

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



November 18, 2025

To whom it may concern:

Company name: DIGITAL HOLDINGS, INC.
Representative: Daisuke Kanazawa, President and
Representative Director
(Stock Code: 2389, TSE Prime Market)
Telephone: +81 3-5745-3611

Notice Concerning Continuation of Company's Response Policies (Response Policies on Takeovers) for Purpose of Engaging in Good Faith Negotiations to Avoid Risk of Company Shareholders Remaining as Minority Shareholders (Coercive Effect) in Relation to Announcement of Planned Commencement of Tender Offer for Shares, etc. of Company by SilverCape Investments Limited

As announced in the press release of DIGITAL HOLDINGS, Inc. (the "Company") dated October 28, 2025, entitled "Notice Concerning Introduction of Company's Response Policies (Response Policies on Takeovers) for Purpose of Engaging in Good Faith Negotiations to Avoid Risk of Company Shareholders Remaining as Minority Shareholders (Coercive Effect) in Relation to Announcement of Planned Commencement of Tender Offer for Shares, etc. of Company by SilverCape Investments Limited," the Company received a proposal (the "Proposal"; for the details of the Proposal, please refer to the Company's press release dated October 20, 2025, entitled "Notice Regarding the Planned Commencement of the Tender Offer for Shares, etc. of Company by SilverCape Investments Limited.") from SilverCape Investments Limited ("SilverCape") to conduct a tender offer for the Company's common shares (the "Company Shares") and the Company's stock acquisition rights (together with the Company Shares, the "Shares, etc. of the Company") (the "SilverCape Tender Offer"). In the SilverCape Tender Offer, the minimum number of shares to be purchased is scheduled to be set at 3,535,700 shares (representing an 18.93% ownership ratio), with the result that, when combined with the 2,690,800 Company Shares currently held by SilverCape (representing a 14.41% ownership ratio), SilverCape would hold 33.34% of the total voting rights of the Company following the successful completion of the SilverCape Tender Offer. As the Company believed that there was a high possibility that *de facto* pressure (coercion) would be exerted on general shareholders to tender their shares in the SilverCape Tender Offer, due to the risk of being left as minority shareholders as a result of the squeeze-out procedures not being implemented following the successful completion of the SilverCape Tender Offer, the Company resolved at a meeting of its Board of Directors held on October 28, 2025 to introduce the response policies for the SilverCape Tender Offer (the "Response Policies").

Subsequently, as announced in the Company's press release dated November 12, 2025, entitled "Notice Regarding Amendments to the 'Notice Regarding the Planned Commencement of the

Tender Offer for Shares, etc. of Company by SilverCape Investments Limited,” on November 10, 2025, the Company received an amended proposal (the “Amended Proposal”) from SilverCape. According to the Amended Proposal, if the SilverCape Tender Offer were successfully completed and the voting rights pertaining to the Company Shares held by SilverCape did not reach two-thirds or more of the total voting rights of the Company’s shareholders, SilverCape would conduct a second tender offer (the “Second SilverCape Tender Offer”) in which the purchase price would be the same as the purchase price in the SilverCape Tender Offer, and no maximum or minimum number of shares to be purchased would be set. In light of the foregoing, pursuant to the authority delegated by the Board of Directors of the Company through its resolution dated October 16, 2025, which authorized the Representative Director to seek advice from the Special Committee (the special committee established by the Board of Directors on March 28, 2025; hereinafter the same) on matters within its discretion related to the Proposal, Daisuke Kanazawa, Representative Director of the Company, sought additional advice from the Special Committee on November 11, 2025, regarding whether the Company should continue the Response Policies, taking into account the Amended Proposal, and the status of discussions with SilverCape following the introduction of the Response Policies and other relevant circumstances. Subsequently, regarding such consultation with the Special Committee, the Company received the “Supplementary Advisory Report (4)” from the Special Committee dated November 18, 2025 (the “Supplementary Advisory Report (4)”). In the Supplementary Advisory Report (4), the Special Committee advised that, for the reasons generally set forth in items (i) through (iii) below, the Amended Proposal amounts to nothing more than a proposal to repeatedly conduct multiple tender offers that involve coerciveness, that it is, in substance, merely equivalent to extending the tender offer period once the number of shares tendered in the SilverCape Tender Offer has reached or exceeded the minimum number of shares to be purchased, and that it must still be evaluated as highly likely to exert *de facto* pressure (coercion) on general shareholders to tender their shares in the SilverCape Tender Offer. The Special Committee also advised that, even taking into account the additional communications between the Company or the Special Committee and SilverCape following the introduction of the Response Policies, shareholders still lack sufficient information to make an appropriate decision regarding the potential impact of the SilverCape Tender Offer on the Company’s corporate value and its sources, and that continuing the Response Policies remains an appropriate measure in response to the Amended Proposal. The Special Committee has selected and appointed Anderson Mori & Tomotsune, a third party independent from the Company’s management, as its independent legal advisor on November 5, 2025, for the purpose of obtaining advice necessary for considering the Proposal and other relevant matters. As a result, the objectivity and reasonableness of decisions regarding the Special Committee’s advice are ensured.

- (i) Even under the Amended Proposal, the minimum number of shares to be purchased is still set at a level that would result in SilverCape holding 33.34% of the total voting rights of the Company following the successful completion of the SilverCape Tender Offer when combined with the Company Shares currently held by SilverCape. In addition, the Amended Proposal neither intends nor guarantees that SilverCape will take the Company private or squeeze-out the Company’s shareholders, nor does the Amended Proposal present any concrete plan or indication for implementing a privatization or squeeze-out (i.e., it does not contain any basis demonstrating a reasonable possibility that a privatization or squeeze-out would actually be carried out). Therefore, even if the Second SilverCape Tender

Offer were successfully completed, the uncertainty regarding the implementation of a privatization or squeeze-out still would remain. Accordingly, the Amended Proposal amounts to nothing more than a proposal to repeatedly conduct multiple tender offers that involve coerciveness, and it can be evaluated that the risk of a privatization or squeeze-out not being implemented, resulting in general shareholders being left behind as minority shareholders, continues to exist. According to the letters dated November 7 and November 14, 2025, received by the Company from Hakuholdo DY Holdings Inc. (“Hakuholdo”), Hakuholdo is currently considering lowering the minimum number of shares to be purchased in the tender offer for the Shares, etc. of the Company commenced on September 12, 2025 (the “Hakuholdo Tender Offer”). As stated in the “Supplementary Advisory Report (3)” prepared by the Special Committee concurrently with the Supplementary Advisory Report (4), even after lowering the minimum number of shares to be purchased, it is considered that the likelihood of a squeeze-out (share consolidation) being implemented following the successful completion of the Hakuholdo Tender Offer remains sufficiently ensured. Accordingly, the coerciveness of the Hakuholdo Tender Offer is deemed to have been eliminated or adequately mitigated. Therefore, the Special Committee is of the view that, even if the minimum number of shares to be purchased is lowered, the Hakuholdo Tender Offer is different in nature from that of the Amended Proposal, which raises concerns of coerciveness arising from uncertainty regarding the implementation of a privatization or squeeze-out.

- (ii) Since the Amended Proposal does not involve any change to the minimum number of shares to be purchased, there remains a risk that the SilverCape Tender Offer may exert extremely strong coercive pressure on general shareholders, due to the real risk of delisting following its successful completion. Accordingly, it can be evaluated that the coerciveness arising from the delisting risk that would result from the tradable share percentage of the Company Shares falling significantly below the 35% threshold required for the Tokyo Stock Exchange Prime Market as a result of the successful completion of the SilverCape Tender Offer would continue to exist.
- (iii) Even in the Amended Proposal, the explanations provided by SilverCape, the entity expected to become the Company’s largest shareholder, regarding (a) the future direction and form of the Company and (b) its strategies for enhancing corporate value, following the successful completion of the SilverCape Tender Offer, remain extremely unclear and insufficient. In addition, on October 31, 2025, the Company sent SilverCape an additional questionnaire that included questions regarding measures to enhance the Company’s corporate value following the successful completion of the SilverCape Tender Offer. Although the Company received SilverCape’s response to the questionnaire on November 14, 2025, which was after the response deadline of November 12, the response did not address each of the questions raised by the Company and merely reiterated its previous assertions in a general and abstract manner (Note). Additionally, SilverCape has repeatedly stated in abstract terms that, after the successful completion of the SilverCape Tender Offer, long-term value could be created through business improvement and business expansion by having key members of the Company continue to focus on management while utilizing dispatched directors from SilverCape and SilverCape’s network. However, SilverCape has presented no concrete growth strategy for the digital marketing field, which is becoming a mature market. For these reasons, even taking into account the Amended Proposal and SilverCape’s responses, it can be

evaluated that uncertainty remains regarding the Company's corporate value following the successful completion of the SilverCape Tender Offer. Furthermore, as described in item (i) above, the Amended Proposal still neither intends nor guarantees that it will privatize the Company or squeeze out the Company's shareholders, nor present any concrete plan or indication for implementing a privatization or squeeze-out (i.e., it does not contain any basis demonstrating a reasonable possibility that privatization or squeeze-out would actually be carried out). Accordingly, the Amended Proposal can be regarded as a proposal for a partial acquisition of the Company Shares. In tender offers aimed at partial acquisitions, it is generally understood that coerciveness may arise due to the uncertainty surrounding the post-acquisition management of the target company and the resulting potential decline in corporate value and shareholder interests. From these perspectives, even under the Amended Proposal, significant uncertainty remains regarding the Company's business operations and corporate value following the successful completion of the SilverCape Tender Offer, and this can therefore be regarded as a factor that gives rise to serious coerciveness.

(Note) Examples of the questions the Company sent include the following; however, SilverCape has not provided any response to these questions. Consequently, the following concerns remain unresolved: concerns arising from SilverCape's lack of a track record in managing a Japanese company after acquiring a majority of its issued shares or having any investment history in the advertising industry; concerns regarding the feasibility of SilverCape's business strategy for the Company centered on differentiation through investment in AI companies or the seriousness of SilverCape arising from its very vague explanation thereof; and concerns about the future direction and form of the Company arising from the insufficient explanation of SilverCape's background and actual corporate status.

- (a) whether, given that SilverCape is a single-family operation established under Cayman Islands law and that the founder, protector and beneficiary of the ultimate parent company (The SilverCape Trust) are all Mr. Kelvin Chiu, it should be understood that SilverCape is incentivized to act in pursuit of Mr. Kelvin Chiu's private interests or asset protection;
- (b) if beneficiaries other than Mr. Kelvin Chiu exist, details of such beneficiaries, and SilverCape's views on the concern that, if the beneficiaries are unknown, the Company would be unable to assess what kind of conflict-of-interest structure might arise between the controlling shareholder and the minority shareholders;
- (c) SilverCape's recognition of the fact that, depending on SilverCape's ownership ratio following the successful completion of the SilverCape Tender Offer, the Company might fall below the Tokyo Stock Exchange Prime Market's delisting criterion relating to the tradable share ratio, exposing the minority shareholders to serious risks (strong coerciveness);
- (d) whether SilverCape might sell all or part of the Company Shares it holds if SilverCape were to face urgent liquidity needs due to fluctuations in the market value of the securities that account for a significant portion of its assets;
- (e) how SilverCape analyzed the Company's competitive positioning and

competitors in connection with its statement that it had “conducted extensive industry analysis”;

- (f) the specific assumptions underlying SilverCape’s assertion that, while only linear growth can be expected from a combination of the Company and the Hakuhodo Group, growth could be made scalable through a combination of the Company and SilverCape;
- (g) what types of AI companies SilverCape envisions investing in for the purpose of differentiating the Company’s Marketing business, and whether there are benchmark companies toward which the Company’s Marketing business is expected to evolve;
- (h) SilverCape’s contemplated exit strategies in the event the Company becomes delisted as a result of SilverCape acquiring a majority of the Company Shares, and the exit strategies in the event the Company remains listed with SilverCape holding only a minority interest;
- (i) matters related to the funding arrangements required for the SilverCape Tender Offer, including the timeline for liquidating marketable securities, the status of consultations with the Kanto Local Finance Bureau regarding financing, and the specific names of financial institutions in the event of external financing; and
- (j) whether it is correct to understand that, despite SilverCape’s explanation that the Company’s cash would be used for AI and M&A investments, the Company’s cash and proceeds from the sale of investment securities would, in principle, be used for business investments and not for repayment of acquisition financing.

Based on the Supplementary Advisory Report (4) described above, the Company, at a meeting of its Board of Directors held today, carefully discussed and considered whether it should continue the Response Policies, even when taking into account the terms of the Amended Proposal, and resolved to continue the Response Policies.

The continuation of the Response Policies was resolved at the meeting of the Board of Directors mentioned above with the approval of all directors of the Company, including seven (7) independent outside directors (but excluding Mr. Noboru Hachimine and Mr. Atsushi Nouchi, who are parties to material agreements concerning the Hakuhodo Tender Offer).

End