



April 8, 2026

To whom it may concern:

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(Securities code: 1726; the Prime Market of the TSE)
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Notice Concerning Share Consolidation, Abolition of the Provision on Share Units and Partial Amendments to the Articles of Incorporation

Br. Holdings Corporation (the "Company") hereby announces that, by a written resolution of its board of directors dated as of today, the Company resolved to convene an extraordinary shareholders' meeting that is scheduled to be held on May 15, 2026 (the "Extraordinary Shareholders' Meeting") and to submit to the Extraordinary Shareholders' Meeting proposals for a share consolidation, the abolition of the provision on share units, and partial amendments to the Articles of Incorporation, as detailed below.

In the course of the above procedures, the Company's shares of common stock (the "Company's Stock") will meet the delisting criteria stipulated in the Securities Listing Regulations of the Tokyo Stock Exchange, Inc. (the "TSE"). As a result, the Company's Stock will be designated as securities to be delisted (*seiri meigara*) from May 15, 2026 until May 31, 2026, and subsequently delisted on June 1, 2026. Please note that, after being delisted, the Company's Stock will no longer be traded on the Prime Market of the TSE.

I. Share Consolidation

1. Purpose of and Reasons for the Share Consolidation

As stated in the "Notice Concerning Opinion in Favor of Tender Offer for the Company's Shares, Etc. by Yokogawa Bridge Holdings Corp. and Recommendation to Tender" published by the Company on February 4, 2026 (the "Press Release on the Company's Opinion"), Yokogawa Bridge Holdings Corp. (the "Offeror") has decided, for the purpose of privatizing the Company's Stock listed on the Prime Market of the TSE, to conduct a tender offer (the "Tender Offer") for the Company's Stock and the Stock Acquisition Rights (Note 1) as a part of transactions (the "Transaction") aimed at acquiring all shares of the Company's Stock (including the shares of the Company's Stock to be issued upon exercise of the Stock Acquisition Rights, but excluding the treasury shares owned by the Company) and all of the Stock Acquisition Rights, and making the Company a wholly-owned subsidiary of the Offeror.

(Note 1) "Stock Acquisition Rights" collectively refers to the stock acquisition rights stated in items (i) through (iii) below:

- (i) The first stock acquisition rights issued pursuant to the resolution of the Company's board of directors adopted at its meeting held on June 25, 2015 (Exercise period: From July 28, 2015 to July 27, 2045);
- (ii) The second stock acquisition rights issued pursuant to the resolution of the Company's board of directors adopted at its meeting held on June 24, 2016 (Exercise period: From July 22, 2016 to July 21, 2046); and
- (iii) The third stock acquisition rights issued pursuant to the resolution of the Company's board of directors adopted at its meeting held on June 23, 2017 (Exercise period: From July 25, 2017 to July 24, 2047).

Subsequently, as stated in "Notice Concerning Results of Tender Offer for the Company's Shares, Etc. by Yokogawa Bridge Holdings Corp., and Change in Status of the Parent Company and the Largest Major Shareholder" published by the Company on March 24, 2026, the Offeror conducted the Tender Offer from February 5, 2026, to March 23, 2026,

and as a result, as of March 30, 2026 (the commencement date for settlement of the Tender Offer), the Offeror came to hold 36,026,555 shares of the Company's Stock (Shareholding ratio (Note 2): 79.14%).

(Note 2) "Shareholding ratio" refers to the ratio of shares (rounded to the nearest hundredth; hereinafter the same for the calculation of shareholding ratio) calculated by dividing the number of shares by the total number of issued shares of the Company (45,795,000 shares) as of September 30, 2025 as stated in the semi-annual securities report - 24th Period (2025.04.01 - 2026.03.31) submitted by the Company on November 12, 2025, plus the number of shares of the Company's Stock (272,000 shares) to be issued upon exercise of the Stock Acquisition Rights (1,360 units) existing as of September 30, 2025 (totaling to 46,067,000 shares) after deducting the number of treasury shares owned by the Company as of September 30, 2025 (522,372 shares) as stated in the "Summary of (Consolidated) Financial Results for the Second Quarter (Medium Term) of Fiscal Year ending March 31, 2026 (under Japanese GAAP)" announced by the Company on November 7, 2025 and the number of restricted shares acquired by the Company free of charge on December 15, 2025 (20,000 shares) pursuant to the provisions of the share allotment agreement on the restricted shares in the Company granted to the directors of the Company, the directors of subsidiaries of the Company, or the Employee Stock Ownership Plan of the Company as restricted stock units due to the resignation of Mr. Kimiyasu Fujita ("Mr. Fujita"), who was the former representative director and president of the Company and who is now deceased, from the position of director of the Company (which will result in 45,524,628 shares) (the "Standard Number of Shares").

The purpose and background of the Transaction, including the Tender Offer and the consolidation of the Company's Stock to make the Offeror the sole shareholder of the Company (the "Share Consolidation"), have been stated in detail in the Press Release on the Company's Opinion, but are outlined again below. Of the following statements, the statements regarding the Offeror are based on the explanation received from the Offeror.

(i) Offeror's proposal and background to the establishment of an evaluation framework

As described in "(II) Background, purposes, and decision-making process leading to the implementation of the Tender Offer by the Offeror" in "(2) Grounds and reasons for the opinion on the Tender Offer" under "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" in the Press Release on the Company's Opinion, the Company recognized that, in light of significant changes in the business environment surrounding the Company and the construction industry, it is indispensable to strengthen its business foundation by utilizing external management resources in order to realize "Br. VISION 2030" which is the long term vision pursued by Br. Holdings Group (meaning the Company's group consists of the Company, which is the holding company managing the operations of its group subsidiaries and the leasing of real estate held by the Company, and five consolidated subsidiaries (KYOKUTO KOWA CORPORATION, Higashi Nippon Concrete Co., Ltd., Yutaka Kogyo K.K., Kyokuto Takamiya Co., Ltd., and KN Information Systems Corporation), totaling six companies; the same applies hereinafter) and achieve sustainable growth. As background, with the aim of expanding business scale and strengthening competitiveness, the Company had, since its establishment, continued to explore collaboration with partner companies that would contribute to enhancing corporate value as one of its strategic options; however, from the perspectives of the Company's financial condition, business synergies, and the risks associated with management integration, such collaborations were not ultimately implemented. Against this backdrop, the Company had an opportunity on October 3, 2025 for the Company's management to meet with the Offeror. At that meeting, the Offeror expressed a positive intention to pursue alliance with the Company, and the parties have since engaged in repeated discussions.

Thereafter, on November 14, 2025, the Company received from the Offeror a letter of intent (the "Letter of Intent") regarding, among other things, the delisting of the Company's Stock through the Tender Offer, and at the Company's board of directors' meeting held on November 21, 2025, the Company resolved to give sincere

consideration to the contents of the Letter of Intent from the perspective of enhancing the Company's medium- to long-term corporate value. Furthermore, to intensify its consideration of the Transaction, the Company, on November 21, 2025, appointed Nomura Securities Co., Ltd. ("Nomura Securities") as an independent financial advisor and third-party valuator, and Anderson Mori & Tomotsune ("AMT") as an independent legal advisor. Both firms are independent of the Offeror and the Company (the "Tender Offer-related Parties") and the outcome of the Transaction.

In considering the Transaction, the Company noted that, although the Transaction does not constitute a so-called management buyout (MBO) (Note 3) or a related-party transaction with a controlling shareholder, in light of the fact that a majority of the Company's directors are not outside directors, and that privatization of the Company's Stock by way of a cash-out is planned during the course of the Transaction, which makes the fairness of the transaction terms particularly important to shareholder interests, and for purposes of eliminating arbitrariness in its decision-making as a listed company regarding the Transaction, and ensuring fairness, transparency, and objectivity in such decision-making process, as described in "E. Establishment by the Company of an independent special committee and procurement of a written report from the special committee" in "(3) Measures to ensure fairness of the Transaction and to prevent conflict of interest" under "3. Grounds, etc. for the Amount of Cash Expected to Be Delivered to the Shareholders as a Result of the Treatment of Fractional Shares Resulting from the Share Consolidation" below, the Company's board of directors, at its meeting held on November 21, 2025, resolved to establish a special committee (the "Special Committee") composed of independent outside directors who are independent of the Tender Offer-related Parties and the outcome of the Transaction: Mr. Yoshiharu Sagami (the Company's Independent Outside Director (Audit and Supervisory Committee Member); Outside Director of JMS Co., Ltd. (Audit and Supervisory Committee Member)), Mr. Fusanori Miura (the Company's Independent Outside Director (Audit and Supervisory Committee Member); Professor Emeritus of Yamaguchi University; Visiting Professor at Udayana University, a National University of Indonesia; Representative Director of Yamaguchi Technology Licensing Organization, Ltd.; Professor (Special) of Organization for Research Initiatives of Yamaguchi University; Chairman of the Asian Disaster Reduction Center), and Ms. Etsuko Nosohara (the Company's Independent Outside Director (Audit and Supervisory Committee Member); Attorney-at-Law of Hiroshima General Law & Accounting Office; Chairman of the Expropriation Committee of Hiroshima Prefecture; Executive Director (Part-time) of Hiroshima Expressway Public Corporation). For composition of the Special Committee and other specific matters referred to it, please see "E. Establishment by the Company of an independent special committee and procurement of a written report from the special committee" in "(3) Measures to ensure fairness of the Transaction and to prevent conflict of interest" under "3. Grounds, etc. for the Amount of Cash Expected to Be Delivered to the Shareholders as a Result of the Treatment of Fractional Shares Resulting from the Share Consolidation" below. At the board of directors meeting held on November 21, 2025, the Company resolved that, upon establishment of the Special Committee, it would grant the Special Committee the following authorities: (a) the authority to confirm in advance the Company's policy with respect to negotiations concerning the terms and conditions of the Transaction, to receive timely reports on the status of such negotiations, to express opinions, and to issue directions or requests, thereby materially participating in the negotiation process regarding terms and conditions of the Transaction, and, if necessary, to conduct direct negotiations itself; (b) the authority, if the Special Committee deems it necessary, to select and retain, at the Company's expense, its own financial advisor, third-party valuator, and legal advisor, and to seek their advice; (c) the authority to approve (including by subsequent ratification) the financial advisor, third-party valuator, and legal advisor appointed by the Company; (d) the authority to request expert advice from the financial advisor, third-party valuator, and legal advisor appointed by the Company; and (e) the authority to receive from the Company's officers and employees any information necessary for the Special Committee's consideration and determination with respect to the Transaction (including the authority to require persons the Special Committee deems necessary to attend Special Committee meetings and to provide explanations regarding necessary information). The Company's board of directors resolved that, in referring matters to the Special Committee, it will respect the determination of the Special Committee concerning the Transaction to the maximum extent, and, in particular, that if the Special Committee concludes that the purpose

of the Transaction is not reasonable or that the terms and conditions of the Transaction are not appropriate, it will not approve the implementation of the Transaction.

(Note 3) "Management buyout (MBO)" generally means a transaction in which the management of a target company contributes all or part of the acquisition funds and acquires shares of the target company on the premise of the continuation of its business.

At the first meeting of the Special Committee held on December 5, 2025, the Special Committee confirmed that there were no issues regarding the independence or expertise of Nomura Securities, the Company's financial advisor and third-party valuator, and AMT, the Company's legal advisor, and approved their appointments.

Among the Company's 9 directors in total (including Mr. Fujita), Mr. Fujita did not participate in the deliberations and resolutions of the Company's board of directors related to the Transaction, including the deliberations and resolutions at the aforementioned board meeting, until he resigned from the board on December 15, 2025, in order to prevent any appearance of a conflict of interest and to ensure fairness of the Transaction, because the Offeror had indicated its intention to enter into a Tender Agreement with Mr. Fujita, under which Mr. Fujita would agree to tender the Company's Stock and the Stock Acquisition Rights he holds in the Tender Offer. He also did not participate, in the Company's capacity, in any discussions or negotiations with the Offeror.

(ii) Background to the review and negotiations

The Company, having established the review framework described above, based on the negotiation policy and the opinions, directions, and requests regarding materially important negotiation matters pre-confirmed by the Special Committee, and with advice from Nomura Securities and AMT, carefully considered whether to proceed with, and the reasonableness of the terms and conditions of, the Transaction, and engaged in multiple rounds of discussions and negotiations with the Offeror.

Specifically, on January 14, 2026, the Company received from the Offeror a proposal regarding the terms and conditions of the Transaction (the "First Proposal") which includes a proposal for the price per share of the Company's Stock (the "Tender Offer Price") of 420 yen (which represents a 17.32% premium over the closing price for the Company's Stock on the Prime Market of the TSE on January 13, 2026 (the business day prior to the date of proposal) of 358 yen) and the price per Stock Acquisition Right (the "Stock Acquisition Right Purchase Price") of 83,800 yen, which is calculated by deducting the exercise price of the Stock Acquisition Right (1 yen) from the purchase price per share of the Company's Stock and multiplying the resulting amount by the number of the Company's Stock per Stock Acquisition Right (200 shares). In response to the First Proposal, the Company and the Special Committee requested the Offeror, on January 16, 2026, to reconsider the Tender Offer Price, stating that the Tender Offer Price proposed in the First Proposal could not be evaluated as being at a sufficient level in light of the generally observed premium levels in past comparable squeeze-out transactions, and also could not be evaluated as a sufficient price when compared with the Company's theoretical share value as evaluated using the discount cash flow method (the "DCF Method") based on the business plans prepared by the Company for 6 fiscal years from the fiscal year ending March 31, 2026 (from December 2025) to the fiscal year ending March 31, 2031 (the "Business Plan") under reasonable assumptions and, accordingly, the Company and the Special Committee concluded that the Tender Offer Price could not be considered to be at a level that adequately takes into account the interests of the Company's minority shareholders.

Then, on January 20, 2026, the Company received from the Offeror a proposal regarding the terms and conditions of the Transaction (the "Second Proposal") which includes a proposal for the Tender Offer Price of 460 yen (which represents a 27.07% premium over the closing price for the Company's Stock on the Prime Market of the TSE on January 19, 2026 (the business day prior to the date of proposal) of 362 yen) and the Stock Acquisition Right Purchase Price of 91,800 yen, which is calculated by deducting the exercise price of the Stock Acquisition Right (1 yen) from the purchase price per share of the Company's Stock and multiplying the resulting amount by the number of the Company's Stock per Stock Acquisition Right (200 shares). In response to the Second Proposal,

the Company and the Special Committee requested the Offeror, on January 21, 2026, to reconsider the Tender Offer Price, responding that the Tender Offer Price proposed in the Second Proposal could not be evaluated as being at a sufficient level in light of the generally observed premium levels in past comparable squeeze-out transactions, and also could not be evaluated as a sufficient price when compared with the Company's theoretical share value as evaluated using the DCF Method based on the Business Plan under reasonable assumptions, and, furthermore, the Company and the Special Committee believe that the Tender Offer Price could not be considered to be at a level that adequately takes into account the interests of the Company's minority shareholders, in light of the expectations held by the Company's minority shareholders regarding the Company's medium- to long-term growth potential to date.

Then, on January 23, 2026, the Company received from the Offeror a proposal regarding the terms and conditions of the Transaction (the "Third Proposal") which includes a proposal for the Tender Offer Price of 480 yen (which represents a 33.70% premium over the closing price for the Company's Stock on the Prime Market of the TSE on January 22, 2026 (the business day prior to the date of proposal) of 359 yen) and the Stock Acquisition Right Purchase Price of 95,800 yen, which is calculated by deducting the exercise price of the Stock Acquisition Right (1 yen) from the purchase price per share of the Company's Stock and multiplying the resulting amount by the number of Company's Stock per Stock Acquisition Right (200 shares). In response to the Third Proposal, the Company and the Special Committee requested the Offeror, on January 26, 2026, to reconsider the Tender Offer Price, responding that the Tender Offer Price proposed in the Third Proposal could not be evaluated as being at a sufficient level in light of the generally observed premium levels in past comparable squeeze-out transactions, and also could not be evaluated as a sufficient price when compared with the Company's theoretical share value as evaluated using the DCF Method based on the Business Plan under reasonable assumptions, and, furthermore, the Company and the Special Committee believe that the Tender Offer Price still could not be considered to be at a level that adequately takes into account the interests of the Company's minority shareholders, in light of the expectations held by the Company's minority shareholders regarding the Company's medium- to long-term growth potential to date.

Then, on January 27, 2026, the Company received from the Offeror a proposal regarding the terms and conditions of the Transaction (the "Fourth Proposal") which includes a proposal for the Tender Offer Price of 490 yen (which represents a 38.42% premium over the closing price for the Company's Stock on the Prime Market of the TSE on January 26, 2026 (the business day prior to the date of proposal) of 354 yen) and the Stock Acquisition Right Purchase Price of 97,800 yen, which is calculated by deducting the exercise price of the Stock Acquisition Right (1 yen) from the purchase price per share of the Company's Stock and multiplying the resulting amount by the number of the Company's Stock per Stock Acquisition Right (200 shares). In response to the Fourth Proposal, the Company held a meeting with the Offeror on January 29, 2026, and responded that the Tender Offer Price proposed in the Fourth Proposal could not be evaluated as being at a sufficient level in light of the generally observed premium levels in past comparable squeeze-out transactions, and also could not be evaluated as a sufficient price when compared with the Company's theoretical share value as evaluated using the DCF Method based on the Business Plan under reasonable assumptions, and, furthermore, the Company and the Special Committee believe that the Tender Offer Price still could not be considered to be at a level that adequately takes into account the interests of the Company's minority shareholders, in light of the expectations held by the Company's minority shareholders regarding the Company's medium- to long-term growth potential to date. Based on the above meeting, on January 30, 2026, the Company and the Special Committee requested the Offeror to reconsider the Tender Offer Price.

Then, on January 30, 2026, the Company received from the Offeror a proposal regarding the terms and conditions of the Transaction (the "Final Proposal") which includes a proposal for the Tender Offer Price of 530 yen (which represents a 51.43% premium over the closing price for the Company's Stock on the Prime Market of the TSE on January 29, 2026 (the business day prior to the date of proposal) of 350 yen) and the Stock Acquisition Right Purchase Price of 105,800 yen, which is calculated by deducting the exercise price of the Stock Acquisition Right (1 yen) from the purchase price per share of the Company's Stock and multiplying the resulting amount by

the number of Company's Stock per Stock Acquisition Right (200 shares). In response to the Final Proposal, the Company held a meeting with the Offeror on February 2, 2026, and requested an explanation of the background to the Tender Offer Price set forth in the Final Proposal. In response, the Offeror explained that, in light of the Company's response made at the meeting held on January 29, 2026, to the effect that the Tender Offer Price proposed in the Fourth Proposal could not be evaluated as being at a sufficient level in light of the generally observed premium levels in past comparable squeeze-out transactions, could not be evaluated as a sufficient price when compared with the Company's theoretical share value as evaluated using the DCF Method based on the Business Plan under reasonable assumptions, and, furthermore, still could not be considered to be at a level that adequately takes into account the interests of the Company's minority shareholders, in light of the expectations held by the Company's minority shareholders regarding the Company's medium- to long-term growth potential to date, the Offeror reconsidered the matter and made a revised proposal.

Then, after giving due consideration to the Final Proposal and the Offeror's views confirmed at the meeting, the Company and the Special Committee notified the Offeror, on February 3, 2026, that they would accept the Tender Offer Price set forth in the Final Proposal.

During the above review and negotiation process, the Company received necessary legal advice from AMT concerning the procedures, methods, and other points to be noted in the board of directors' decision-making with respect to the Transaction, and a written opinion (the "Report") dated February 4, 2026 from the Special Committee (for an outline of the Report, please see "(iii) Determinations" of "E. Establishment by the Company of an independent special committee and procurement of a written report from the special committee" in "(3) Measures to ensure fairness of the Transaction and to prevent conflict of interest" under "3. Grounds, etc. for the Amount of Cash Expected to Be Delivered to the Shareholders as a Result of the Treatment of Fractional Shares Resulting from the Share Consolidation" below). At the Company's board of directors meeting held on February 4, 2026, the Company, having taken into account the legal advice received from AMT, the financial advice received from Nomura Securities, and the contents of the share valuation report regarding the valuation results for the Company's Stock submitted by Nomura Securities on February 3, 2026 (the "Share Valuation Report (Nomura Securities)"), and while giving the utmost respect to the Special Committee's determinations as set forth in the Report, carefully discussed and considered whether the Transaction, including the Tender Offer, would contribute to the enhancement of the Company's corporate value and whether the terms and conditions of the Transaction, including the Tender Offer Price, are reasonable and fair. As a result, because the Company anticipates the synergies described below, the Company has concluded that the privatization of the Company's Stock through the Transaction, including the Tender Offer by the Offeror, will contribute to the enhancement of the Company's corporate value.

The Company believes that, if the Tender Offer is successful and the Transaction is consummated, becoming a subsidiary of the Offeror will enable it to fully leverage the various resources of the Offeror Group (meaning the Offeror's group consists of 9 companies which are the Offeror, 5 consolidated subsidiaries, 1 equity method affiliate and 2 non-consolidated subsidiaries not accounted for by the equity method; the same applies hereinafter) and, for the following reasons, is expected to contribute to enhancing the Company's corporate value.

(i) Expansion of business scope by leveraging the Offeror Group's financial base and brand

By becoming a member of the Offeror Group, the Company would be able to leverage the Offeror Group's financial base and brand. As a result, in the construction business, which is the Company's designated new core business, the use of the Company's products is expected in projects undertaken by the Offeror Group. In addition, by strengthening its competitive position in large-scale renewals and major repairs, centered on deck replacement work, through utilization of the Offeror Group's knowledge, the profitability is expected to improve. Furthermore, collaboration with the Offeror Group would enable the realization of "steel-and-PC composite structures," allowing the Company to enter new markets, such as marine structures (e.g., hybrid caissons (Note 4) and floating piers), steel-reinforced concrete construction, and composite-structure bridges, and thereby contributing to the long-term expansion of the Company's business scope.

(Note 4) "Hybrid caissons" means a composite structure incorporating both steel and concrete, and is used

as a foundation for breakwaters and quay walls, as well as for the foundations of underground structures.

(ii) Establishing a supply system by sharing manufacturing capital

The Offeror Group operates 8 plants in Hokkaido, Kanto, and Kinki, and the Company operates 5 plants in Tohoku, Shizuoka, Hiroshima, Shimane, and Oita. By coordinating their operations, the parties would be able to establish a nationwide supply system. This would reduce transportation costs and improve production efficiency, generating synergies that are expected to increase sales and profits for the Tender Offer-related Parties. Furthermore, by internalizing production of steel components and PC products, the Company could reduce price-negotiation risk, and by adding "steel-and-PC composite products" to existing plants, it is expected to enhance competitiveness in the precast market by creating added value, such as weight reduction and extended service life, and/or by achieving cost reductions.

(iii) Expansion of sales channels by leveraging manufacturing function and sales capabilities

In addition to establishing a nationwide supply system through coordination of manufacturing assets with the Offeror Group, leveraging the Offeror Group's sales and construction-agent network is expected to dramatically expand the Company's sales channels. This will enable the Company to undertake consultative sales that combine a wide range of steel-and-PC products and services, thereby enhancing the value delivered to customers and substantially accelerating the growth of the Company's product-sales business.

(iv) Integration of technological development and intellectual capital

The Offeror Group, leveraging the advanced technical capabilities it has developed in its bridge business, operates engineering and system-built construction businesses and has a proven track record of commercializing technologies. Through the Transaction, advancing joint research and development on "steel-and-PC composite structures" is expected to create differentiating factors in the marketplace and establish competitive advantages. This will also contribute to the sophistication of the Company's construction business, which the Company has identified as a medium-term growth area, and the Company believes there is a high degree of strategic alignment from a technology-strategy standpoint.

The Offeror Group holds more than 180 patents related to steel and composite structures and the Company possesses patented technologies in concrete. By mutually leveraging these intellectual properties, the acceleration of the development of competitive construction methods and products, as well as the hastening of entry into new markets, can be achieved. In addition, through joint research and development utilizing the Offeror Group's integrated technology research institute, the Company believes that the fusion of both parties' technical capabilities and intellectual capital is expected to yield innovative technologies and products and to enable the establishment of a research and development framework that would be difficult for the Company to achieve on its own.

Generally, the disadvantages associated with privatizing a company's stock include the loss of access to capital markets for equity finance and the loss of benefits associated with being a listed company, such as enhanced name recognition and social credibility, which may, in turn, affect relationships with employees and business partners and weaken the Company's brand strength. However, the Company currently has no plans to raise equity financing in the market for the time being, and believes that by becoming part of the Offeror Group it would be able to leverage a stronger financial base and improved group creditworthiness, thereby making it possible to secure funding through borrowings from financial institutions. With respect to potential impacts on relationships with employees and business partners and on brand strength, both the Offeror Group and the Br. Holdings Group have already established a certain level of name recognition within the industry, and the Company's social credibility and name recognition in the industry are expected, if anything, to be enhanced by joining the Offeror Group. Therefore, the Company believes that privatizing of the Company's Stock will have limited effects on its

relationships with employees and business partners and on brand strength, and the disadvantages associated with privatizing the Company's Stock are also limited. Furthermore, the Company does not consider that any particular dis-synergies or disadvantages will arise from the loss of capital relationships with its existing shareholders or from its inclusion in the Offeror Group.

In addition to the above, the Company has determined that the Tender Offer Price, 530 yen per share, is a reasonable price, ensuring the profits that the general shareholders of the Company should receive, and that the Tender Offer provides the general shareholders of the Company with a reasonable opportunity to sell their shares of the Company's Stock at a price with an appropriate premium, due to the following reasons:

- (a) The Tender Offer Price has been agreed upon as a result of the Company having held thorough negotiations with the Offeror after taking thorough measures to ensure the fairness of the terms and conditions of the Transaction, including the Tender Offer Price, as described in "(3) Measures to ensure fairness of the Transaction and to prevent conflict of interest" under "3. Grounds, etc. for the Amount of Cash Expected to Be Delivered to the Shareholders as a Result of the Treatment of Fractional Shares Resulting from the Share Consolidation" below;
- (b) As described in "E. Establishment by the Company of an independent special committee and procurement of a written report from the special committee" of "(3) Measures to ensure fairness of the Transaction and to prevent conflict of interest" under "3. Grounds, etc. for the Amount of Cash Expected to Be Delivered to the Shareholders as a Result of the Treatment of Fractional Shares Resulting from the Share Consolidation" below, the Tender Offer Price has been found to be recognized as being reasonable in the Report obtained from the Special Committee;
- (c) Based on the results of the valuation of the Company's Stock by Nomura Securities as described in "B. Procurement by the Company of a share valuation report from an independent third-party valuator" of "(3) Measures to ensure fairness of the Transaction and to prevent conflict of interest" under "3. Grounds, etc. for the Amount of Cash Expected to Be Delivered to the Shareholders as a Result of the Treatment of Fractional Shares Resulting from the Share Consolidation" below, it is found that the Tender Offer Price exceeds the upper limit of the range of the per share value of the Company's Stock calculated using the average market share price method, exceeds the median value of the range resulting from the calculation using the comparable company method, and is at the level adjacent to the median value of the range of the per share value of the Company's Stock calculated using the DCF method.
- (d) The Tender Offer Price, 530 yen per share, represents a premium of 49.72% over the closing price of the Company's Stock of 354 yen on the Prime Market of the TSE as of February 3, 2026, which is the reference date of the Tender Offer (in principle, the business day immediately preceding the announcement date of the Tender Offer); a premium of 48.88% over the simple average closing price of 356 yen (rounded to the whole yen; hereinafter the same for the calculation of the simple average closing price) for the past one month until the reference date (from January 5, 2026 to February 3, 2026); a premium of 55.43% over the simple average closing price of 341 yen for the past three months until the reference date (from November 4, 2025 to February 3, 2026); and a premium of 54.97% over the simple average closing price of 342 yen for the past six months until the reference date (from August 4, 2025 to February 3, 2026).

Compared to the premium level of Similar Transactions (Note 5) (the median value of the premiums over the closing prices as of the business day immediately preceding the announcement date (47.14%), the median value of the premiums over the simple average closing prices for the past one month (51.87%), the median value of the premiums over the simple average closing prices for the past three months (51.08%), and the median value of the premiums over the simple average closing prices for the past six months (54.10%)), although the premium over the simple average closing price for the past one month falls below the median value of the premiums over the simple average closing prices for the past one

month of Similar Transactions, the premium over the simple average closing prices for each of the past three months and six months until the business day immediately preceding the announcement date exceeds the median value of the premiums of the Similar Transactions for each reference period, and the premium is considered to be comparable to those for Similar Transactions, and therefore reasonable.

(Note 5) Similar Transactions means, from the perspective of referencing recent premium trends, tender offer transactions for delisting domestic listed companies (excluding investment corporations) announced on or after January 1, 2023, with settlement commencement dates falling on or before February 3, 2026, (cases where no upper limit was imposed and the acquirer intended to make the target a wholly-owned subsidiary, in which the percentage of voting rights held by the acquirer (including the acquirer's special related parties) was less than 20% as of February 3, 2026) (excluding cases where the target company has not resolved to support the tender offer as of the announcement date, cases qualifying as MBOs, two-stage tender offers, cases with competing proposals, cases where the premium was negative for all periods: the business day immediately preceding the announcement, the average over the most recent month, the average over the most recent three months, and the average over the most recent six months).

Similarly, the Stock Acquisition Right Purchase Price was also set to represent the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per share of the Company's Stock for each of the Stock Acquisition Rights by the number of the Company's Stock serving as the object of one of each of the Stock Acquisition Rights, and is calculated based on the Tender Offer Price. Accordingly, the Tender Offer is found to provide all Stock Acquisition Right holders with a reasonable opportunity to sell their Stock Acquisition Rights.

For the foregoing reasons, the Company, at its board of directors meeting held on February 4, 2026, resolved to express an opinion in favor of the Tender Offer and to recommend that the shareholders of the Company and the Stock Acquisition Right holders tender their shares in the Tender Offer, based on the determination that the Transaction will contribute to enhancing the Br. Holdings Group's corporate value, that the Tender Offer Price is a reasonable price, ensuring the profits that the Company's shareholders should receive, and that the Tender Offer will provide the Company's shareholders with a reasonable opportunity to sell their shares.

For the details of resolution at the above board of directors meeting, please see "F. Unanimous approval of all disinterested directors of the Company (including directors serving as Audit and Supervisory Committee members)" of "(3) Measures to ensure fairness of the Transaction and to prevent conflict of interest" under "3. Grounds, etc. for the Amount of Cash Expected to Be Delivered to the Shareholders as a Result of the Treatment of Fractional Shares Resulting from the Share Consolidation" below.

As stated above, although the Tender Offer was completed, the Offeror failed to acquire all shares of the Company's Stock (including the shares of the Company's Stock to be issued upon exercise of the Stock Acquisition Rights, but excluding the treasury shares held by the Company) and all of the Stock Acquisition Rights in the Tender Offer. Therefore, at the request of the Offeror, in order to make the Offeror the sole shareholder of the Company, the Company resolved by a written resolution of its board of directors dated as of today to conduct the Share Consolidation at the consolidation ratio stated in "B. Consolidation Ratio" of "(2) Details of the Share Consolidation" under "2. Summary of the Share Consolidation" below subject to the approval of shareholders of the Company at the Extraordinary Shareholders' Meeting, and to submit a proposal on the Share Consolidation at the Extraordinary Shareholders' Meeting.

As a result of the Share Consolidation, the number of shares of the Company's Stock held by the Company's shareholders other than the Offeror is expected to be less than one share.

For more details of the Transaction, please also refer to the Press Release on the Company's Opinion.

2. Summary of the Share Consolidation

(1) Schedule for the Share Consolidation

Date of public notice of the record date for convening the Extraordinary Shareholders' Meeting	Wednesday, March 11, 2026
Record date for convening the Extraordinary Shareholders' Meeting	Tuesday, March 31, 2026
Date of resolution at the meeting of the board of directors	Wednesday, April 8, 2026
Date of the Extraordinary Shareholders' Meeting	Friday, May 15, 2026 (tentative)
Date of designation of the Company's Stock as securities to be delisted	Friday, May 15, 2026 (tentative)
Last trading date of the Company's Stock	Friday, May 29, 2026 (tentative)
Date of delisting of the Company's Stock	Monday, June 1, 2026 (tentative)
Effective date of the Share Consolidation	Wednesday, June 3, 2026 (tentative)

(2) Details of the Share Consolidation

A. Class of Shares to be Consolidated

Common shares

B. Consolidation Ratio

Every 20,000,000 shares of the Company's Stock will be consolidated into one share.

C. Decrease in the total number of outstanding shares

44,368,996 shares

D. Total number of outstanding shares prior to the effective date of the Share Consolidation

44,368,998 shares

(Note 6) The total number of outstanding shares prior to the effective date of the Share Consolidation is the total number of outstanding shares in the Company as of March 31, 2026 (45,795,000 shares) after subtracting the number of treasury shares (1,426,002 shares) which the Company resolved by a written resolution of its board of directors dated as of today to cancel and which will be canceled on June 2, 2026. The number of such treasury shares (1,426,002 shares) represents the number of all treasury shares held by the Company as of March 31, 2026 (402,402 shares), plus the number of restricted shares (1,023,600 shares) granted to the directors of the Company and its subsidiaries which the Company plans to acquire without consideration as treasury shares in the future.

E. Total number of outstanding shares after the effective date of the Share Consolidation

2 shares

F. Total number of shares authorized to be issued as of the effective date of the Share Consolidation

8 shares

G. Method of treatment of fractional shares and amount of cash expected to be delivered to shareholders as a result of such treatment

- (a) Whether the Company intends to proceed pursuant to Article 235, Paragraph 1 of the Companies Act, or Article 234, Paragraph 2 as applied mutatis mutandis under Article 235, Paragraph 2 of the Companies Act, and the reasons therefor

As described in "1. Purpose of and Reasons for the Share Consolidation" above, due to the Share Consolidation, the number of shares of the Company's Stock held by each of the Company's shareholders other than the Offeror is expected to be less than one share. With respect to the fractional shares resulting from the Share Consolidation, the Company will, in accordance with the procedures set out in Article 235 of the Companies Act (Act No. 86 of 2005, as amended; the same applies hereinafter) and other relevant laws and regulations, pay its shareholders who have such fractional shares cash obtained by selling a number of shares of the Company's Stock equal to the total number of such fractional shares (if the total number includes a fraction of less than one share, the fraction will be rounded down pursuant to the provisions of Article 235, Paragraph 1 of the Companies Act; the same applies hereinafter) or by other methods. With respect to such sale, in view of the facts that the Share Consolidation is to be carried out as a part of the Transaction intended to make the Offeror the Company's sole shareholder, and that the Company's Stock will be delisted as of June 1, 2026 and will become non-marketable shares and therefore it is considered that the possibility of a new purchaser appearing through an auction process is low, the Company plans to sell such shares of the Company Stock to the Offeror with the permission of a court pursuant to the provisions of Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis under Article 235, Paragraph 2 of the Companies Act.

If the above permission of the court is obtained as planned, the sale price in such case is planned to be set at a price that will result in the delivery of cash equivalent to the amount obtained by multiplying the number of shares of the Company's Stock held by each shareholder recorded in the Company's final shareholders' register as of June 2, 2026, which is the business day immediately preceding the effective date of the Share Consolidation, by 530 yen which is the same amount as the Tender Offer Price. However, the amount of cash that will be actually delivered to the shareholders may differ from the above amount in cases where the Company is unable to obtain the permission of the court or it is necessary to make adjustments for fractions in the calculation or in other similar cases.

- (b) Name of a person who is expected to become the purchaser of the shares pertaining to the sale
Yokogawa Bridge Holdings Corp. (the Offeror)
- (c) Method by which a person who is expected to become the purchaser of the shares pertaining to the sale secures funds for payment of the purchase price pertaining to the sale, and the appropriateness of such method

According to the Offeror, the Offeror intends to procure funds required for carrying out the Transaction, including funds required for acquiring a number of shares of the Company's Stock equal to the total number of fractional shares arising from the Share Consolidation, by borrowing funds from Mizuho Bank, Ltd. ("Mizuho Bank") up to 25,000 million yen in total (the "Bank Loan"). In the process of the Transaction, the Company has confirmed the Offeror's method of securing funds by reviewing the loan certificate and other documents related to the Bank Loan.

Furthermore, according to the Offeror, no events have occurred that could impede payment of the proceeds from the sale of such shares of the Company's Stock equal to the total number of fractional shares resulting from the Share Consolidation, nor is the Offeror aware of any possibility that such events may occur in the future.

Accordingly, the Company has determined that the method by which the Offeror intends to secure the funds to pay for the purchase of a number of shares of the Company's Stock equal to the total number of

fractional shares resulting from the Share Consolidation is appropriate.

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

The Company intends to file a petition with a court for permission to sell a number of shares of the Company's Stock equal to the total number of fractional shares resulting from the Share Consolidation around mid-June 2026 after the effective date of the Share Consolidation pursuant to the provisions of Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis under Paragraph 2 of Article 235 of the Companies Act. The timing of obtaining such permission may vary depending on, among others, the circumstances of the court, but the Company expects to sell such shares of the Company's Stock around early July 2026 with the permission of the court, and after making the necessary preparations to deliver the proceeds obtained through such sale to the Company's shareholders, the Company expects to deliver such proceeds to the shareholders around late August 2026.

In consideration of the period required for a series of procedures pertaining to the sale from the effective date of the Share Consolidation, the Company has determined that at each timing as described above, a number of shares of the Company's Stock equal to the total number of fractional shares resulting from the Share Consolidation will be sold and the proceeds obtained through such sale will be delivered to the Company's shareholders.

The sale proceeds will be paid to the shareholders recorded in the Company's final shareholder registry as of June 2, 2026, the day preceding the effective date of the Share Consolidation, in accordance with the method to deliver dividend property.

3. Grounds, etc. for the Amount of Cash Expected to Be Delivered to the Shareholders as a Result of the Treatment of Fractional Shares Resulting from the Share Consolidation

(1) Grounds and reason for the amount of cash expected to be delivered to the shareholders as a result of the treatment of fractional shares

A. Matters noted so that the interests of the Company's shareholders other than the parent company, etc. (if any) are not impaired

As of February 4, 2026 when the Offeror decided to conduct the Tender Offer, the Offeror did not own any Company's Stock or Stock Acquisition Rights, and the Tender Offer did not constitute a tender offer by a controlling shareholder. Also, it is not intended that all or any part of the management of the Company will directly or indirectly invest in the Offeror, nor does the Transaction including the Tender Offer constitute a so-called "management buyout (MBO)".

However, considering that the Tender Offer was to be conducted on the premise of privatizing the Company's Stock, the Tender Offer-related Parties each implemented the measures stated in "(3) Measures to ensure fairness of the Transaction and to prevent conflicts of interest" below to ensure fairness of the Transaction, eliminate arbitrariness in decision-making process leading to the decision to implement the Transaction, secure the fairness, transparency and objectivity of such decision-making process, and avoid conflicts of interest.

B. Method of treatment of fractional shares (if any), and the amount of cash expected to be delivered to the shareholders as a result of such treatment and matters relating to the appropriateness of such amount

The amount of cash expected to be delivered to the shareholders as a result of the treatment of fractional shares will be an amount calculated by multiplying the number of shares of the Company's Stock held by each shareholder recorded in the Company's final shareholders' register as of June 2, 2026, by 530 yen which is the same amount as the Tender Offer Price, as stated in "(a) Whether the Company intends to proceed pursuant to Article 235, Paragraph 1 of the Companies Act, or Article 234, Paragraph 2 as applied mutatis mutandis under Article 235, Paragraph 2 of the Companies Act, and the reasons therefor" in "G. Method of treatment of fractional shares and amount of cash expected to be delivered to shareholders as a result of such treatment" in

"(2) Details of the Share Consolidation" under "2. Summary of the Share Consolidation" above.

As stated in "1. Purpose of and Reasons for the Share Consolidation" above, the Company, at its board of directors meeting held on February 4, 2026, resolved to express an opinion in favor of the Tender Offer and to recommend that the shareholders of the Company and the Stock Acquisition Right holders tender their shares in the Tender Offer, based on the determination that the Transaction will contribute to enhancing the Br. Holdings Group's corporate value, that the Tender Offer Price is a reasonable price, ensuring the profits that the Company's shareholders should receive, and that the Tender Offer will provide the Company's shareholders with a reasonable opportunity to sell their shares.

In addition, the Company has confirmed that there have been no material changes to the terms and conditions based on which the Company determined the Tender Offer Price up to today on which the Company has decided to convene the Extraordinary Shareholders' Meeting.

Based on the above, the Company has determined that the amount of cash expected to be delivered to the shareholders as a result of the treatment of fractional shares resulting from the Share Consolidation is appropriate.

C. Disposals by the Company of material assets, assumption of material debts, and other events that materially affect the Company's financial condition after the last day of the last fiscal year

(a) Tender Offer

As stated in "1. Purpose of and Reasons for the Share Consolidation" above, the Offeror carried out the Tender Offer with the tender offer period lasting from February 5, 2026 to March 23, 2026, and as a result, as of March 30, 2026 (the day of commencement of settlement of the Tender Offer), the Offeror came to hold 36,026,555 shares of the Company's Stock (ownership ratio: 79.14%).

(b) Cancellation of treasury shares

The Company has decided by a written resolution of the board of directors dated as of today that the Company will cancel its treasury shares (1,426,002 shares) (which represents the number of all treasury shares held by the Company as of March 31, 2026 (402,402 shares), plus the number of restricted shares (1,023,600 shares) granted to the directors of the Company and its subsidiaries which the Company plans to acquire without consideration as treasury shares in the future) on June 2, 2026.

The cancellation of such treasury shares is subject to the approval of the Share Consolidation as originally proposed at the Extraordinary Shareholders' Meeting, and the number of outstanding shares in the Company after the cancellation will be 44,368,998 shares.

(2) Prospects of delisting

A. Delisting

As stated in "1. Purpose of and Reasons for the Share Consolidation" above, the Company will carry out the Share Consolidation subject to shareholders' approval at the Extraordinary Shareholders' Meeting in order to delist the Company's Stock and ultimately make the Offeror the sole shareholder of the Company. As a result, the Company's Stock will be delisted through the prescribed procedures in accordance with the delisting criteria established by the TSE.

As for the schedule, the Company's Stock will be designated as securities to be delisted (*seiri meigara*) from May 15, 2026 until May 31, 2026, and subsequently delisted on June 1, 2026. After being delisted, the Company's Stock will no longer be traded on the Prime Market of the TSE.

B. Reasons for aiming at delisting

As stated in "1. Purpose of and Reasons for the Share Consolidation" above, the Company has determined that the delisting of the Company's Stock through the Transaction will contribute to the enhancement of the corporate value of the Br. Holdings Group.

C. Impact on minority shareholders and the opinions thereon

As stated in "E. Establishment by the Company of an independent special committee and procurement of a written report from the special committee" in "(3) Measures to ensure fairness of the Transaction and to prevent conflicts of interest" below, the Company received from the Special Committee the Report dated February 4, 2026, stating that the Transaction is not disadvantageous to the minority shareholders of the Company.

(3) Measures to ensure fairness of the Transaction and to prevent conflicts of interest

As of February 4, 2026 on which the Offeror decided to conduct the Tender Offer, the Offeror did not own any Company's Stock or Stock Acquisition Rights, and the Tender Offer did not constitute a tender offer by a controlling shareholder. Also, it is not intended that all or any part of the management of the Company will directly or indirectly invest in the Offeror, nor does the Transaction including the Tender Offer constitute a so-called "management buyout (MBO)".

However, considering that the Tender Offer was to be conducted on the premise of privatizing the Company's Stock, the Tender Offer-related Parties each implemented the following measures to ensure fairness of the Transaction, eliminate arbitrariness in decision-making process leading to the decision to implement the Transaction, secure the fairness, transparency and objectivity of such decision-making process, and avoid conflicts of interest. The descriptions below regarding the measures taken by the Offeror are based on the explanations provided by the Offeror.

A. Procurement by the Offeror of a share valuation report from an independent third-party valuator

In deciding the Tender Offer Price, the Offeror engaged Mizuho Securities Co., Ltd. ("Mizuho Securities"), who is third-party valuation firm and financial advisor independent from the Tender Offer-related Parties, to value the Company's Stock. Mizuho Securities is not an affiliated party of the Tender Offer-related Parties and does not have any significant interest in the Tender Offer. Furthermore, the Offeror has not obtained a fairness opinion on the fairness of Tender Offer Price from Mizuho Securities. With regard to an overview of stock valuation report on the value of the Company's Stock obtained by the Offeror from Mizuho Securities, please see "(II) Procurement by the Offeror of a share valuation report from a financial advisor and an independent third-party valuator" in "(3) Matters concerning valuation" in "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" in the Press Release on the Company's Opinion.

B. Procurement by the Company of a share valuation report from an independent third-party valuator

In expressing its opinion on the Tender Offer, the Company, in order to ensure the fairness of the decision-making process with respect to the Tender Offer Price proposed by the Offeror, requested Nomura Securities, which is the Company's financial advisor and third-party valuator independent of the Tender Offer-related Parties and the success or failure of the Transaction, to conduct a valuation of the Company's Stock. The Company obtained a Share Valuation Report (Nomura Securities) from Nomura Securities dated February 3, 2026. Nomura Securities does not fall under an affiliated party of either the Company or the Offeror, and has no material interests that should be disclosed in connection with the Tender Offer. The Company did not obtain a fairness opinion regarding the Tender Offer Price from Nomura Securities. The fees payable to Nomura Securities in connection with the Transaction include a performance fee, which is payable subject to the successful completion of the Tender Offer and other conditions. The Company has appointed Nomura Securities as its financial advisor and third-party valuator under such fee structure, based on the judgment that the independence of Nomura Securities is not denied by the inclusion of a performance fee to be paid on the condition that the Tender Offer is completed, taking into account the general practice in similar transactions and the merits and demerits of the fee structure which would impose a reasonable financial burden on the Company if the Transaction is not successful. In addition, at the first meeting of the Special Committee held

on December 5, 2025, the Special Committee confirmed that there were no issues regarding the independence and expertise of Nomura Securities and approved the appointment of Nomura Securities as the Company's financial advisor and third-party valuator. For the outline of the Share Valuation Report (Nomura Securities), please see "(I) Procurement by the Company of a share valuation report from an independent financial advisor and third-party valuator" in "(3) Matters concerning valuation" under "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" in the Press Release on the Company's Opinion.

C. Advice procured by the Company from an independent law firm

For the purpose of ensuring the fairness and appropriateness of the decision-making of the Company's board of directors with respect to the Transaction, including the Tender Offer, the Company has appointed AMT as legal advisor who is independent of the Tender Offer-related Parties and the success or failure of the Transaction, and has received from the firm the necessary legal advice concerning decision-making procedures and processes of the Company's board of directors in connection with the Transaction, including the Tender Offer, as well as other matters to be noted. AMT is not an affiliated party of the Tender Offer-related Parties, and has no material interest in the Transaction, including the Tender Offer. The fees paid to AMT in connection with the Transaction are calculated based on the time spent multiplied by hourly rates regardless of the success of the Transaction, and do not include any performance fees contingent upon, among other things, the announcement or completion of the Transaction. In addition, at the first meeting of the Special Committee held on December 5, 2025, the Special Committee confirmed that there were no issues regarding the independence and expertise of AMT and approved the firm as the Company's legal advisor.

D. Establishment of an independent evaluation framework at the Company

As stated in "(i) Offeror's proposal and background to the establishment of an evaluation framework" under "1. Purpose of and Reasons for the Share Consolidation" above, in order to ensure the transparency and reasonableness of decision-making process by the Company's directors regarding the Transaction, the Company has established an internal framework for conducting evaluation, negotiation and determination on the Transaction independently of the Offeror. Specifically, after the Company received the Letter of Intent from the Offeror on November 14, 2025, the Company formed a project team to consider the Transaction (including preparation of a business plan forming the basis for the valuation of the Company's Stock) as well as to discuss and negotiate with the Offeror. Such project team consists of six officers and employees of the Company whose independence from the Offeror is confirmed (of which four members serve as directors (Mr. Takashi Yamane, Mr. Kazuo Ishii, Mr. Kazuharu Suetake, and Mr. Yutaka Urabe) and such composition is still maintained. Mr. Fujita is not a member of such project team.

It is confirmed at the first Special Committee meeting held on December 5, 2025 that there is no issue with the independence and impartiality of the evaluation framework of the Company (including the Company's officers and employees engaged in consideration, negotiation and determination for the Transaction and their duties).

E. Establishment by the Company of an independent special committee and procurement of a written report from the special committee

(i) Background of establishment of the committee

As stated in "1. Purpose of and Reasons for the Share Consolidation" above, for purposes of eliminating arbitrariness in its decision-making process regarding the Transaction, and ensuring fairness, transparency, and objectivity in the process, at the Company's board of directors meeting held on November 21, 2025, the Company resolved to form the Special Committee of an appropriate size to ensure a balanced mix of knowledge, experience, and capabilities on the whole, independent from the Tender Offer-related Parties, and from whether the Transaction will be successfully completed, and consisting of Mr. Yoshiharu Sagami (the Company's Independent Outside Director (Audit and

Supervisory Committee Member); Outside Director of JMS Co., Ltd. (Audit and Supervisory Committee Member)), Mr. Fusanori Miura (the Company's Independent Outside Director (Audit and Supervisory Committee Member); Professor Emeritus of Yamaguchi University; Visiting Professor at Udayana University, a National University of Indonesia; Representative Director of Yamaguchi Technology Licensing Organization, Ltd.; Professor (Special) of Organization for Research Initiatives of Yamaguchi University; Chairman of the Asian Disaster Reduction Center) and Ms. Etsuko Nosohara (the Company's Independent Outside Director (Audit and Supervisory Committee Member); Attorney-at-Law of Hiroshima General Law & Accounting Office; Chairman of the Expropriation Committee of Hiroshima Prefecture; Executive Director (Part-time) of Hiroshima Expressway Public Corporation), all of whom are independent outside directors of the Company. Mr. Yoshiharu Sagami was elected as the chairperson of the Special Committee by mutual vote among the members of the Special Committee. The members of the Special Committee have not been changed since its formation.

Each member of the Special Committee will be paid a fixed amount, regardless of the content of the report, and there is no performance fee payable subject to the successful completion of the Transaction or other conditions.

Based on this, the Company's board of directors consulted with the Special Committee on (a) whether the purpose of the Transaction is reasonable (including whether the Transaction will contribute to the enhancement of the Company's corporate value), (b) whether the fairness and appropriateness of the terms and conditions of the Transaction (including the tender offer price in the Tender Offer) are ensured, (c) whether the fairness in the procedures for the Transaction is ensured, (d) in addition to (a) through (c) above, whether the decision of the Company's board of directors to conduct the Transaction is deemed not to be disadvantageous to the minority shareholders of the Company, and (e) whether it is appropriate for the Company's board of directors to express an opinion in favor of the Tender Offer and to express its opinion recommending that the shareholders of the Company and the Stock Acquisition Right holders tender their shares in the Tender Offer (collectively, the "Consultation Matters"), and the Company requested the Special Committee to submit the Report on the Consultation Matters to the Company.

In addition, the Company's board of directors has resolved that the Company will authorize the Special Committee (a) to be substantially involved in the negotiation process regarding the terms and conditions of the Transaction by confirming the Company's policy in the negotiations on the terms and conditions of the Transaction in advance, receiving reports on the status of the negotiations in a timely manner, stating its opinions, giving instructions and making requests, and, as necessary, conducting negotiations directly by itself, (b) to appoint and seek advice from its own financial advisors, third-party valuation agencies, and legal advisors at the Company's expense when deemed necessary by the Special Committee, (c) to approve (including ex post facto approval) the financial advisors, third-party valuation agencies, and legal advisors appointed by the Company, (d) to seek professional advice from the financial advisor, third-party valuation agency, and legal advisor appointed by the Company and (e) to receive information necessary for consideration and judgment regarding the Transaction from the Company's officers and employees (including the authority to request such officers or employees to attend the Special Committee meetings and provide explanations on necessary information as deemed necessary by the Special Committee). The Company's board of directors has resolved that, upon consultation with the Special Committee, it will give the utmost respect to the Special Committee's judgment regarding decisions on the Transaction and that if the Special Committee determines that the purpose of the Transaction is unreasonable or the Transaction's terms and conditions are inappropriate, it will not approve the implementation of the Transaction.

(ii) Background of consideration

The Special Committee held a total of 12 meetings during the period from December 5, 2025 to February 3, 2026, for a total of approximately 15 hours, to discuss and consider the Consultation Matters.

In addition, during the intervals between the meetings, the members of the Special Committee discussed and considered the Consultation Matters by reporting, sharing information, deliberating, and making decisions via email.

Specifically, the Special Committee approved the appointment of Nomura Securities as the Company's financial advisor and AMT as the Company's legal advisor after confirming that they are not related to any of the Tender Offer-related Parties, they do not have any material interests in relation to the Transaction including the Tender Offer, and there is no issue with their independence and expertise with respect to the Transaction, and that the Special Committee may receive expert advice from them as necessary. The Special Committee also confirmed that there is no issue with the independence of the Company's internal system for considering the Transaction (including the scope of the Company's officers and employees involved in the consideration, negotiation, and decision-making and their duties related to the Transaction).

Furthermore, the Special Committee presented questions to the Offeror regarding the background leading to the consideration of the Transaction, its significance and purpose, the structure and terms of the Transaction, the timing and method of implementation, and the management structure, management policies, and treatment of employees after the Transaction. After receiving responses from the Offeror, the Special Committee conducted an interview-style question-and-answer session regarding those responses. Thereafter, the Special Committee requested attendance of the Company's management and responsible personnel to its meetings, provided the Company with questions regarding the background leading to the consideration of the Transaction, its significance and purpose, the structure and terms of the Transaction, the timing and method of implementation, and the management structure, management policies, and treatment of employees after the Transaction, and conducted an interview-style question-and-answer session after receiving answers from the Company.

Additionally, the Special Committee received explanations from the Company regarding the Business Plan, conducted Q&A sessions, and confirmed the reasonableness of the Business Plan. Furthermore, the Special Committee received explanations from Nomura Securities, the Company's financial advisor and third-party valuator, regarding the valuation methods used in the valuation of the Company's Stock and the results of such valuation. After conducting Q&A sessions as well as deliberations and reviews, the Special Committee confirmed the reasonableness of these methods and results. The Special Committee also received explanations about the content of legal advice that the Company had obtained from AMT, the Company's legal advisor, regarding key considerations for the Company's decision-making concerning the Transaction, including the Tender Offer, and conducted its own examination.

The Special Committee deliberated and reviewed matters concerning negotiations with the Offeror, taking into account reports received from the Company and Nomura Securities as appropriate. By expressing opinions on matters to be discussed with the Offeror to achieve the terms and conditions of the Tender Offer and the significance and purpose of the Transaction for the Company, the Special Committee has been substantially involved in critical phases of the negotiation process regarding the terms and conditions of the Transaction, including the Tender Offer Price.

(iii) Determinations

Under the circumstances described above and taking into account the advice received from AMT, the Special Committee carefully discussed and deliberated on the Consultation Matters, and as a result, on February 4, 2026, the Special Committee submitted a written report unanimously approved by all committee members, the contents of which are outlined below, to the Company's board of directors.

- (a) Whether the purpose of the Transaction is reasonable (including whether the Transaction contributes to the enhancement of the Company's corporate value)

By comprehensively taking into consideration the following points, the Transaction is considered

to contribute to the enhancement of the Company's corporate value, and its purpose is considered to be reasonable.

- With respect to the Company's understanding of its business environment and management issues, as described in "(II) Background, purposes, and decision-making process leading to the implementation of the Tender Offer by the Offeror" under "(2) Grounds and reasons for the opinion on the Tender Offer" in "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" in the Press Release on the Company's Opinion which was explained to the Special Committee by the Company, there are no inconsistencies or points that clearly contradict objective facts. Accordingly, while it is necessary to consider, on a case-by-case basis, the risks and disadvantages associated with measures to address such business environment and management issues described above (including, but not limited to, M&A), in general terms, implementing such measures can be considered to contribute to the enhancement of the Company's corporate value.
- The Offeror believes that, as described in "(II) Background, purposes, and decision-making process leading to the implementation of the Tender Offer by the Offeror" under "(2) Grounds and reasons for the opinion on the Tender Offer" in "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" in the Press Release on the Company's Opinion, the Transaction will enable the realization of synergies, including: (i) leverage of the Offeror Group's financial base and brand; (ii) implementation of medium- to long-term, large-scale growth investments by joining the Offeror Group; (iii) cost reductions and the securing of overall competitive advantages through the sharing of sales-related information, the common use of equipment, and centralized procurement; and (iv) mutual leverage of technological development capabilities and intellectual capital.
- On the other hand, the Company also believes that, as described in "(IV) Decision-making process leading to and reasons for the Company's opinion in favor of the Tender Offer" under "(2) Grounds and reasons for the opinion on the Tender Offer" in "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" in the Press Release on the Company's Opinion, the Transaction will enable the realization of synergies, including: (i) expansion of business scope by leveraging the Offeror Group's financial base and brand; (ii) increases in sales and profits through the establishment of a supply system by sharing manufacturing capital; (iii) growth of the Company's product-sales business through expansion of sales channels by leveraging manufacturing and sales capabilities; and (iv) securing of its competitive position and establishment of an research and development framework through the integration of technological development and intellectual capital.
- According to the Offeror, the Offeror carefully considered whether to structure the transaction on the premise that the Company would remain listed or on the premise that the Company would become a wholly-owned subsidiary. However, if the transaction were structured to maintain the Company's listing, a parent-subsidary listed company structure would be expected. Such a structure would constantly give rise to potential conflicts of interest between the Offeror's consolidated interests and the interests of the Company's minority shareholders. In particular, intragroup transactions and business reorganizations aimed at realizing synergies would be subject to significant governance constraints to protect minority shareholders, which could impede prompt decision-making and make it difficult to achieve early realization of synergies. In addition, maintaining a parent-subsidary listed company structure would result in duplicated costs associated with maintaining listing status, and the Company would be unable to benefit from the permanent cost reductions (including reductions in IR-related and listing maintenance expenses) that could be achieved through delisting, thereby losing opportunities to enhance corporate value. By making the Company a wholly-owned subsidiary through the Transaction,

accountability and governance constraints as a listed company owed to independent shareholders will be eliminated, and intragroup sharing of confidential information such as client and technical information, and integration measures will be implemented promptly and without restrictions, as well as making it mutually possible to allocate management resources within the group, which would strongly promote the resolution of the Company's management issues and the enhancement of the Company's value. According to the Offeror, while a share exchange could be considered as a form of organizational restructuring involving share consideration, the Offeror believes that cash consideration is considered to be preferable from the perspectives of ensuring certainty of the Transaction and enhancing the Company's corporate value.

- On the other hand, as potential disadvantages to the Company arising from the Transaction, issues include: (i) whether, after the Transaction, any carve-out transactions such as share transfers, company splits, or business transfers, or the dissolution of subsidiaries or discontinuation of businesses, may occur with respect to the Company's business; (ii) whether there will be any workforce reductions after the Transaction and whether there would be any adverse impact on existing employees (including the introduction of incentive-based compensation); (iii) whether the Transaction have any adverse impact on the Company's ability to raise funds or recruit personnel; (iv) whether there will be any adverse impact on the Company's compliance and governance framework; and (v) whether there will be any adverse impact on relationships with business partners after the Transaction. However, with respect to item (i), after the Transaction, the Offeror does not intend to conduct any organizational restructuring of the Br. Holdings Group (including the transfer or sale of any portion of the Group's businesses), nor does it intend to dispose of or acquire any material assets, or withdraw from any of the businesses currently conducted by the Company. With respect to item (ii), after the Transaction, the Offeror does not plan to consider any workforce reductions within the Br. Holdings Group, nor does it currently anticipate any large-scale personnel transfers or any adverse changes to the treatment of employees. In order to achieve synergies from the Transaction at an early stage, there is a possibility that limited personnel transfers associated with job rotations, as well as secondments or transfers of officers and employees aimed at strengthening coordination within the group, may occur. However, the Offeror intends to ensure that such measures do not result in any disadvantage to the Company's employees and, to that end, plans to maintain the Company's current personnel systems to the maximum extent possible and to promptly commence discussions, after the completion of the Transaction, regarding the alignment of personnel systems within the group. With respect to item (iii), the Offeror Group has established strong and reliable relationships with financial institutions, and there are no concerns regarding funding for the Offeror Group as a whole, and therefore the Transaction is not expected to have any material adverse impact on the Company's financing. In addition, given that the Offeror enjoys a well-established level of recognition within the relevant industry and region, any impact on recruitment activities is expected to be limited. With respect to item (iv), while it is generally recognized that, following the delisting of the Company's Stock, the absence of perspectives of general shareholders may give rise to concerns regarding a potential decline in governance awareness, the Offeror intends to remain listed and, following the Transaction, plans to continue efforts to ensure that an appropriate governance and compliance framework is maintained. With respect to item (v), there is limited overlap between the business domains and products of the Offeror and those of the Company, and therefore no particular disadvantages are expected to arise from the Transaction.
- Based on the foregoing, synergy effects expected from the Transaction are reasonable, and there are no inconsistencies or discrepancies between the assumptions of the Offeror and those of the

Company, and the implementation of the Transaction is considered to contribute to resolution of the management issues recognized by the Company. The reasons explained for conducting the Transaction rather than using other methods are also deemed reasonable, and the implementation of the Transaction is considered appropriate. No circumstances are apparent that would significantly impede the enhancement of the Company's corporate value through the Transaction. Accordingly, it is deemed that the Transaction would contribute to the enhancement of corporate value, and its purpose is reasonable.

(b) Whether the fairness and appropriateness of the terms and conditions of the Transaction (including the Tender Offer Price) are ensured

Taking the following points into comprehensive consideration, it is deemed that the fairness and appropriateness of the terms and conditions of the Transaction (including the Tender Offer Price) are secured.

- It can be inferred that the agreement on the Tender Offer Price and the Stock Acquisition Right Purchase Price in the Transaction was reached as a result of negotiations conducted between the Company and the Offeror based on objective and consistent discussions equivalent in substance to those conducted between independent parties, and there are no circumstances that would give rise to doubts as to the transparency or fairness of the agreement process.
- Specifically, starting from the initial price proposed by the Offeror (420 yen per share), the Company, taking into account the preliminary share valuation results obtained from Nomura Securities and the request from the Special Committee to increase the purchase price based on its deliberations and consideration, repeatedly negotiated with the Offeror with the advice of Nomura Securities. As a result, the Company elicited from the Offeror 4 successive proposals to increase the purchase price and ultimately reached agreement on the Tender Offer Price of 530 yen per share. Consequently, the final Tender Offer Price represents a meaningful increase over the price initially proposed by the Offeror, and it is recognized, as a matter of process, that the Company conducted negotiations with the aim of achieving transaction terms that are as favorable as reasonably possible for minority shareholders. The same applies to the Stock Acquisition Right Purchase Price.
- In addition, the Business Plan has been prepared on a stand-alone basis, without assuming the implementation of the Transaction, as the Company's financial forecasts for the period from the fiscal year ending March 2026 through the fiscal year ending March 2031. The Company commenced the formulation of the Business Plan as a continuation of its medium-term management plan with the fiscal year ending March 2027 as its final year, and there was no change in the formulation process before or after the receipt of the Letter of Intent dated November 14, 2025, which may be regarded as a bona fide proposal relating to the Transaction. The Business Plan had been examined and prepared by the Company, and there is no indication that the Offeror or any of its affiliates was involved in or exerted any influence over its preparation. Furthermore, while the Company provided the Offeror with a certain level of explanation regarding the Business Plan in the course of negotiations with the Offeror, there is no indication that the Business Plan was formulated or revised at the direction of, or in deference to the intentions of, the Offeror.
- The Special Committee requested the Company to provide, at the meetings of the Special Committee, a detailed explanation regarding the basis and other matters underlying the Business Plan. In response to this request, opportunities were provided at the third and fourth meetings of the Special Committee for the Company to explain the Business Plan to the Special Committee, and question-and-answer sessions were conducted. In the course thereof, no circumstances were identified that would require revisions to the Business Plan or otherwise give rise to doubts as

to the reasonableness of the Business Plan. Accordingly, it is concluded that, with respect to the Business Plan, no facts are recognized indicating that pressure from the Offeror was involved in its formulation process, nor are any aspects identified in which the forecasts contained therein are unreasonable.

- With respect to the valuation method and the basis for the valuation of the Tender Offer Price, among the valuation methods adopted by Nomura Securities, the average market share price method evaluates the value per share of the Company's Stock using, as the valuation reference date, the last business day prior to the public announcement of the Transaction, based on the closing price on such reference date and the simple average of the closing prices for each of the most recent 5 business days, 1 month, 3 months, and 6 months prior thereto. In light of the trends in the share value of the Company's Stock, which show no material fluctuations attributable to special factors and no particularly abnormal movements, it is considered that the share price valuation period used by Nomura Securities is appropriate, and that the price range evaluated under the average market share price method is sufficiently reasonable.
- With respect to the comparable company method, the share value of the Company's Stock is evaluated by comparing it with financial indicators indicating the market share prices or profitability of listed companies that are engaged in business similar to that of the Company. With respect to the selection of such comparable listed companies, the Company received explanations from Nomura Securities to the effect that they were selected taking into account the Company's own understanding as well as market assessments, and no particularly unreasonable aspects were identified in such explanations. Accordingly, it is considered that the price range evaluated based on the respective multiples of such comparable listed companies is sufficiently reasonable.
- With respect to the DCF method, if arbitrary manipulation of numerical inputs or the adoption of unreasonable assumptions were to occur in the individual valuation components, the final valuation result could fluctuate significantly. From this perspective, the Company raised questions and sought confirmation from Nomura Securities regarding its valuation process through hearings and other discussions. As a result, with respect to the various bases used in the DCF method, no particular instances of arbitrary manipulation of numerical inputs or the adoption of unreasonable assumptions were identified.
- As described above, no unreasonable aspects were identified with respect to the selection of the average market share price method, the comparable company method, and the DCF method, nor with respect to the valuation methods and bases for the valuation under each of these methods. Accordingly, the Special Committee evaluated that, in examining the share value of the Company's Stock, it could rely on the Share Valuation Report (Nomura Securities) prepared by Nomura Securities. Furthermore, the Tender Offer Price is recognized as (i) exceeding the upper limit of the range of the value per share of the Company's Stock evaluated under the average market share price method, (ii) exceeding the upper limit of the range of the value per share of the Company's Stock evaluated under the comparable company method, and (iii) being at a level around the median value of the range of the value per share of the Company's Stock evaluated under the DCF method. In light of the foregoing, the Tender Offer Price is considered to have reached a level that is not disadvantageous to minority shareholders.
- In addition, with respect to the premium of the Tender Offer Price, when compared to the premium level of Similar Transactions (the median value of the premiums over the closing prices as of the business day immediately preceding the announcement date (47.14%), the median value of the premiums over the simple average closing prices for the past one month (51.87%), the median value of the premiums over the simple average closing prices for the past three months (51.08%), and the median value of the premiums over the simple average closing

prices for the past six months (54.10%)), although the premium over the simple average closing price for the past one month falls below the median value of the premiums over the simple average closing prices for Similar Transactions for the past one month, the premium over the simple average closing price for each of the past three months and the past six months exceeds the median values of the premiums over the simple average closing prices for Similar Transactions for each reference period, and the premium is considered to be comparable to those for Similar Transactions, and therefore reasonable.

- Given that the Tender Offer Price is evaluated as being at a level at which its appropriateness cannot be denied, and the Stock Acquisition Right Purchase Price is determined based on the difference between the Tender Offer Price and the exercise price of each Stock Acquisition Right, it is likewise considered that the Stock Acquisition Right Purchase Price is evaluated as being at a level at which its appropriateness cannot be denied.
- In addition, according to the Offeror, if the Offeror fails to acquire all shares of the Company's Stock (including the shares of the Company's Stock to be issued upon exercise of the Stock Acquisition Rights, but excluding the treasury shares held by the Company) and all of the Stock Acquisition Rights in the Tender Offer, the Offeror plans to implement a series of procedures (the "Squeeze-Out Process") after the completion of the Tender Offer to make the Offeror the sole shareholder of the Company through either demanding cash-out of shares, etc. or consolidating shares. In either case the cash consideration to be delivered to the Company's shareholders is expected to be evaluated so as to be equal to the amount obtained by multiplying the Tender Offer Price by the number of shares of the Company's Stock held by each shareholder. Furthermore, it has also been clarified that, in the event that cash consideration is paid to holders of the Stock Acquisition Rights who do not tender such rights in the Tender Offer, cash in an amount equal to the Stock Acquisition Right Purchase Price will be paid as consideration per Stock Acquisition Right held by such holders.

(c) Whether the fairness is ensured in the procedures for the Transaction

Taking the following facts comprehensively into account, it is deemed that the fairness is ensured in the procedures for the Transaction.

- As stated in "E. Establishment by the Company of an independent special committee and procurement of a written report from the special committee," the Special Committee has been consulted by the Company, and it is deemed that the Special Committee is functioning effectively as a measure to ensure fairness, considering the facts that (i) after receiving the Letter of Intent from the Offeror on November 14, 2025, the Special Committee was established on November 21, 2025 and the first meeting of the Special Committee was held on December 5, 2025, which means that the Special Committee was established as soon as practically possible after receiving a proposal of acquisition from the Offeror, (ii) the Special Committee is composed of three outside directors (Audit and Supervisory Committee members) and it is confirmed that each member is independent from the Offeror and the outcome of the Transaction, (iii) the Special Committee is authorized to be substantially involved in the negotiation process of the terms of the Transaction and may effectively influence the negotiation process for the terms of the Transaction by confirming the Company's policy in the negotiations on the terms and conditions of the Transaction in advance, receiving reports on the status of the negotiations in a timely manner, stating its opinions, giving instructions and making requests, (iv) the Special Committee is authorized by the Company's board of directors to appoint its own advisor or appoint or approve the Company's advisor as its own advisor (including subsequent approvals), and to seek advice from the Company's advisor when the Special Committee deems that the Company's advisor has high level of expertise and there is no issue with their

independence and the Special Committee can rely on the Company's advisor for their expert advice, (v) in addition to sending questions to the Offeror and receiving answers thereto, the Special Committee sent questions to the Company and received explanations from the Company's management or requested information; and the Special Committee has collected information necessary for review and judgment, (vi) the members of the Special Committee will be paid a fixed amount, and no performance fee is adopted, and (vii) it has been resolved by the Company's board of directors that, upon decision-making on the Transaction, the Company's board of directors shall give its utmost respect to the Special Committee's decision including whether the Tender Offer is approved or not, and that the Company's board of directors shall not approve the Transaction including the Tender Offer if the Special Committee judges that the terms of the Transaction including the Tender Offer are not appropriate.

- According to the Company, eight disinterested directors (including directors who also serve as Audit and Supervisory Committee members) at the Company's board of directors meeting are expected to resolve with unanimous approval to express its opinion in favor of the Tender Offer and recommend that the shareholders of the Company and the Stock Acquisition Right holders tender their shares in the Tender Offer. Regarding the late Mr. Fujita, who was the former representative director and president of the Company, as the Offeror had indicated its intention to enter into a tender agreement with Mr. Fujita concerning the tendering of his shares and stock acquisition rights in the Company to the Tender Offer, to avoid any suspicion of conflict of interests and to ensure the fairness of the Transaction, until his resignation as a director of the Company on December 15, 2025, Mr. Fujita did not participate in any deliberations or resolutions of the Company's board of directors related to the Transaction, including those at the aforementioned board meeting nor did he participate in any discussions or negotiations with the Offeror on behalf of the Company. Considering the above, there is no issue with fairness in the decision-making process of the Company.
- To ensure fairness and appropriateness in decision-making by the Company's board of directors for the Transaction including the Tender Offer, the Company has received advice from AMT, a legal advisor independent from the Tender Offer-related Parties and the outcome of the Transaction, regarding the establishment of the Special Committee and appointment of its members, and other measures to ensure fairness. Furthermore, to ensure fairness of the Tender Offer Price, the Company has obtained the Share Valuation Report (Nomura Securities) from Nomura Securities, a third-party valuator independent from the Offeror, the Company and the outcome of the Transaction, as a reference material on the value per share of the Company's Stock. In the Share Valuation Report (Nomura Securities,) as stated in (b) above, multiple valuation methods are employed in order to avoid arbitrary valuation. Upon preparation of the Business Plan, which is to be the basis of valuation, no evidence of arbitrary actions by officers or employees of the Offeror or the Company was found, and no circumstances were identified that would cast doubt on the fairness of the valuation process. While the Company has not obtained a fairness opinion, the M&A guidelines do not require obtaining a fairness opinion and the Transaction is to be conducted between independent parties; given that the Transaction is not a transaction that typically involves structural conflicts of interests and other measures have been taken to ensure fairness, it is deemed that there is no issue of fairness in the Company's decision to approve the Transaction and to recommend tendering of shares based on the Share Valuation Report (Nomura Securities).
- The tender offer period is set to be 30 business days, which is longer than the statutory minimum of 20 business days. By setting the tender offer period longer than the statutory minimum, the Offeror intends to ensure that the Company's shareholders and the Stock Acquisition Right holders have adequate opportunity to make informed decisions regarding tendering their shares

to the Tender Offer, and that persons other than the Offeror have an opportunity to make competing purchase offers, etc. The Offeror and the Company have not made any agreement that includes transaction protection clauses that would prohibit the Company from engaging with competing offerors or any other agreements that would restrict such offerors from contacting the Company. Accordingly, in the Transaction, it can be deemed that an indirect market check is conducted by implementing the M&A after creating an environment where other potential purchasers are allowed to make competing proposals following the announcement.

- The minimum number of shares to be purchased in the Tender Offer is set to exceed the majority of shares of the Company's Stock held by the Company's shareholders who have no interests in the Offeror. Accordingly, the Tender Offer shall not take place if the majority of the Company's shareholders without any interests in the Offeror do not approve the Tender Offer, thereby placing weight on the intentions of the Company's minority shareholders.
 - In the Transaction, comprehensive disclosure is planned regarding the scope of authority granted to the Special Committee, the deliberation process within the Special Committee and its involvement in negotiation of the terms of the Transaction with the Offeror, the content of the Report, the fees for Special Committee members, an overview of the Share Valuation Report (Nomura Securities), the process leading to the Transaction and negotiation process, which is expected to provide the Company's shareholders with important information for making a judgment regarding the appropriateness of the Transaction terms.
 - Considering the fact that, in the Squeeze-Out Process, it is planned that, upon making a demand for cash-out of shares, etc. or conducting a share consolidation, the cash consideration to be delivered to the Company's shareholders shall be calculated in such a manner that the amount equals the Tender Offer Price multiplied by the number of shares of the Company's Stock held by each shareholder, that in the case of a cash provision to Stock Acquisition Right holders who did not tender their shares in the Tender Offer, it is planned that the amount equivalent to the Stock Acquisition Right Purchase Price shall be delivered as consideration for one unit of the Stock Acquisition Rights held by each Stock Acquisition Right holder, and that upon demand for cash-out of shares, etc., the Company's shareholders and the Stock Acquisition Right holders have the right to file a petition to a court for price determination, upon a share consolidation, the Company's shareholders have the right to request a purchase of shares and to file a petition to a court for price determination, it can be deemed that measures have been taken to prevent coercion.
- (d) Based on (a) through (c) above, whether the decision to conduct the Transaction by the Company's board of directors is not disadvantageous to the Company's minority shareholders
- The Special Committee believes that the consulted matters in (a) through (c) above will serve as factors for consideration when reviewing this item (d). As a result of the Special Committee's review, as stated in (a) through (c) above, there is no issue with (a) through (c) above.
 - Accordingly, the Special Committee hereby states its opinion that the decision to conduct the Transaction is not considered disadvantageous to the Company's minority shareholders.
- (e) Whether the Company's board of directors should express its opinion in favor of the Tender Offer and recommend the Company's shareholders and the Stock Acquisition Right holders to tender their shares in the Tender Offer
- The Special Committee believes that this item (e) should be approved if the reasonableness of the purpose of the Transaction, the fairness of the procedures for the Transaction and the appropriateness of the terms of the Transaction are confirmed in (a) through (d) above and if it

is confirmed that the decision to conduct the Transaction would not be disadvantageous to the Company's minority shareholders. As a result of the Special Committee's review, there was no issue with (a) through (d) above, as stated above.

- Accordingly, the Special Committee states its opinion hereby that it is appropriate for the Company's board of directors to express its opinion in favor of the Tender Offer and to recommend the Company's shareholders and Stock Acquisition Right holders to tender their shares in the Tender Offer.

F. Unanimous approval of all disinterested directors of the Company (including directors serving as Audit and Supervisory Committee members)

As stated in "1. Purpose of and Reasons for the Share Consolidation" above, the Company carefully discussed and considered the Transaction, taking into account the legal advice received from AMT, the advice from Nomura Securities from a financial perspective and the content of the Share Valuation Report (Nomura Securities), with utmost respect for the content of the Report submitted by the Special Committee, from the perspectives of whether the Transaction, including the Tender Offer, would contribute to the enhancement of the Company's corporate value and whether the terms and conditions of the Transaction, including the Tender Offer Price, are appropriate.

As stated in the section "1. Purpose of and Reasons for the Share Consolidation" above, as a result, the Company determined that the Transaction will contribute to enhance the corporate value of the Company and the terms of the Transaction including the Tender Offer Price are appropriate, and resolved at its board of directors meeting held on February 4, 2026 with unanimous approval of all present disinterested eight directors of the Company (including four directors serving as Audit and Supervisory Committee members) out of a total of eight directors of the Company to express its opinion in favor of the Tender Offer and recommend that the shareholders of the Company and the Stock Acquisition Right holders tender their shares in the Tender Offer.

G. Securing objective circumstances to ensure fairness in the Tender Offer

According to the Offeror, the Offeror has set the tender offer period at 30 business days, despite the shortest period prescribed by law being 20 business days. By setting the tender offer period at a longer period as compared to the shortest period prescribed by law, the Offeror provides the shareholders of the Company and the Stock Acquisition Right holders with an appropriate decision-making opportunity regarding the tendering of the Tender Offer.

According to the Offeror, the Tender Offer-related Parties have not come to an agreement restricting competing bidders from contacting the Company such as agreement including a deal protection provision which prohibits the Company from contacting any competing bidders.

According to the Offeror, accordingly, together with setting the tender offer period mentioned above, the Offeror has taken care to ensure fairness in the Tender Offer by securing an opportunity for any competing tender offers.

H. Setting the lower limit satisfying the majority of minority

According to the Offeror, as provided in "(1) Outline of Tender Offer" in "(2) Grounds and reasons for the opinion on the Tender Offer" in "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" in the Press Release on the Company's Opinion, in the Tender Offer, the lower limit of the number of expected shares for which the Tender Offer will be made (29,659,800 shares; shareholding ratio: 65.15%) will exceed the sum (26,341,214 shares; shareholding ratio: 57.86%) of (i) number of shares relating to the Tender Agreement (Note 7) (7,157,800 shares in total; shareholding ratio: 15.72%) and (ii) a majority of number of shares (19,183,414 shares; shareholding ratio: 42.14%) which is equivalent to Base Number of Shares (45,524,628 shares) after deducting the number of shares relating to the Tender Agreement (7,157,800 shares

in total; shareholding ratio: 15.72%) (which will amount to 38,366,828 shares; shareholding ratio: 84.28%). The Offeror views that the Tender Offer will not be successful if the majority of the Company's shareholders who have no interests in the Offeror are not in favor of the Tender Offer and that the Tender Offer is conducted placing weight on the opinion of the Company's minority shareholders.

(Note 7) For the details of the Tender Agreement, please see "(I) Outline of the Tender Offer" in "(2) Grounds and reasons for the opinion on the Tender Offer" in "3. Details of, and Grounds and Reasons for the Opinion on the Tender Offer" in the Press Release on the Company's Opinion.

4. Future Prospects

As a result of the implementation of the Share Consolidation, the Company's Stock will be delisted as stated in "A. Delisting" in "(2) Prospects of delisting" under "3. Grounds, etc. for the Amount of Cash Expected to Be Delivered to the Shareholders as a Result of the Treatment of Fractional Shares Resulting from the Share Consolidation" above.

5. Details of Transactions, etc. with a Controlling Shareholder

Since the Offeror is the parent company of the Company as of today, transactions relating to the Share Consolidation constitute transactions with a controlling shareholder.

(1) Status of compliance with the policy on measures to protect minority shareholders in conducting transactions with a controlling shareholder

In the Corporate Governance Report disclosed by the Company on December 22, 2025, the Company did not establish the "policy on measures to protect minority shareholders in conducting transactions with a controlling shareholder." However, the Company's policy is that, when conducting a transactions with a controlling shareholder, it takes measures to ensure fairness of the content and terms and conditions of the transaction, such as obtaining advice from attorneys and third-party institutions, etc. as necessary, and the Company's board of directors makes decisions after careful deliberation and takes appropriate measures so as not to harm the interests of minority shareholders.

In relation to the Transaction including the Tender Offer, the Company has taken measures as stated in "(3) Measures to ensure fairness of the Transaction and to prevent conflicts of interest" under "3. Grounds, etc. for the Amount of Cash Expected to Be Delivered to the Shareholders as a Result of the Treatment of Fractional Shares Resulting from the Share Consolidation" above, and the Company believes that such actions are in compliance with the above policy.

(2) Measures to ensure fairness and measures to avoid conflicts of interest

Please see "(3) Measures to ensure fairness of the Transaction and to prevent conflicts of interest" under "3. Grounds, etc. for the Amount of Cash Expected to Be Delivered to the Shareholders as a Result of the Treatment of Fractional Shares Resulting from the Share Consolidation" above.

(3) Overview of opinions obtained from the Special Committee concerning the Transaction not being disadvantageous to minority shareholders

The Company obtained the Report dated February 4, 2026 from the Special Committee independent of the Company and the Offeror, stating that the Transaction is not disadvantageous to the Company's minority shareholders. For more details of the Report, please see "E. Establishment by the Company of an independent special committee and procurement of a written report from the special committee" in "(3) Measures to ensure fairness of the Transaction and to prevent conflicts of interest" under "3. Grounds, etc. for the Amount of Cash Expected to Be Delivered to the Shareholders as a Result of the Treatment of Fractional Shares Resulting from the Share Consolidation" above.

Since the Report relates to the Transaction including the Share Consolidation, the Company has not newly obtained another opinion on the implementation of the Share Consolidation from a person having no interests in

the controlling shareholder.

II. Abolition of Provision on Share Units

1. Reasons for Abolition

If the Share Consolidation becomes effective, the total number of outstanding shares in the Company will be 2 shares, and as a result, there will be no need to set the number of shares per unit.

2. Scheduled Date of Abolition

Monday, June 3, 2026 (tentative)

3. Conditions for Abolition

The provision on share units will be abolished subject to the condition that the proposal concerning the Share Consolidation and the proposal concerning the partial amendments to the Articles of Incorporation regarding the abolition of the provision on share units (for more details, please see "III. Partial Amendments to the Articles of Incorporation" below) are approved at the Extraordinary Shareholders' Meeting as originally proposed and the Share Consolidation becomes effective.

III. Partial Amendments to the Articles of Incorporation

1. Purpose of the Amendments to the Articles of Incorporation

- (1) If the proposal concerning the Share Consolidation is approved as originally proposed and the Share Consolidation becomes effective, the total number of shares of the Company's Stock authorized to be issued will be reduced to 8 shares in accordance with Article 182, Paragraph 2 of the Companies Act. In order to clarify this point, Article 6 (Total Number of Shares Authorized to be Issued) of the current Articles of Incorporation will be amended, subject to the condition that the Share Consolidation becomes effective.
- (2) If the proposal concerning the Share Consolidation is approved as originally proposed and the Share Consolidation becomes effective, the Company's Stock will be delisted and after delisting the Company's Stock will no longer be traded on the Prime Market of the TSE. Accordingly, subject to the condition that the Share Consolidation becomes effective, the Company will delete the entire text of Article 7 (Acquisition of Treasury Shares) of the current Articles of Incorporation and, renumber subsequent articles accordingly.
- (3) If the proposal concerning the Share Consolidation is approved as originally proposed and the Share Consolidation becomes effective, the total number of outstanding shares in the Company will be 2 shares, and it will no longer be necessary to provide for the number of shares per unit. Accordingly, subject to the condition that the Share Consolidation becomes effective, the Company will abolish the provision on share units (which currently provides that one unit consists of 100 shares) by deleting the entire text of Article 8 (Number of Shares per Unit), Article 9 (Request for Additional Sale of Shares Constituting Less than One Unit), and Article 10 (Restrictions on Rights of Shareholders Holding Shares Constituting Less than One Unit) of the current Articles of Incorporation, and renumber subsequent articles accordingly.
- (4) If the proposal concerning the Share Consolidation is approved as originally proposed and the Share Consolidation becomes effective, the Offeror will become the sole shareholder of the Company. As a result, the provision concerning the record date for voting rights at the annual general meeting of shareholders will no longer be necessary. Accordingly, subject to the condition that the Share Consolidation becomes effective, the Company will delete the entire text of Article 13 (Record Date) of the current Articles of Incorporation, and renumber subsequent articles accordingly. If this amendment becomes effective, for the annual general

meeting of shareholders scheduled to be held in June, 2026, the shareholders as of the date of that meeting will be treated as shareholders entitled to exercise voting rights at that meeting.

- (5) If the proposal concerning the Share Consolidation is approved as originally proposed and the Share Consolidation becomes effective, the Offeror will become the sole shareholder of the Company. As a result, the provision concerning the provision of the reference documents for general meetings of shareholders in electronic format will no longer be necessary. Accordingly, subject to the condition that the Share Consolidation becomes effective, the Company will delete the entire text of Article 16 (Measures, etc. for Providing Information in Electronic Format), and renumber subsequent articles accordingly.

2. Details of the Amendments to the Articles of Incorporation

The details of the amendments to the Articles of Incorporation are as follows. The partial amendments to the Articles of Incorporation in this proposal will become effective on June 3, 2026, subject to the condition that the proposal concerning the Share Consolidation is approved at the Extraordinary Shareholders' Meeting as originally proposed and the Share Consolidation becomes effective.

Current Articles of Incorporation	Proposed Amendments
<p>Article 6 (Total Number of Shares Authorized to be Issued) The total number of shares authorized to be issued by the Company shall be <u>120,000,000</u> shares.</p> <p>Article 7 (Acquisition of Treasury Shares) <u>The Company may, by a resolution of the Board of Directors, acquire its treasury shares through market transactions pursuant to Article 165, paragraph (2) of the Companies Act.</u></p> <p>Article 8 (Number o of Shares per Unit) <u>The number of shares per unit of the Company shall be 100 shares.</u></p> <p>Article 9 (Request for Additional Sale of Shares Constituting Less than One Unit) <u>1. A shareholder holding shares constituting less than one unit of the Company may request the Company to sell to such shareholders such number of shares that, when combined with the shares constituting less than one unit held by such shareholder, will constitute one unit of shares (the “Request for Additional Sale”); provided, however, that this shall not apply where the Company does not hold the number of treasury shares required to satisfy such request.</u> <u>2. The timing, method of making a Request for Additional Sale, and other matters related thereto shall be governed by the Share Handling Regulations prescribed by the Board of Directors</u></p>	<p>Article 6 (Total Number of Shares Authorized to be Issued) The total number of shares authorized to be issued by the Company shall be <u>8</u> shares.</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p>

Article 10 (Restrictions on Rights of Shareholders Holding Shares Constituting Less than One Unit)

A shareholder of the Company holding shares constituting less than one unit may not exercise any rights other than those set forth below

- (1) The rights set forth in each item of Article 189, Paragraph 2 of the Companies Act;
- (2) The right to make a request for the acquisition of shares with acquisition request rights;
- (3) The right to receive an allotment of offered shares or offered stock acquisition rights; and
- (4) The right to make a request for additional sale of shares constituting less than one unit as set forth in the preceding Article.

Article 11 to 12 (Omitted)

Article 13 (Record Date)

1. The Company shall deem the shareholders with voting rights whose names are entered or recorded in the latest register of shareholders as of the last day of each fiscal year to be the shareholders who are entitled to exercise their voting rights at the annual general meeting of shareholders for the relevant fiscal year.

2. Notwithstanding the provisions of the preceding paragraph, whenever necessary, the Company may, pursuant to a resolution of the Board of Directors and upon giving prior public notice, deem the shareholders or registered share pledgees whose names have been entered or recorded in the latest register of shareholders as of a specified date to be the shareholders or registered share pledgees entitled to exercise their rights.

Article 14 to 15 (Omitted)

Article 16 (Measures, etc. for Providing Information in Electronic Format)

1. When convening a general meeting of shareholders, the Company shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders and other related materials in electronic format.

2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ordinance of Ministry of Justice from the documents delivered to shareholders who have requested a printed

(Deleted)

Article 7 to 8 (Unchanged)

(Deleted)

Article 9 to 10 (Unchanged)

(Deleted)

<p><u>copy of the reference materials by the record date for voting rights.</u></p> <p>Article <u>17</u> to <u>42</u> (Omitted)</p>	<p>Article <u>11</u> to <u>36</u> (Unchanged)</p>
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3. Scheduled Date of the Amendments to the Articles of Incorporation
Wednesday, June 3, 2026 (tentative)

4. Conditions for the Amendments to the Articles of Incorporation

The Articles of Incorporation will be amended subject to the condition that the proposal concerning the Share Consolidation is approved at the Extraordinary Shareholders' Meeting as originally proposed and the Share Consolidation becomes effective.

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