered pledgees of shares entitled to exercise their rights by giving prior public notice thereof in accordance with a resolution of the Board of Directors.</u></p>	
<p>Articles 12. to 13. (Omitted)</p>	<p>Articles 8. to 9. (Unchanged)</p>
<p>(Electronic Provision Measures, etc.)</p>	<p>(Deleted)</p>
<p>Article 14.</p> <p><u>The Company shall, in convening a general meeting of shareholders, take electronic provision measures with respect to information that constitutes the content of the reference documents for the general meeting of shareholders and other related materials..</u></p>	
<p>② <u>The Company may elect not to include, in the documents to be delivered to shareholders who have requested, in writing, the delivery of documents by the voting record date, all or part of the matters subject to electronic provision measures as prescribed by Ordinance of</u></p>	

Current Articles of Incorporation	Proposed Amendments
<u>the Ministry of Justice.</u>	
<u>Articles 15. to 48.</u> (Omitted)	<u>Articles 10. to 43.</u> (Unchanged)

3. Date of Amendment

(i)	Date of resolution at board of directors meeting	March 13, 2026 (Friday)
(ii)	Date of holding Extraordinary Shareholders Meeting	April 17, 2026 (Friday) (scheduled)
(iii)	Effective date	May 13, 2026 (Wednesday) (scheduled)

4. Conditions for Amendments to Articles of Incorporation

The amendment will take effect on condition that the proposal regarding the Share Consolidation is approved and passed at the Extraordinary Shareholders Meeting as originally drafted and the Share Consolidation takes effect.