



February 25, 2026

To Whom It May Concern

Company Name: Yomeishu Seizo Co., Ltd.
Representative: Hideo Tanaka,
Representative Director, President
(Securities Code 2540; Prime Market of the
Tokyo Stock Exchange)
Contact: Akira Igawa
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Department
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**Notice concerning Expression of Opinion in Favor of the Tender Offer for the Shares of the
Company by Reno Co., Ltd. and Neutral Opinion Regarding the Tender of Shares**

Yomeishu Seizo Co., Ltd. (the “Company”) hereby announces that it has resolved as follows at its board of directors meeting held yesterday to express an opinion in favor of a tender offer (the “Tender Offer”) for the common shares of the Company (the “Company Shares”) by Reno Co., Ltd. (the “Offeror”), and also to leave the decision on whether to tender their shares in the Tender Offer to the discretion of the Company’s shareholders.

The resolution by the board of directors above was made on the assumption that (i) the Offeror plans to take the Company Shares private through the Tender Offer and the subsequent series of procedures, and (ii) the Company Shares are planned to be delisted.

I. Expression of Opinion on the Tender Offer

1. Overview of the Offeror

(1)	Name	Reno Co., Ltd.	
(2)	Location	3-8, Nanpeidai-cho, Shibuya-ku, Tokyo	
(3)	Name and title of representative	Hironaho Fukushima, Representative Director	
(4)	Description of business	1. Holding, management, and investment of securities; 2. Business management and financial consulting; and 3. Any and all businesses incidental to the foregoing	
(5)	Capital	10,000,000 yen	
(6)	Date of incorporation	August 21, 1986	
(7)	Major shareholders and their ownership percentages	City Index First Co., Ltd.	50.00%
		City Index Fifth Co., Ltd.	50.00%
(8)	Relationships between the Company and the Offeror		
	Capital relationships	N/A	
	Personnel relationships	N/A	
	Transactional relationships	N/A	
	Status as related person	N/A	

2. Price of Purchase, Etc.

4,050 yen per common share (the “Tender Offer Price”).

3. Substance of and Grounds and Reasons for Opinions Relating to the Tender Offer

(1) Substance of Opinions Relating to the Tender Offer

At the board of directors meeting held yesterday, based on the grounds and reasons stated in “(2) Grounds and Reasons for Opinions Relating to the Tender Offer” below, the Company resolved to express an opinion in favor of the Tender Offer and leave the decision on whether to tender their shares in the Tender Offer to the discretion of the Company’s shareholders.

The resolution at the abovementioned board of directors meeting was made in accordance with the method stated in “(vii) Unanimous Approval by All Company Directors Not Having a Conflict of Interest (including Directors Who Are Audit and Supervisory Committee Members)” under “(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” below.

(2) Grounds and Reasons for Opinions Relating to the Tender Offer

The statements in this “(2) Grounds and Reasons for Opinions Relating to the Tender Offer” that relate to the Offeror are based on explanations received from the Offeror.

(i) Overview of the Tender Offer

The Offeror determined on February 24, 2026 to conduct the Tender Offer as part of a series of transactions (the “Transactions”) that will ultimately cause Tsumura to become the sole shareholder of the Company, namely: (a) the Tender Offer; (b) the series of transactions to make the Offeror and the Company’s major and largest shareholder, Yuzawa Co., Ltd. (“Yuzawa”) the sole shareholders of the Company (the “Squeeze-Out Procedures”), which will be carried out in the event that the Tender Offer is successfully completed but the Offeror is unable to acquire all of the Company Shares (excluding treasury shares held by the Company and the Shares Agreed Not to Be Tendered (as defined below)), as described in “(5) Post-Tender Offer Reorganization and Other Policies (Matters Relating to the ‘Two-Step Acquisition’)” below; (c) the assignment of all of the Company Shares held by the Offeror to Yuzawa after the Squeeze-Out Procedures (the “Private Transfer to Yuzawa”); (d) Yuzawa’s causing the Company to transfer to Yuzawa all of the non-operating assets of the Company, through either a distribution of surplus with the non-operating assets as the distributed property and/or an absorption-type split with the non-operating assets as the assets to be transferred, after Yuzawa becomes the sole shareholder of the Company (the “Non-Operating Assets Transfer”); and (e) the assignment to TSUMURA & CO. (“Tsumura”) of all of the Company Shares held by Yuzawa after the Non-Operating Assets Transfer (the “Private Transfer to Business Partner”). The Offeror and Tsumura hold no Company Shares as of today.

In preparation for the Tender Offer, the Offeror entered into a non-tender agreement with Yuzawa dated February 24, 2026 (the “Non-Tender Agreement”), in which it was agreed in writing (i) that Yuzawa would not tender the 4,641,500 Company Shares held by Yuzawa (ownership ratio (Note 1): 33.34%; the “Shares Agreed Not to Be Tendered”) in the Tender Offer and (ii) that Yuzawa would vote in favor of any proposals concerning the Squeeze-Out Procedures at the Extraordinary Shareholder Meeting (as defined in “(5) Post-Tender Offer Reorganization and Other Policies (Matters Relating to the ‘Two-Step Acquisition’)” below; the same applies hereinafter) to be held after the successful completion of the Tender Offer.

Note 1: “Ownership ratio” means the percentage (rounded to the second decimal place; the same applies hereinafter to references to ownership ratio unless otherwise specified) calculated against the difference between the total number of issued shares of the Company as of December 31, 2025 (16,500,000 shares) as stated in the “Non-Consolidated Financial Results for the Nine Months Ended December 31, 2025 (JGAAP)” announced by the Company on January 29, 2026 (the “Company’s Financial Results”) and the number of treasury shares held by the Company as of that date (2,576,243 shares) (13,923,757 shares; the “Reference Number of Shares”). Note, however, that the number of Company Shares (60,755 shares) held by The Master Trust Bank of Japan, Ltd. (officer BIP trust

account No.75,828; the “BIP Trust Account”) as trust property under the Company’s performance-linked stock-based compensation plan (the “BIP Trust Plan”) is not included in the Company’s treasury stock, as a disposal of treasury stock was made to The Master Trust Bank of Japan, Ltd., which is a joint trustee of the BIP Trust Plan; the same applies hereinafter to references to treasury shares.

In connection with the Tender Offer, the Offeror entered into written tender agreements (the “Tender Agreements”) dated February 24, 2026 with: the Company’s third-largest shareholder, Mitsubishi UFJ Trust and Banking Corporation (“Mitsubishi UFJ Trust and Banking”; number of shares held: 675,000; ownership ratio: 4.85%); the Company’s fourth-largest shareholder, Hachijuni Nagano Bank, Ltd. (“Hachijuni Nagano Bank”; number of shares held: 650,200; ownership ratio: 4.67%); the Company’s sixth-largest shareholder, The Toa Reinsurance Company, Limited (“Toa Reinsurance”; number of shares held: 548,000; ownership ratio: 3.94%); and Taro Shiozawa (number of shares held: 163,819; ownership ratio: 1.18%; “Mr. Shiozawa”) (Mitsubishi UFJ Trust and Banking, Hachijuni Nagano Bank, Toa Reinsurance, and Mr. Shiozawa collectively, the “Tender Agreement Shareholders”) under which the Tender Agreement Shareholders each agreed to tender all of the Company Shares that they hold (total number of shares held: 2,037,019; total ownership ratio: 14.63%) in the Tender Offer.

In connection with the Tender Offer, the Offeror also entered into an oral arrangement (the “Arrangement”) with Yukihiro Nomura (“Mr. Nomura”; number of shares held: 3,700; ownership ratio: 0.03%) under which Mr. Nomura agreed to tender all of the Company Shares that he holds in the Tender Offer.

The Offeror also entered into a master agreement concerning the Transactions (the “Master Agreement”) with Yuzawa, the Company, and Tsumura dated February 24, 2026.

For an overview of the Non-Tender Agreement, the Tender Agreements, the Arrangement, and the Master Agreement, see “4. Matters Relating to Material Agreements Concerning the Tender Offer” below.

The Offeror has set the minimum number of shares to be purchased through the Tender Offer at 1,903,900 shares (ownership ratio: 13.67%), and the Offeror will not purchase any of the share certificates, etc. tendered in the Tender Offer (the “Tendered Share Certificates, etc.”) if the total number of the Tendered Share Certificates, etc. is less than the minimum number of shares to be purchased (1,903,900 shares). Conversely, given that the Offeror intends to acquire all of the Company Shares (excluding treasury shares held by the Company and the Shares Agreed Not to Be Tendered) as stated above, the Offeror has not set a maximum number of shares to be purchased, and the Offeror will purchase all of the Tendered Share Certificates, etc. if the total number of the Tendered Share Certificates, etc. exceeds the minimum number of shares to be purchased (1,903,900 shares).

The reasons for setting a minimum number of shares to be purchased (1,903,900 shares) are as follows.

First, in order to adopt the resolution concerning the Share Consolidation (as defined in “(5) Post-Tender Offer Reorganization and Other Policies (Matters Relating to the ‘Two-Step Acquisition’” below) for the purpose of taking the Company Shares private, it is necessary to secure the required number of voting rights. The Offeror believes that in calculating the number of Company Shares necessary to adopt the resolution concerning the Share Consolidation, it would be appropriate to refer to the voting ratio at its annual general meeting of shareholders over a certain period, and specifically considered a five-year period to be an appropriate and sufficient reference period as it allows for the examination of voting rates at all annual general meeting of shareholder held since the first fiscal year (ended March 2021) that was fully impacted by the COVID-19 pandemic – a period marked by significant changes in the economic and social environment, including major shifts in the environment surrounding our company. The Offeror referred to the maximum value rather than the average value in the interest of prudence when estimating the number of votes required for the passage of the proposal concerning the Share Consolidation, and concluded

that if it obtains a number of Company Shares representing the product (53.80%) of the greatest voting ratio at an annual general meeting of shareholders of the Company held in the past five years (80.70%; Note 2) multiplied by the ratio required for a special resolution at a shareholder meeting (two-thirds), it will have secured enough voting rights to pass a resolution concerning the Share Consolidation.

Note 2: According to the Offeror, the voting ratio corresponding to the proposal for which the largest number of voting rights were exercised among all proposals at the 107th Annual General Meeting of the Company held in June 2025 is 80.63%, based on the number of voting rights held by all shareholders as of the record date of the 107th Annual General Meeting as disclosed in the Annual Securities Report for the 107th Fiscal Year submitted by the Company on June 26, 2025 (the “Company’s Annual Securities Report”) and the number of voting rights exercised at that meeting as disclosed in the extraordinary report submitted by the Company on July 1, 2025. By the same method of calculation, the voting ratio for the 106th Annual General Meeting held in June 2024 was 78.00%, the voting ratio for the 105th Annual General Meeting held in June 2023 was 79.72%, the voting ratio for the 104th Annual General Meeting held in June 2022 was 78.21%, and the voting ratio for the 103rd Annual General Meeting held in June 2021 was 80.70%.

Second, in accordance with the comment that “as the scale of passive index funds has increased in recent years as a trend in the Japanese capital markets, some of these investors refrain, as a matter of policy, from tendering their shares in response to a tender offer regardless of the appropriateness of the transaction terms” stated in the Fair M&A Guidelines formulated by the Ministry of Economy, Trade and Industry (“METI”) on June 28, 2019, the Offeror considers that some passive index funds (meaning funds that aim to secure a rate of return equivalent to the market average by managing assets with the objective of linking investment results with a stock price index or other index that serves as a market benchmark for the invested assets, including stocks; the same applies hereinafter) will not, in principle, tender shares in a tender offer, regardless of the suitability of the terms of the transaction, but will vote in favor of a squeeze-out at a subsequent shareholder meeting. As such, in Tender Offer, if the sum of the total number of voting rights of the Company held by the Offeror and Yuzawa plus the number of voting rights represented by the Company Shares held by passive index funds is at least two-thirds of the total number of voting rights held by shareholders who would be present at the shareholder meeting concerning the squeeze-out, there is a high likelihood of the proposal concerning the Share Consolidation being adopted at the Extraordinary Shareholder Meeting.

(As of today, the Offeror has not yet received specific confirmation from any passive index funds that they intend to vote in favor of the proposal concerning the Share Consolidation if the Tender Offer is successful, but because the Share Consolidation will be proposed subject to the successful completion of the Tender Offer following the implementation of the measures described in “(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” below and with the endorsement of the Company, the Offeror believes that the passive index funds will vote in favor of that proposal.)

Furthermore, since it is difficult to ascertain from publicly available information the most recent total number of Company Shares held by passive index funds, the Offeror has estimated the number of Company Shares held by passive index funds based on database information from multiple information vendors (Quick and FactSet) that provide data services for financial markets and other areas and considered it to be approximately 912,801 shares (ownership ratio: 6.56%). Although the number of Company Shares held by passive index funds may have changed between the date the information was obtained from the database and today, the Company’s listing market (Tokyo Stock Exchange Prime Market), which is the benchmark for portfolio selection in passive index management, has not changed, and the Offeror therefore believes any such change would be immaterial.

As stated above, it is expected that some passive index funds will not tender their shares in the Tender Offer, but, if a proposal regarding the Share Consolidation is submitted, will vote

in favor of such proposal at the Extraordinary Shareholder Meeting after the Tender Offer is successfully completed. Because the Share Consolidation will be proposed subject to the successful completion of the Tender Offer following the implementation of the measures described in “(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” below and with the endorsement of the Company, the Offeror has determined that the specific number of Company Shares that the Offeror must acquire through the Tender Offer in order for the special resolution concerning the Share Consolidation to be passed is 1,903,900 shares (ownership ratio: 13.67%), which is equal to the product of (i) the difference (19, 039 voting rights) between (a) the number of voting rights (74,582 voting rights) pertaining to the product (7,458,295 shares) of the ownership ratio (53.80%) that is the product of the highest voting ratio at an annual general meeting of the Company in the past five years (80.70%) multiplied by the ratio of votes required to adopt a special resolution at a shareholder meeting (two-thirds) multiplied by the difference of the Reference Number of Shares less the number of Company Shares held by the BIP Trust Account (Note 3) and (b) the aggregate of the number of voting rights pertaining to the Shares Agreed Not to Be Tendered (46,415 voting rights) and the number of voting rights pertaining to Company Shares estimated to be held by passive index funds (9,128 voting rights) and (ii) 100, which is the number of shares per unit of the Company.

Note 3: As stated in the “Notice Regarding Implementation of a Performance-Linked Stock-Based Compensation Plan” published by the Company on May 22, 2015, the “Notice Regarding Continuation of the Performance-Linked Stock-Based Compensation Plan” published by the Company on May 23, 2018, and the “Notice Regarding Continuation of the Performance-Linked Stock-Based Compensation Plan” published by the Company on May 22, 2021, the Company has introduced a BIP Trust Plan as a performance-linked stock-based compensation plan for directors (excluding directors serving on the Audit and Supervisory Committee and outside directors) and executive officers who have entered into a delegation agreement with the Company. However, the Offeror did not include the number of Company Shares held by the BIP Trust Account as of December 31, 2025 (60,755 shares) in the calculation of the minimum number of shares to be purchased, because the Company Shares held by the BIP Trust Account are not to be distributed to beneficiaries, tendered in the Tender Offer, or otherwise disposed of on or before the record date for the Extraordinary Shareholder Meeting to be held on or around early June, 2026, and the voting rights associated with the Company Shares held by the BIP Trust are not to be exercised during the trust period (which is to expire on August 31, 2027), and therefore those voting rights will not be exercised at the Extraordinary Shareholder Meeting.

Therefore, even if the Tender Offer is completed at the minimum number of shares to be purchased, it is expected to reach a converted voting right ownership ratio of 53.80%, such that the Offeror expects that the requirements for approving the proposal for the Share Consolidation will be met, although the exact number of Company Shares that will actually be voted in favor of that proposal is unknown as stated above.

In light of the above, the Offeror has set the minimum number of shares to be purchased in the Tender Offer at 1,903,900 shares (ownership ratio: 13.67%) so that the voting rights of the Company held by the Offeror may be enough that the proposal for the Share Consolidation be approved at the Extraordinary Shareholder Meeting, even if the Offeror holds less than two thirds of the voting rights of all shareholders of the Company after the Tender Offer.

If the Tender Offer is successful, the Offeror intends to implement the Squeeze-Out Procedures and plans to request the Company to convene the Extraordinary Shareholder Meeting with the agenda to include a resolution to implement the Share Consolidation and, conditional upon the Share Consolidation taking effect, to amend the Articles of Incorporation to abolish provisions on the number of shares per unit, as stated in “(5) Post-Tender Offer Reorganization and Other Policies (Matters Relating to the ‘Two-Step Acquisition’” below. Even if the Offeror and Yuzawa do not come to hold Company Shares

that combined represent at least two-thirds of the voting rights of all shareholders of the Company, the Offeror believes that the requirements for the proposal pertaining to the Share Consolidation to be passed at the Extraordinary Shareholder Meeting will be met as described above. However, if the Offeror and Yuzawa do not come to hold Company Shares that combined represent at least two-thirds of the voting rights of all shareholders of the Company, there is a possibility that the proposal pertaining to the Share Consolidation will be rejected at the Extraordinary Shareholder Meeting. Even if the proposal pertaining to the Share Consolidation is rejected at the Extraordinary Shareholder Meeting, the Offeror intends to take the Company Shares private, and will therefore make additional acquisitions of the Company Shares through market transactions, tender offers, off-market transactions other than tender offers, and other means (to the extent permitted by law) until it has obtained a number of shares representing two-thirds of the number of voting rights anticipated to be voted at the next shareholder meeting, so that the total number of voting rights represented by the Company Shares held by the Offeror and Yuzawa combined is sufficient to approve the Share Consolidation, in light of the response to the Tender Offer, the ownership structure of the Company at the time, and changes in its affiliation and market share price. Subsequently, the Offeror intends to request that the Company convene a shareholder meeting. (The period required for such additional acquisitions and subsequent approval of the Share Consolidation at a shareholder meeting depends on market conditions and other circumstances. While it is difficult to specify a definitive timeline at this point, the current plan is to complete these steps by July 2026. The Offeror intends to announce the specific anticipated timing once it becomes available.) If the Tender Offer is completed successfully, the Offeror will not change its policy to take the Company Shares private, regardless of the anticipated timing. The consideration to be paid by the Offeror to the shareholders in the above additional acquisitions will be the market price in the case of a market transaction, or in the case of an off-market transaction, a price that is economically equivalent to the Tender Offer Price for the shareholders that sell in response to that additional acquisition (meaning the same price per share as the Tender Offer Price, unless the Company takes any action that requires adjustment of the consideration to be paid, such as a reverse stock split or share consolidation).

After the completion of the Squeeze-Out Procedures, the Offeror plans to conduct the Private Transfer to Yuzawa, in which all of the Company Shares held by the Offeror will be transferred to Yuzawa after obtaining approval of the Company's application for exemption from the obligation to submit annual securities reports; the details of that transaction have not been determined as of today (Note 4). As the Company and Tsumura do not wish for the non-operating assets to be taxed upon their transfer to Yuzawa, it is necessary for the Company to establish a complete control relationship between Yuzawa and the Company to preempt taxation (Note 5). Therefore, the Company will execute a relative transfer to Yuzawa prior to implementing the Non-Operating Assets Transfer.

Note 4: For the Private Transfer to Yuzawa, the Offeror plans to value the Company Shares based on the price that is the product of the number of shares of the Company held by the Offeror prior to the implementation of the Squeeze-Out Procedures multiplied by the Tender Offer Price, to which will be added the expenses incurred by the Offeror in connection with the implementation of the Tender Offer and the Offeror's cost of capital, so as not to violate the purpose of the regulations regarding the uniformity of prices in a tender offer.

Note 5: To establish a complete control relationship between Yuzawa and the Company, there is also the option for Yuzawa to conduct the tender offer instead of the Offeror; however, at the time of the commencement of the Tender Offer, Yuzawa will not possess sufficient cash and deposits or net assets to take the Company private, and given the risk that the Tender Offer may fail, securing external financing would be difficult. In contrast, the Offeror has secured the necessary funds to conduct the Tender Offer, and therefore the Offeror, not Yuzawa, will conduct the Tender Offer. Office Support Co., Ltd., an indirect shareholder of Yuzawa, is also an indirect shareholder of the Offeror. Specifically, ATRA Corporation, a shareholder of Yuzawa, holds 50% of the total voting rights of Yuzawa, and Office Support Co., Ltd. holds 30.9% of the total voting rights of

ATRA Corporation. Furthermore, Office Support Co., Ltd. holds 37.5% of the total voting rights of C&I Holdings Co., Ltd., C&I Holdings Co., Ltd. holds 50% of the total voting rights of City Index First Co., Ltd., and City Index First Co., Ltd. holds 50% of the total voting rights of the Offeror.

On the other hand, the representative director of Yuzawa has verbally confirmed with representatives of multiple potential financing sources that external financing will become possible when the Private Transfer to Yuzawa is conducted after the successful completion of the Tender Offer and the delisting of the Company, as the risk of the Tender Offer failing will have been eliminated. The Offeror has also verbally confirmed this with Yuzawa.

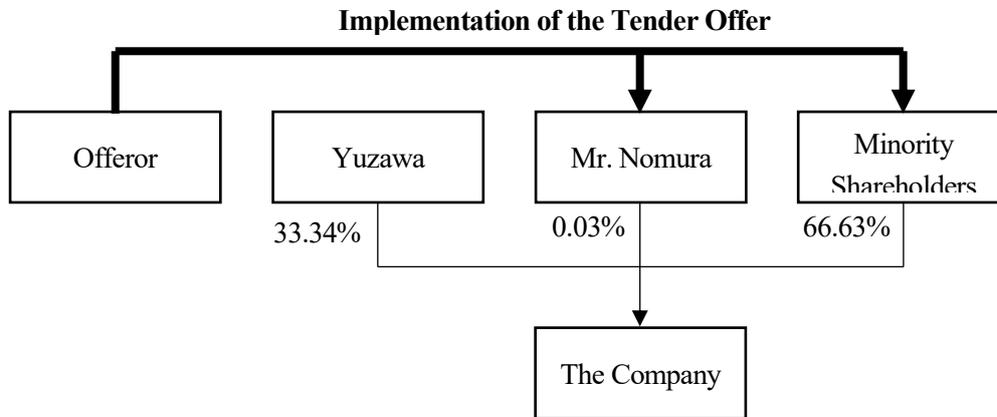
After Yuzawa becomes the sole shareholder of the Company through the Private Transfer to Yuzawa, it is planned that Yuzawa will cause the Company to conduct the Non-Operating Assets Transfer (Note 6), in which the Company will transfer its non-operating assets to Yuzawa through either a distribution of surplus with the non-operating assets as the distributed property or an absorption-type split with the non-operating assets as the assets to be transferred. (For details of the Non-Operating Assets Transfer, see “(iv) The Master Agreement” in “4. Matters Relating to Material Agreements Concerning the Tender Offer” below.)

Note 6: The non-operating assets comprise cash and deposits, long-term deposits, unlisted stocks, stocks other than unlisted stocks, bonds, and certain tangible fixed assets (the “Non-Operating Tangible Fixed Assets”) held by the Company, and as of March 31, 2025, their respective book values were: cash and deposits of 5,711 million yen, long-term deposits of 5,200 million yen, unlisted stocks of 916 million yen, stocks other than unlisted stocks of 17,836 million yen, bonds of 6,081 million yen, and the Non-Operating Tangible Fixed Assets of 3,678 million yen.

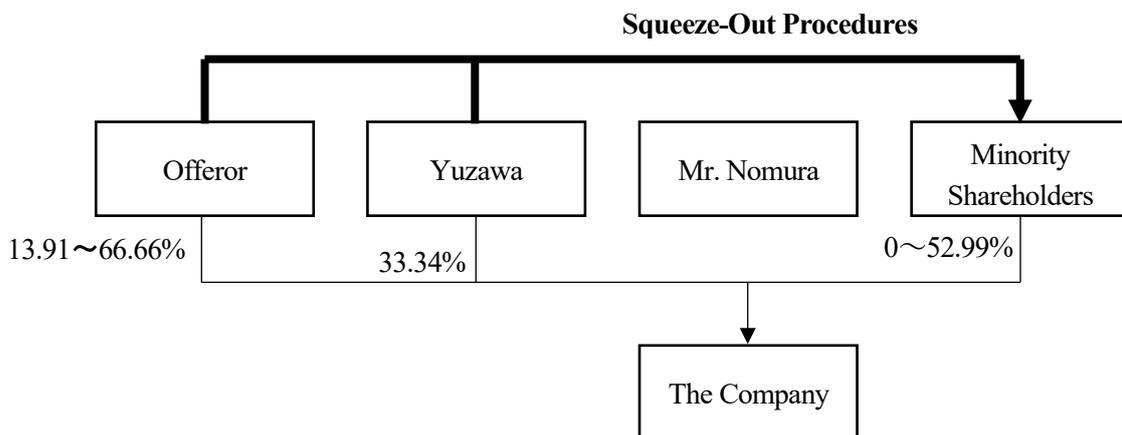
Furthermore, following the completion of the Non-Operating Assets Transfer, the Company may, prior to the implementation of the Private Transfer to the Business Partner, sell the Kurasawa-related business to a third party other than the Business Partner, although the details are still under consideration, and if such a business sale cannot be realized, the Company plans to scale back or withdraw from the Kurasawa-related business as a precondition for the implementation of the Private Transfer to the Business Partner (the Company is not aware, as of today, of any particular circumstances that would pose an obstacle to the Company itself scaling back or withdrawing from the Kurasawa-related business). The Company plans to make a further disclosure once the sale of the Kurasawa-related business to a third party other than the Business Partner has been finalized. Thereafter, following the completion of the Non-Operating Assets Transfer, the Private Transfer to Business Partner is planned, whereby all shares of the Company held by Yuzawa will be transferred to Tsumura. (For details of the Private Transfer to Business Partner, see “(iv) The Master Agreement” in “4. Matters Relating to Material Agreements Concerning the Tender Offer” below.) The Private Transfer to Business Partner involves transferring the non-operating assets to Yuzawa after the Squeeze-Out Procedures, and given that prior to implementing the Private Transfer to Business Partner, the Company will either sell the Kurasawa Business to a third party other than the Business Partner or, if that sale cannot be realized, downsize or withdraw from the Kurasawa Business, that transfer will effectively pertain solely to the Yomeishu Business; at the same time, considering that at the time of the Tender Offer, the Company possesses the Yomeishu Business, the Kurasawa Business, and the non-operating assets, the Offeror believes that the issue of uniform pricing does not arise because the assets being acquired in the Private Transfer to Business Partner differ from those being acquired in the Tender Offer. Furthermore, Tsumura expressed a desire to acquire only the Company’s business operations (in substance, the Company’s Yomeishu-related business operations) and had no intention of conducting a tender offer for the entire Company, including its non-operating assets. Therefore, the Offeror decided to implement the Tender Offer, retain only the Yomeishu-related business operations to be acquired by Tsumura within the Company through the Non-Operating Assets Transfer and the scaling back or withdrawal from the Kurasawa-related business (including the sale of that business to a third party other than Tsumura) after the completion of the Squeeze-Out Procedures and

the Private Transfer to Yuzawa, and then transfer the Company Shares from Yuzawa to Tsumura.
 The series of transactions currently contemplated as of today are generally described by the following figures.

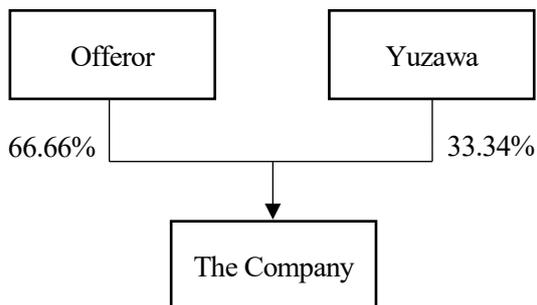
Implementation of the Tender Offer:



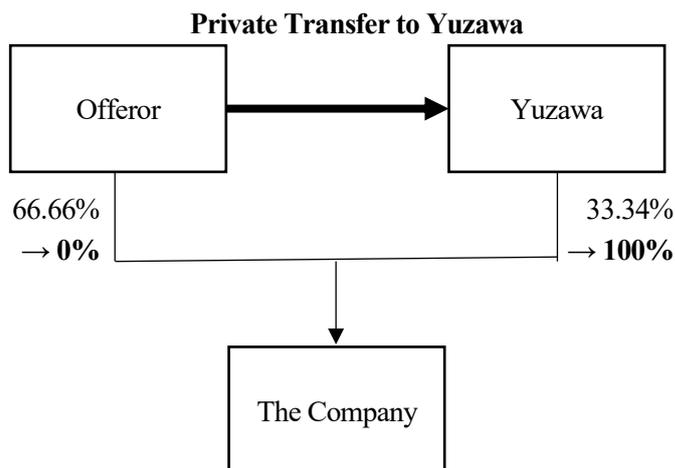
Squeeze-Out Procedures following implementation of the Tender Offer:



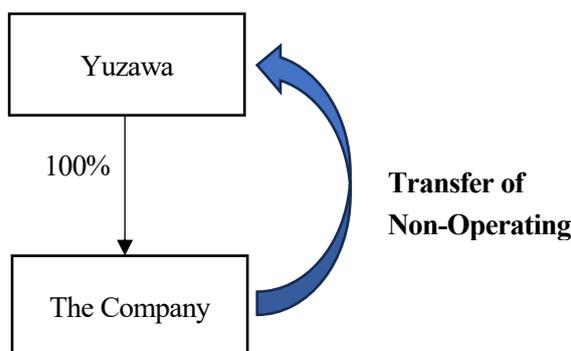
After the Squeeze-Out Procedures:



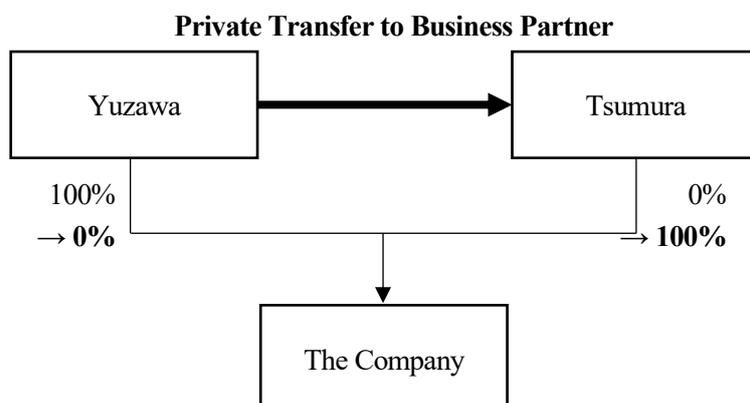
Private Transfer to Yuzawa:



Transfer of Non-Operating Assets:



Private Transfer to Business Partner:



(ii) Background, Objectives, and Decision-Making Process Leading to the Offeror's Decision to Conduct the Tender Offer

(A) Business Environment Surrounding the Company, etc.

The Company was established in June 1923 as Tenryukan Co., Ltd., taking over the Yomeishu business, which had been passed down for over 300 years by the Shiozawa family in the Ina Valley of Shinshu. In February 1943, it absorbed and merged with Yomeishu Honpo Tenryugaku Co., Ltd., integrating the two companies' operations. In November 1951, it changed its trade name to Yomeishu Seizo Co., Ltd., which remains its current corporate name. Its stock has been listed on the Tokyo Stock Exchange since October 1955, and it transitioned from the Tokyo Stock Exchange First Section to the Tokyo Stock Exchange Prime Market following the market restructuring in April 2022.

The Company's corporate group (the Company and its affiliates) consists of the Company and one non-consolidated subsidiary, and carries out the Yomeishu Business and the Kurasuwa Business. Guided by its management philosophy of "living up to the trust of consumers and contributing to a rich, healthy life," the Company prioritizes customer satisfaction and trust, and strives to contribute to healthy living by aiming to embody its corporate vision of a "Sound, Strong, and Good Company." Under its business vision of "supporting people who wish for healthier, better times," the Company works to provide products and services that offer reassurance and meet the needs of society through Yomeishu and other products and the Kurasuwa brand.

The business activities of the Company's corporate group are outlined below.

Yomeishu Business:

Primarily the manufacturing and sale of Yomeishu, alcoholic beverages and food products, in Japan and overseas, and also the sale of solar-generated electricity and real estate leasing.

Kurasuwa Business:

Retail and service businesses under the Kurasuwa brand based on the concept of "expanding the circle of healthy living through food," comprising: store operations, which consists of selling products through the Company's own commercial facilities and operating restaurants; catalogue sales via the Internet and other channels; and external sales through third-party distribution channels.

The Company recognizes, with respect to its medium-to-long-term environment, that companies are now being called on to resolve diverse societal challenges unlike those faced before, as a result of factors such as the Japan's declining birthrate and aging population, high energy and raw material prices, and increasing global uncertainty.

In this business environment, the Company formulated its Medium-Term Business Plan (April 2022 to March 2027) (the "Medium-Term Business Plan"), establishing its fundamental strategy of "growth investment for the next 100 years and establishment of a sustainable growth foundation" as it approached its 100th anniversary in 2023. The Company has pursued a dual-pronged management strategy, simultaneously strengthening (deepening) the profitability of its existing businesses centered on the wholesale distribution of Yomeishu, alcoholic beverages and food products while building (exploring) new business foundations centered on its developing Kurasuwa brand, to secure profitability while making growth investments and striving to create new corporate value.

However, factors such as the impact of rising prices on consumer behavior have led to sluggish domestic sales of Yomeishu; intensifying competition in catalogue sales and difficulties securing personnel for store expansion have delayed the growth of the Kurasuwa Business; and the feasibility of an M&A transaction aimed at the final year of the Medium-Term Business Plan has diminished. These and other significant changes to the assumptions underlying the Medium-Term Business Plan led the Company to withdraw, on May 13, 2025, its final-year sales target of more than 20 billion yen which it set out in the Medium-Term Business Plan, announced on May 11, 2022 concurrently with the financial results for the fiscal year ended March 2022.

To achieve sustainable growth and expand corporate value under these business conditions, the Company believes that it is necessary to achieve a return to a growth trend by strengthening sales capabilities for products, particularly Yomeishu, which are experiencing a revenue decline, and to implement fundamental improvement measures for the Kurasuwa Business.

(B) Background, Objectives, and Decision-Making Process Leading to the Offeror's Decision to Conduct the Tender Offer

The Offeror has invested in numerous listed companies and has a track record of contributing to shareholder value enhancement, with the aim of pursuing the proper management of Japanese listed companies and promoting their understanding of corporate governance. Specifically, the Offeror believes that listed companies, as public entities, bear responsibilities to all stakeholders, including employees, business partners, and

shareholders, and must achieve a return on equity (ROE) for shareholders that exceeds their cost of capital by strengthening business competitiveness and improving asset efficiency, which will drive the stock price upward over the medium to long term; the Offeror has achieved stock price increases at portfolio companies such as those set out below. The Offeror's portfolio companies include Accordia Golf Co., Ltd., Kuroda Electric Co., Ltd., Toei Reefer Line Ltd., Idemitsu Kosan Co., Ltd., ShinMaywa Industries, Ltd., UKC Holdings Corporation, Nippon Yusen Kabushiki Kaisha, Chugoku Toso Co., Ltd., Sanshin Electric Corporation, Koseido Co., Ltd., Excel Co., Ltd., Japan Asia Group Ltd., Cosmo Energy Holdings Co., Ltd., and Shinsei Bank, Ltd. The Offeror has an investment track record of contributing to the enhancement of shareholder value, not only by aiming to increase shareholder value through improved capital policies, but also by discussing and guiding the implementation of numerous value-enhancing measures with the management teams of its portfolio companies, such as industry consolidation through management integration and the provision of incentives that align the perspectives of management and employees with those of shareholders.

Yuzawa and Mr. Nomura (hereinafter "Yuzawa, Etc.," and collectively with the Offeror, the "Offeror Group"; Yuzawa and Mr. Nomura are both special related parties of the Offeror) concluded that the Company's stock was trading at an undervalue considering the assets held by the Company, in light of the fact that its stock price was undervalued relative to net assets per share (3,272 yen as of the end of September 2023; equal to net assets divided by the number of shares outstanding) and the price-to-book ratio (PBR; equal to stock price divided by net assets per share) was below 1 (the closing price of the Company Shares on November 30, 2023 of 1,873 yen corresponds to a PBR of 0.62). As such, since December 11, 2023, the Offeror has acquired the Company Shares through transactions both on and off the market, and as of May 2, 2024, Mr. Nomura, a shareholder of Yuzawa, came to hold 141,700 shares (representing 1.02% of the total number of shares issued by the Company as of March 31, 2024, excluding treasury shares).

Subsequently, Yuzawa acquired a total of 3,300,100 shares between March 19 and 21, 2025 (percentage of the number of issued shares of the Company less treasury shares as of March 31, 2025: 23.70%), and Mr. Nomura acquired 135,400 shares on March 19, 2025 (percentage of the number of issued shares of the Company less treasury shares as of March 31, 2025: 0.97%), through off-market transactions, so that as of March 21, 2025, the total number of Company Shares owned by Yuzawa, Etc. was 3,577,200 shares, representing 25.69% of the Company's total issued shares as of March 31, 2025, excluding treasury shares. Believing that they had come to hold sufficient shares to exert meaningful influence when proposing shareholder value enhancement to the Company's management as shareholders, Yuzawa, Etc. held their first meeting with the Company on April 2, 2025.

Yuzawa, Etc. held a total of seven meetings with the Company and its directors between April 2, 2025, and July 29, 2025, including meetings with outside directors. Excluding one meeting with the outside directors of the Company, a total of six meetings were held at which the Company was represented by President and Representative Director Hideo Tanaka, and Akira Igawa, who was elected as a director at the 107th Ordinary General Meeting of Shareholders on June 27, 2025. Given that the Company held substantial non-operating assets (cash and deposits, long-term deposits, unlisted stocks, stocks other than unlisted stocks, bonds, and certain tangible fixed assets) due to having accumulated internal reserves over many years, Yuzawa, Etc. believed that these non-operating assets were causing a decline in the Company's capital efficiency. At the meetings held between April 2, 2025, and July 29, 2025, Yuzawa, Etc. stated that, although the option generally exists to maintain a public listing while improving capital efficiency through business growth and shareholder returns as a measure to enhance shareholder value, given that the Company's revenue and profits have been stagnant over the medium to long term, and this situation is expected to negatively impact the Company's stock price going forward, it would be desirable for the Company to go private to address this issue and enhance shareholder value, and specifically proposed privatization by a management buyout (MBO). Yuzawa, Etc. selected and proposed the MBO method because they believed that

having the participating management team assume the risks of the Company's business themselves, while also enjoying the returns if their management was successful, was an approach befitting their role as executives. Yuzawa, Etc. also informed the Company that they could serve as the sponsors for the delisting of the Company Shares by MBO. Yuzawa, Etc. conveyed that their envisioned structure, should they sponsor the delisting of the Company Shares, was for the non-operating assets held by the Company to be transferred to Yuzawa after the going-private transaction to allow Yuzawa, Etc. to recover the funds used for taking the Company private through the liquidation of the non-operating assets, while the remaining business operations would be held by Yuzawa, Etc. and the Company's management team.

The Company primarily responded to the stated intentions of Yuzawa, Etc. by inquiring about the content of Yuzawa's explanations, as Yuzawa, Etc. had requested that the Company refrain from communicating material facts to Yuzawa, Etc., and thus Yuzawa, Etc. had no particular understanding.

Yuzawa, Etc. also requested that the Company be fully aware that, even if the Company were to select this structure, the directors of the target would be required to: (a) select a tender offer price that fully reflects the Company's value; (b) approach multiple parties rather than seeking a buyer within a closed network; and (c) sell to the party that maximizes shareholder value, that is, the party that values the company most highly and offers the highest price.

On August 6, 2025, Yuzawa saw media coverage indicating that the Company was conducting a first bidding process toward going private (Yuzawa did not obtain any information other than the report indicating that the Company was proceeding with the bidding process). Yuzawa, Etc. communicated to the Company that while they supported the delisting of the Company Shares because they had proposed becoming the sponsor for the delisting of the Company Shares, they had no intention of selling their holdings, either to the Company in a share buyback or to any third party. On the same day, the Company issued a timely disclosure titled "Regarding Certain Media Reports" (the "Disclosure of August 6"), stating that while certain media reports suggested that the Company was considering going private, this was not an announcement made by the Company, and that while the Company was exploring various options aimed at enhancing corporate value (including going private), no decision had been made by the Company.

Yuzawa, Etc. held a total of four meetings with the Company between September 3, 2025, and October 7, 2025. First, at the meeting held on September 3, 2025, the Company informed Yuzawa, Etc. that, as per the Disclosure of August 6, it was considering various options, including going private, to enhance corporate value. In response, at the meetings from September 3 to October 7, 2025, Yuzawa, Etc. primarily conveyed to the Company their strong desire to take the Company private by any means, not limited to an MBO. They stated that, given the possibility that the Company's management team may not endorse an MBO or joint ownership of the business by Yuzawa the management team, which are methods by which the management team takes on risk as the owners of the business and in return receives returns when corporate value increases in the future, and further in light of the downward trend of the Company's sales and profits the medium to long term, having a third-party partner acquire the Company's business after privatization by Yuzawa, Etc. to manage it alongside the management team would be a desirable option for the Company's medium-to-long-term growth. They also stated that, in the event of transferring the Company's business to a third-party partner, Yuzawa, Etc. would continue to lead the going-private process, and would subsequently implement a business restructuring including the recovery of the non-operating assets of the Company before transferring the business to the third-party partner, and indicated that this approach was expected to facilitate smoother selection of the transferee and progression of the transfer process. If no third-party partner were to be found, Yuzawa, Etc. stated that they wished to retain ownership of the Company's business between Yuzawa and the management team as originally proposed. They further indicated that, apart from the requirement of taking the Company private and recovering their funds through the liquidation of the non-operating assets, they would be flexible to the extent that the economic viability for Yuzawa, Etc. was ensured, and requested that the management team offer their own proposals. At the

meeting held on September 10, 2025, Yuzawa, Etc. orally communicated to the Company that, assuming the approval of the Company's management, they considered it possible to explore taking the Company private at a price of 4,000 yen per share, based on the closing price of the Company Shares on September 9, 2025, the business day prior to the meeting, of 3,980 yen (the price of 4,000 yen per share represents a premium of 0.50% (rounded to two decimal places; the same applies hereinafter to the calculation of premiums and discounts) to the closing price as of September 9, 2025, which was the business day prior to September 10, 2025, and a premium of 1.88% to the simple average closing price over the preceding one-month period of 3,926 yen (rounded to the nearest whole yen; the same applies hereinafter to simple average closing prices), a premium of 15.54% to the simple average closing price over the preceding three-month period of 3,462 yen, and a premium of 25.08% to the closing price over the preceding six-month period of 3,198 yen).

Yuzawa, Etc., wishing to actively engage as shareholders in the delisting of the Company Shares, acquired 1,318,100 Company Shares (percentage of the number of issued shares of the Company less treasury shares as of September 30, 2025: 9.47%) through off-market transactions on October 14, 2025 (including 277,100 shares acquired from Mr. Nomura), and subsequently made a further acquisition of a total of 23,300 Company Shares (percentage of the number of issued shares of the Company less treasury shares as of September 30, 2025: 0.17%) through market transactions between October 15 and October 17, 2025, such that as of October 17, 2025, the total number of the Company Shares owned by Yuzawa, Etc. came to be 4,645,200 shares (representing 33.36% of the total number of shares issued by the Company as of September 30, 2025, excluding treasury shares).

Yuzawa, Etc. and the Company entered into a confidentiality agreement on October 28, 2025 with respect to their discussions regarding delisting the Company Shares through an SPC established by Yuzawa and a subsequent series of transactions. From October 30 to November 26, 2025, the Company held a total of three meetings with Yuzawa, Etc., at which Yuzawa, Etc. conveyed to the Company their continued intention to proceed with delisting the Company Shares. Yuzawa, Etc. communicated to the Company that they held over one-third of the voting rights of the Company, and that therefore, even if the management team were to choose to take the company private, it would not be realistic to achieve this unless the privatization fully reflected the wishes of Yuzawa, Etc. The Company informed Yuzawa, Etc. that it was considering various options, including going private, to enhance corporate value.

On December 5, 2025, during a meeting between Yuzawa, Etc. and the Company, Yuzawa, Etc. received from the Company a legally binding proposal (the "Consortium Proposal") dated December 1, 2025, regarding the delisting of the Company Shares, submitted by a consortium (the "Consortium") consisting of Kohlberg Kravis Roberts & Co. L.P. (including its affiliates and related funds, "KKR"), an investment advisory firm established in Delaware, and Tsumura. The Consortium Proposal assumes a share value of 4,021 yen per share of the Company Shares and a proposed tender offer price of 4,282 yen per share, based on the scenario where Tsumura conducts a share buyback at a price of 3,497 yen per share (the price at which the after-tax proceeds received by Tsumura if it participates in the tender offer would be equivalent to the after-tax proceeds it would receive if the Company conducted a share buyback) and appropriates the difference to the Tender Offer Price in the Tender Offer. The premise for Tsumura's acquisition of the Company Shares under the Consortium Proposal was that the businesses other than the Yomeishu-related business would be carved out or scaled back. Subsequently, on December 8, 2025, Yuzawa, Etc. informed the Company that while they supported the delisting of the Company Shares, their intention was to take the Company private under the leadership of Yuzawa, Etc., and they had no intention of selling their holdings of the Company Shares to any third party or accepting a share buyback by the Company, and therefore could not accept the tender offer pertaining to the Consortium Proposal or a share buyback by the Company.

Yuzawa, Etc. then held a total of four meetings with the Company between December 11 and December 25, 2025, at which they stated again that their original intention was to take the Company private under the leadership of Yuzawa, Etc., and they had no intention of selling their holdings of the Company Shares to any third party or accepting a share buyback by the Company, and therefore could not accept the tender offer pertaining to the

Consortium Proposal or a share buyback by the Company. The Company informed Yuzawa, Etc. that their cooperation with the Consortium Proposal would allow the Company to enhance corporate value.

On December 30, 2025, the Company made a revised proposal to Yuzawa regarding the Consortium Proposal, to the effect that while the per-share valuation would remain unchanged (at 4,021 yen), it was theoretically possible to increase the acquisition price in the share buyback by the Company of the Company Shares held by Yuzawa (to 3,497 yen), and that KKR would consider allowing Yuzawa to reinvest the proceeds from that share buyback into the purchasing entity under the Consortium Proposal. Yuzawa rejected this revised proposal on the basis that its terms did not align with their intention to take the Company private under the leadership of Yuzawa, Etc., and thus did not merit consideration.

On the evening of December 30, 2025, the Company made a disclosure titled “(Progress of Disclosed Matters) Notice regarding Certain Media Report” (the “Disclosure of December 30”), in which it announced that, having confirmed that Yuzawa had no intention of selling its Company Shares even in light of KKR’s revised proposal, the Company had determined that KKR’s proposal was not likely to succeed, and that it had notified KKR that evening of the termination of the exclusive negotiation rights previously granted to KKR.

From January 6 to January 20, 2026, Yuzawa, Etc. held a total of four meetings with the Company. On January 9, 2026, Yuzawa, Etc. submitted a proposal (the “Proposal of January 9”) to the Company, regarding a transaction whereby the Company Shares would be delisted through a tender offer for the Company Shares by the Offeror and a tender offer for its own shares by the Company, following which Yuzawa would acquire the non-operating assets held by the Company, and the Company Shares would be transferred to the best owner for the Company’s business as soon as possible. In submitting the Proposal of January 9, the Offeror Group appointed Yoko Atsumi, attorney-at-law, as its legal advisor on January 6, 2026; however, the Offeror Group did not appoint any financial advisor, as it had not conducted due diligence on the Company and possessed the necessary expertise regarding the valuation of the Company required for preparing that proposal. In addition, at these meetings, Yuzawa, Etc. expressed the view that the buyer that most highly values the Company’s business would be the best owner. In respect of the method of going private, Yuzawa, Etc. expressed the view that, as a result of the Company conducting a tender offer for its own shares to acquire the Company Shares from the Company’s operating company shareholders in addition to the Offeror’s tender offer for shares of the Company, the deemed dividend non-taxable income provision was expected to apply to those operating company shareholders, thus providing the operating company shareholders with a certain tax advantage; it would thus be possible to provide other shareholders with a tax benefit equivalent to this amount by lowering the purchase price in the tender offer for the Company’s own shares and raising the purchase price in the tender offer by the Offeror. Therefore, Yuzawa, Etc. proposed that the Company conduct the tender offer for its own shares and the Offeror conduct its tender offer for shares of the Company in parallel. Yuzawa, Etc. also conveyed to the Company that they considered that offering a value per share equal to or higher than the highest price presented in the Company’s active market check (during discussions with the Company on December 5, 2025, the Company informed Yuzawa, Etc. that the Consortium Proposal had been selected as a result of an active market check, and during those discussions, Yuzawa Etc. asked the Company to confirm whether the Consortium Proposal represented the highest share value offered as a result of the active market check, in response to which the Company confirmed that it did; therefore, it was confirmed that the highest price presented as a result of the active market check was the share value of 4,021 yen per share in the Consortium Proposal) was important for enhancing shareholder value; therefore, Yuzawa, Etc. stated that they maintained the opinion that the value per share should be 4,021 yen or more. The Company conveyed to Yuzawa, Etc. that it believed that going private would enhance corporate value, and that while the management team believed that the combined shareholdings of those shareholders expected to support the plan to take the Company private and the shares held by Yuzawa, Etc. would be sufficient to secure the necessary shareholder support to successfully take the Company private, if a tender offer for the

Company's own shares were to be conducted, the shares held by Yuzawa, Etc. following the acquisition of Company Shares through that tender offer from shareholders expected to support the privatization alone would be insufficient to secure the necessary shareholder support to successfully take the Company private, and this would introduce uncertainty whereby the success of the privatization would depend on the outcome of the tender offer for the other company's shares. Therefore, to increase the likelihood of going private, it would be preferable for the Offeror to conduct only the tender offer for the Company Shares, rather than two tender offers, one by the Company for its own shares and another by the Offeror for the Company Shares.

When submitting the Proposal of January 9 to the Company, Yuzawa, Etc. requested that the Offeror, which has capital and personnel relationships with Yuzawa, rather than Yuzawa itself, serve as the implementing entity for this Tender Offer for the reasons set out in Note 5 in "(i) Overview of the Tender Offer" above, and the Offeror accepted this request.

On January 22, 2026, the Offeror Group accepted the Company's opinion regarding increasing the likelihood of going private, and communicated its intention to proceed with delisting the Company Shares solely through the Offeror's tender offer for the Company Shares, without contemplating a tender offer by the Company for its own shares.

On January 30, 2026, the Offeror Group was informed by the Company that the Company and the Special Committee (as defined below in "(iii) Decision-Making Process Leading to the Company's Decision to Support the Tender Offer, and the Reasons Therefor") had determined Tsumura to be the best owner, given that Tsumura offered the highest valuation of the Company's business value in the Business Sale Bidding Process (as defined below in "(iii) Decision-Making Process Leading to the Company's Decision to Support the Tender Offer, and the Reasons Therefor") and that Tsumura's proposal was also considered to contribute to enhancing the Company's corporate value, and the Offeror Group confirmed that Tsumura would be the best owner.

The Offeror Group entrusted the specific details and progress of the best owner selection process to the Company, communicating their view to the Company that the buyer offering the highest price for the Company's business should be deemed the best owner as described above. Based on this, the Company informed the Offeror Group that it had determined Tsumura to be the best owner, and the Offeror Group agreed to this decision. As such, the Offeror Group did not engage in any negotiations regarding the best owner selection process.

The Offeror analyzed the Company's business and financial condition through the financial information and other materials disclosed by the Company, and based on the fact that the Consortium Proposal valued the Company's shares at 4,021 yen per share, proposed to the Company on February 4, 2026, that the Tender Offer Price in the Tender Offer be set at 4,022 yen (the "First Proposal"), as a price exceeding that amount (4,021 yen); the price of 4,022 yen per share represents a discount of 6.25% to the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on February 3, 2026, the business day immediately preceding the date of the proposal, of 4,290 yen, and a discount of 7.75% to the simple average closing price over the preceding one-month period of 4,360 yen, a discount of 9.68% to the simple average closing price over the preceding three-month period of 4,453 yen, and a discount of 4.98% to the simple average closing price over the preceding six-month period of 4,233 yen.

On February 10, 2026, the Company and the Special Committee responded by requesting that the Offeror reconsider the Tender Offer Price, based on the view that the Tender Offer Price in the First Proposal was not deemed sufficient in light of the Company's corporate value and the interests of minority shareholders, in consideration of the current market price trends of the Company Shares, the premiums paid in similar past transactions, and the content of the share valuation conducted by the Special Committee's financial advisor.

On February 16, 2026, the Offeror responded by making a further proposal (the "Second Proposal") with a Tender Offer Price of 4,050 yen, which represents a discount of 10.79% to the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on February 13, 2026, which was the business day prior to February 16, 2026, of 4,540 yen, and a discount of 7.13% to the simple average closing price over the preceding one-month

period of 4,361 yen, a discount of 9.48% to the simple average closing price over the preceding three-month period of 4,474 yen, and a discount of 5.15% to the closing price over the preceding six-month period of 4,270 yen

On February 17, 2026, the Company and the Special Committee responded by requesting that the Offeror reconsider the Tender Offer Price, based on the view that the Tender Offer Price in the Second Proposal could be made to better reflect the intrinsic value of the Company in the profit to the general shareholders, in consideration of the current market price trends of the Company Shares, the premiums paid in similar past transactions, and the content of the share valuation conducted by the Special Committee's financial advisor.

On February 19, 2026, the Offeror responded by making another proposal at the same price as the Second Proposal of 4,050 yen per share, stating that it could not accommodate further requests to raise the Tender Offer Price.

In mid-February 2026, the Offeror also began approaching major shareholders among the Company's business partners and close shareholders regarding the execution of tender agreements regarding the Tender Offer; having received responses from Mitsubishi UFJ Trust and Banking Corporation, Hachijuni Nagano Bank, Toa Reinsurance, and Mr. Shiozawa, it discussed the content of these tender agreements with those shareholders through late February 2026.

On February 24, 2026, following discussions, the Offeror reached an agreement with the Company and the Special Committee regarding the Tender Offer Price, and on that date, the Offeror entered into the Master Agreement with the Company, Tsumura, and Yuzawa, which provided for a Tender Offer Price of 4,050 yen. The Offeror approached Mr. Nomura regarding the Agreement in mid-February 2026, and obtained the Agreement from Mr. Nomura on February 24, 2026.

Based on the above deliberations and discussions, the Offeror decided on February 24, 2026, to proceed with the Tender Offer.

(iii) Decision-Making Process Leading to the Company's Decision to Support the Tender Offer, and the Reasons Therefor

(A) Background of Establishment of Review Structure

As stated in "(ii) Background, Objectives, and Decision-Making Process Leading to the Offeror's Decision to Conduct the Tender Offer" above, in order to solve operational issues such as realizing a return to a growth trend by strengthening sales capabilities for products, particularly Yomeishu, and implementing fundamental improvement measures for the Kurasuwa Business in light of the business environment of the Company in which there have been other significant changes to the assumptions underlying the Medium-Term Business Plan, including sluggish domestic sales of Yomeishu, intensifying competition in catalogue sales, delayed growth of the Kurasuwa Business, and the diminished feasibility of an M&A transaction aimed at the final year of such Plan, from around April 2025, the Company had been considering strategic options, including capital transactions pertaining to the Company Shares, from the perspective of further enhancing the mid- to long-term corporate value of the Company and ensuring the common interests of its shareholders.

In addition, Yuzawa, the Company's largest shareholder, requested a meeting with the Company, and the Company held an initial meeting with Yuzawa, Etc. on April 2, 2025. At this meeting, Yuzawa, Etc. provided explanations to the Company regarding the ideal state of a listed company, commented on the Company's issues, and presented the Company with the option of going private as one possible solution to those issues. This initial meeting prompted the Company to reconsider its approach to its capital policy for realizing shareholder value and corporate value enhancement. The Company then decided to proceed with a more specific review of its capital policy and other strategic options (the "Capital Policy"), including the potential privatization of the Company Shares by a strategic partner. This decision was due to the Company's belief that, amid an increasingly challenging business environment, the privatization of the Company Shares by a strategic partner desirable in terms of the Company's business growth could constitute a rational management option for enhancing the Company's mid- to long-term corporate value.

Accordingly, in order to further deepen this review, in May 13, 2025, the Company, after examining the expertise and track record of each firm, respectively appointed as its advisors for this matter Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (“Mitsubishi UFJ Morgan Stanley Securities”) as its financial advisor and third-party valuation institution independent from the Company and Mori Hamada & Matsumoto (“MHM”) as its legal advisor.

Subsequently, while proceeding with its examination of the Capital Policy, the Company received advice from the abovementioned advisors, and during ongoing and repeated discussions the Company held with Yuzawa, Etc. from early April through late July 2025 in parallel with its own examinations, while being approached about an MBO sponsored by Yuzawa, Etc., the Company fully recognized the necessity of conducting a market check if it opted for the Company Shares to be taken private. Based on this recognition, the Company reached the conclusion that, with respect to the Capital Policy, it would be desirable to conduct a so-called “active market check” in order to maximize the common interests of its shareholders from the perspective of enhancing the Company’s corporate value and ensuring the shareholders’ common interests. Accordingly, in early July 2025, the Company launched a bidding process (the “Privatization Bidding Process”) aimed at selecting a strategic partner for the Capital Policy (the “Privatization Partner”) and having the Company Shares taken private by such Privatization Partner. In addition, the Company, through its financial advisor Mitsubishi UFJ Morgan Stanley Securities, made preliminary inquiries to seven PE funds and operating companies selected as Privatization Partner candidates (the “Privatization Partner Candidates”) to participate in the Privatization Bidding Process and commenced the first stage of such process (the “First Privatization Bidding Process”). In the Company’s meetings with Yuzawa, Etc., Yuzawa, Etc. had requested the Company not to communicate any material information to Yuzawa, Etc., and therefore the Company did not inform Yuzawa, Etc. of the existence of the Privatization Bidding Process until December 5, 2025. In addition, the Company did not receive any proposal from Yuzawa, Etc. where the specificity and feasibility of the privatization of the Company Shares could be confirmed until January 9, 2026.

In addition, in light of factors including the fact that the purpose of the Capital Policy is to take the Company Shares private, which will have a large impact on the Company’s general shareholders, at its board of directors meeting held on July 30, 2025, the Company, from the perspective of ensuring the fairness of the transaction terms for the Capital Policy by securing the fairness of the procedures therefor, resolved to establish a special committee independent of each of the Privatization Partner Candidates and the Company to be comprised of three independent outside directors of the Company who are supervisory committee members (the “Special Committee”; for details on the specific activities and the like of the Special Committee, please refer to “(iv) Establishment of an Independent Special Committee by the Company and Obtainment of a Report from an Independent Special Committee” in “(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” below. In addition, the Special Committee confirmed that there were no issues with the Company’s financial advisor and third-party valuation institution Mitsubishi UFJ Morgan Stanley Securities or the Company’s legal advisor MHM in terms of each firm’s independence from the Privatization Partner Candidates and the Company and with each firm’s expertise concerning transactions similar to the Capital Policy, and approved the Company’s appointments of both firms. Further, the Special Committee appointed Plutus Consulting Co., Ltd. (“Plutus Consulting”) as its own financial advisor and Iwata Godo as its own legal advisor, after confirming that there were no issues with either firm in terms of their independence from the Privatization Partner Candidates and the Company and their expertise concerning transactions similar to the Capital Policy.

(B) Background of Examinations and Negotiations

From the early July 2025 onward, the Company and the Special Committee conducted the First Privatization Bidding Process and received letters of intent from late July 2025 onward from multiple companies out of the seven Privatization Partner Candidates that participated in the First Privatization Bidding Process, including from Tsumura and KKR.

Accordingly, the Company and the Special Committee carefully carried out a comparative review of the contents of such letters (including the transaction structure, economic terms, management policy after the Transactions, and anticipated synergy effects), and sequentially selected three candidate companies from late August 2025 onward (collectively, the “Prospective Buyers”) to sound out for participation in the second stage of the Privatization Bidding Process (the “Second Privatization Bidding Process”).

Tsumura participated in the First Privatization Bidding Process and made a proposal premised on a joint investment with a financial investment partner that was considering investing in the Company. Given this, the Company and the Special Committee conducted a careful review, taking into account the contents of the proposals submitted by the other Privatization Partner Candidates that had participated in the First Privatization Bidding Process and had also submitted letters of intent on the assumption that joint investment would be possible. As a result, the Company and the Special Committee determined that the Company Shares being taken private jointly by KKR and Tsumura would be highly likely to contribute to enhancement of the Company’s corporate value and maximization of shareholder value, and therefore in late September 2025, the Company and its financial advisor Mitsubishi UFJ Morgan Stanley Securities brought KKR and Tsumura together. Subsequently, having confirmed that the KKR and Tsumura intended to make a legally binding proposal as a consortium (the “Consortium”), the Company invited the Consortium to participate in the Second Privatization Bidding Process as one of the three aforementioned corporate candidates.

Following this, from late August onward, the Company provided the Prospective Buyers invited to participate in the Second Privatization Bidding Process with opportunities to perform due diligence, and by early December, 2025, the Company had received legally binding letters of intent from two candidates, the Consortium, and a non-legally binding letter of intent from one company. In addition, the Company also carried out a comparative review of non-legally binding proposal from a candidate, but it determined that the conditions of the proposal was inferior compared to the legally-binding letters of intent from the two candidates from the perspective of feasibility, as it lacked financing commitments.

While the evaluation of the price of the Company’s share value was the same in the legally-binding letters of intent from the two candidates which included the Consortium, the Consortium Proposal most highly evaluated the businesses in which the Company engages, and the Company considered the contents of the measures, etc. for enhancing the Company’s corporate value in the Consortium Proposal to be relatively superior over the proposal from the other candidate (such measures including the improvement of marketing related to the Yomeishu business, the expansion of overseas sales channels, the strengthening of research and development functions, and value enhancement measures through the effective utilization of real estate). Accordingly, the Company and the Special Committee decided to designate the Consortium as the final candidate to be the Privatization Partner. On December 1, 2025, the Company granted the Consortium exclusive negotiation rights and commenced discussions and examinations toward the implementation of taking the Company Shares private.

Subsequently, as stated in the release published by the Company dated December 30, 2025 and titled “(Progress of Disclosed Matters) Notice regarding Certain Media Report,” on December 5, 2025, the Company informed Yuzawa, its largest shareholder, of the contents of the Consortium Proposal. Following this, on December 8, 2025, Yuzawa informed the Company that, while it was in favor of the Company being taken private, Yuzawa did not intend to sell its Company Shares, and Yuzawa indicated that it could not accept the Consortium Proposal, in which it was assumed that Yuzawa would sell its Company Shares. Based on said intention, the Company held repeated discussions with the Consortium, and on December 30, 2025, the Company received from the Consortium a revised proposal that included a partial recontribution from Yuzawa (the “Revised Consortium Proposal”). The Company again informed Yuzawa of the content of the Revised Consortium Proposal on December 30, 2025, and that same day, Yuzawa expressed its view to the Company that the content of the Revised Consortium Proposal was not sufficiently in line with Yuzawa’s intentions and did not merit consideration.

As stated above, even taking into account the content of the Revised Consortium Proposal, the Company confirmed that Yuzawa had no intention to sell its Company Shares. Accordingly, the Company determined that the Revised Consortium Proposal lacked any likelihood of being realized, and on the evening of December 30, 2025, the Company informed the Consortium that the exclusive negotiation rights the Company had granted it would lapse. In addition, given that Yuzawa had again expressed its intention to take the Company Shares private through a scheme under which Yuzawa would remain a shareholder of the Company, the Company began considering specific methods for the privatization of the Company Shares with Yuzawa.

Subsequently, on January 9, 2026, the Company received a proposal from Yuzawa to take the Company Shares private (the “Yuzawa Proposal”). The Yuzawa Proposal envisaged a transaction under which, following the privatization of the Company Shares through a tender offer, Yuzawa would acquire the non-operational assets from among those held by the Company, and the Company Shares would be transferred to a best owner for the business of the Company (the “Business Partner”) as quickly as practicable (it should be noted that the Yuzawa Proposal did not include any provision for scaling back or withdrawing from the Kurasawa-related business). The Company determined that the transaction relating to the Yuzawa Proposal could potentially contribute to the interests of the Company’s shareholders because it involves Yuzawa acquiring the non-operating assets of the Company, which would concentrate the Company’s management resources on its business and allow for an optimal business partner to take over the Company’s business, thereby potentially contributing to the enhancement of the Company’s corporate value, and furthermore, it is indicated in the Yuzawa Proposal that efforts will be made to ensure that the per-share value is at least 4,021 yen, which is the highest per-share value resulting from the active market check. In early January 2026, Yuzawa, Etc. expressed its view to the Company and the Special Committee that for the selection method of the Business Partner, it would be important to make the selection while receiving price proposals for the value of the Company’s business from multiple candidates. Accordingly, for the purpose of selecting a business partner that would contribute to the enhancement of the Company’s corporate value, the Company and the Special Committee decided to invite three companies from among the candidates that had been invited to participate in the Second Privatization Bidding Process (one PE fund and two operating companies), including Tsumura but excluding KKR, to participate in the selection process for the Business Partner (the “Business Sale Bidding Process”).

Following this, by January 30, 2026, the Company had received legally binding letters of intent from two companies, including Tsumura. The Company and the Special Committee received a proposal from Tsumura involving support through the utilization of the know-how, sales networks, and expertise that Tsumura has cultivated, the development of new products through collaboration with Tsumura’s research and development department, the reduction of raw material procurement costs and improvement of capital efficiency through joint operations with Tsumura, and the maximization of corporate value by concentrating management resources on the Yomeishu-related business, which has synergies with Tsumura, through the scaling back or withdrawal from the Kurasawa-related business prior to the implementation of the Private Transfer to the Business Partner (including the sale of that business to a third party other than Tsumura). The Company and the Special Committee confirmed that, as joint initiatives by the Company and Tsumura, in addition to cost synergy initiatives through joint purchasing of materials and integrated procurement of raw materials, sales synergy initiatives, including improvements in methods for communicating product value through the introduction of evidence-based marketing for “Yomeishu” products and the development of new sales channels through the utilization of pharmaceutical agency distribution networks, as well as research and development synergy initiatives through sharing Tsumura’s knowledge and expertise, are all highly likely to be realized, as the scaling back or withdrawal from the Kurasawa-related business as a precondition enables management resources to be concentrated on the Yomeishu-related business. The Company and the Special Committee considered that synergies could be expected to materialize through the improvement of marketing related to the Yomeishu

business, the expansion of overseas sales channels, cost reduction effects, and the strengthening of research and development functions, and that such synergies could be evaluated as also contributing to the enhancement of the Company's corporate value, and therefore determined that the proposal by Tsumura, which had most highly evaluated the value of the Company's business, would be most appropriate as the Business Partner. Upon informing Yuzawa of such decision, Yuzawa, Etc., which had determined that it would be desirable for the medium- to long-term growth of the relevant business for a third-party partner to acquire the Company's business and manage it together with the management team following the privatization of the Company Shares by Yuzawa, Etc., also confirmed that Tsumura would be most appropriate as the Business Partner.

Furthermore, the Company and the Special Committee have confirmed with Tsumura that the legally-binding letter of intent received by January 30, 2026 represents their best and final proposal and that there is no room for an increase in the economic terms.

On February 4, 2026, the Company and the Special Committee received a proposal in writing from the Offeror to set the Tender Offer Price at 4,022 yen (representing a discount of 6.25% from the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on February 3, 2026, the business day before the proposal, of 4,290 yen, a discount of 7.75% from the simple average of the closing prices for the one-month period up to and including that date of 4,360 yen, a discount of 9.68% from the simple average of the closing prices for the three-month period up to and including that date of 4,453 yen, and a discount of 4.98% from the simple average of the closing prices for the six-month period up to and including that date of 4,233 yen).

In response, the Company and the Special Committee concluded that the proposed price could not be considered to be at a sufficient level in light of the Company's corporate value and the interests of the minority shareholders, and on February 10, 2026, in consideration of the current market price trends of the Company Shares (meaning the share price on and after February 3, 2026, when the price increased due to speculative media reporting), the premiums paid in similar past transactions (for specific details, please refer to "(C) Details of the decision-making of the Company" below), and the content of the share valuation conducted by the Special Committee's financial advisor, requested that the Offeror and Yuzawa raise the Tender Offer Price. Following that, on February 16, 2026, the Company and the Special Committee received a revised proposal in writing from the Offeror to set the Tender Offer Price at 4,050 yen (representing a discount of 10.79% from the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on February 13, 2026, the business day immediately preceding the proposal, of 4,540 yen, a discount of 7.13% from the simple average of the closing prices for the one-month period up to and including that date of 4,361 yen, a discount of 9.48% from the simple average of the closing prices for the three-month period up to and including that date of 4,474 yen, and a discount of 5.15% from the simple average of the closing prices for the six-month period up to and including that date of 4,270 yen). In response, the Company and the Special Committee concluded that it would be possible to further consider the current market price trends of the Company Shares (meaning the share price on and after February 3, 2026, when the price increased due to speculative media reporting) and further reflect the asset value of the securities held by the Company, and on February 17, 2026, requested that the Offeror and Yuzawa raise the Tender Offer Price. Subsequently, on February 19, 2026, the Company and the Special Committee received a revised proposal in writing stating that the Tender Offer Price would not be raised, that the Tender Offer Price of 4,050 yen proposed by the Offeror on February 16, 2026 was the final proposal, and that no further increase was being considered.

Following that, on February 20, 2026, the Special Committee reached the conclusion, as described in "(C) Decisions by the Company" below, that, with reference to the share valuation analyses and other advice provided by Mitsubishi UFJ Morgan Stanley Securities and Plutus Consulting (for specific details, see "(C) Decisions by the Company" below), the Tender Offer Price can be reasonably assessed as appropriately reflecting the Company's intrinsic value and that it is not unreasonable to assess that a certain premium has been added over the Company's share price prior to the Speculative Reports (defined

below), and accordingly that the Transactions, including the Tender Offer, would contribute to enhancing the Company's corporate value, and expressed the opinion that the Company supports the Transactions. However, with respect to whether to recommend that the Company's shareholders tender their shares in the Tender Offer at the Tender Offer Price of 4,050 yen, taking into account the status of the Company's share price (namely that the Tender Offer Price represents a discount to the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on February 20, 2026 of 4,480 yen, and that there is a high likelihood that the Tender Offer Price will represent a discount to the closing price on the business day immediately preceding the board of directors resolution in respect of the Transactions), the Special Committee expressed to the Company the opinion that it is appropriate to take a neutral stance and leave it to the judgment of the Company's shareholders as to whether to tender their shares in the Tender Offer.

In the abovementioned examination and negotiation processes, the Special Committee, from time to time, received reports from the Company and its advisors, made confirmations, and stated its opinions. Specifically, the Company first received confirmation and then approval from the Special Committee on the reasonableness of matters including the content of the Company's business report, which formed the basis for the price calculation of the Company Shares by the Offeror Group and Mitsubishi UFJ Morgan Stanley Securities, as well as the important conditions precedent and preparation details. In addition, the Company's financial advisor Mitsubishi UFJ Morgan Stanley Securities has, when negotiating with the Offeror Group, acted in accordance with the negotiation policies that were examined in advance by the Company and formulated based on the views of the Special Committee.

Further, on February 20, 2026, the Company received from the Special Committee a report (the "Report"; for an outline of the Report, please refer to "(iv) Establishment of an Independent Special Committee by the Company and Obtainment of a Report from an Independent Special Committee" in "(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" below. Further, together with the Report, the Company also received from the Special Committee a share valuation report regarding the results of the price evaluation of the Company Shares which the Special Committee had received from Plutus Consulting on February 20, 2026 (the "Valuation Report (Plutus Consulting)"). For an outline of the Valuation Report (Plutus Consulting), please refer to "(ii) Obtainment by the Special Committee of a Share Valuation Report from an Independent Third-Party Valuation Institution" in "(3) Matters Relating to Calculation" below.

(C) Details of the decision-making of the Company

Based on the above background, at the board of directors meeting of the Company held on February 24, 2026, the Company carefully discussed and deliberated whether the Transactions, including the Tender Offer, would contribute to enhancing the corporate value of the Company and whether the terms of the Transactions, including the Tender Offer Price, were appropriate, while taking into account the legal advice received from MHM, the advice from a financial standpoint received from Mitsubishi UFJ Morgan Stanley Securities, the content of the share valuation report obtained by the Company from Mitsubishi UFJ Morgan Stanley Securities on February 20, 2026 (the "Valuation Report (Mitsubishi UFJ Morgan Stanley Securities)"), and the contents of the Valuation Report (Plutus Consulting) submitted through to the Company through the Special Committee, while also respecting, to the utmost extent, the judgment of the Special Committee as indicated in the Report.

As a result, the Company concluded that the Transactions would contribute to enhancing the Company's corporate value because, after the Company is taken private, the Company Shares would be promptly transferred to Tsumura, which was selected through a series of bidding processes and determined to be the most appropriate as the Business Partner from the perspective of enhancing the Company's corporate value. The reasons why the Company determined that the Transactions, including the acquisition of the Company Shares by Tsumura, would contribute to enhancing the Company's corporate value are as follows.

(a) Further evolution of the Yomeishu brand through synergies arising from business characteristics and strengths

By receiving support and other assistance through the utilization of the expertise, sales networks, and knowledge that Tsumura has cultivated to date, the Company believes that it would be possible to improve its marketing methods and develop new domestic sales channels. Specifically, the Company believes that it would be possible (i) to improve its methods of promoting product value by introducing evidence-based marketing for consumers aimed at lifelong health support and by establishing a value-driven promotional framework that leverages evidence and (ii) to expand its domestic dispensing pharmacy channel through the expansion of the Company's product distribution to specialized dispensing channels, as well as increase the number of customer touchpoints, by utilizing Tsumura's pharmaceutical agency distribution network. Furthermore, through the mutual utilization of Tsumura's local networks in China and other foreign countries, the Company believes it would be possible to rebuild appropriate overseas sales strategies by exploring entry into new regions and initiatives with new agencies.

(b) Research and development and new product development centered on crude drugs and Kampo medicine

While the Company has established a product development center as its research and development base and has continuously conducted research activities for approximately 60 years to date, in recent years its focus has shifted from the area of basic research to the area of product development. Through collaboration with Tsumura's research and development department, the Company believes that it will be possible to refocus on the area of basic research and to actualize research and development as well as new product development centered on crude drugs and Kampo medicine by leveraging the respective strengths of Tsumura and the Company. Specifically, the Company believes that, in addition to the introduction of formulation technologies and the enhancement of research and development capabilities through personnel exchanges and the sharing of knowledge and expertise with Tsumura's research and development department, it will be possible to develop products by combining the Company's knowledge of herbs cultivated through Yomeishu and maceration technologies with Tsumura's extraction and granulation technologies.

(c) Improvement of cost structure and capital efficiency

Through joint operations with Tsumura, the Company believes that it will be possible to reduce costs and improve capital efficiency by achieving economies of scale and enhanced bargaining power through the joint procurement of raw materials, extend its days payable outstanding through the integrated procurement of raw materials, and improve inventory turnover through the shortening of inventory holding days as a result of inventory integration.

With respect to the Kurasuwa Business, the Company and Tsumura have confirmed the policy to scale down or withdraw from the business as a condition precedent prior to the implementation of the Private Transfer to Business Partner. While no specific decisions have been made regarding the sale of the business to a third party other than Tsumura, the matter is under consideration by the Company. Should the sale of the business to a third party other than Tsumura be finalized, the Company intends to disclose this information at a later date. If the sale of the Kurasuwa Business is not realized prior to the implementation of the Private Transfer to Business Partner, the Company intends to scale down or withdraw from the Kurasuwa Business. The sale, scale-down, or withdrawal of the Kurasuwa Business would enable the Company to concentrate its management resources on the Yomeishu business, where synergies with Tsumura are expected, and therefore the Company has determined that this would contribute to enhancing its corporate value.

Furthermore, as for the advantages associated with the Transactions, as a result of the

Company Shares being taken private through the Transactions, the Company will be able to reduce fixed costs, including audit fees, costs for the shareholders' meetings operations, and costs for delegating administrative services to the shareholder registry administrator. General disadvantages typically associated with the delisting of the Company Shares include that the Company will no longer be able to raise funds from capital markets and will no longer be able to enjoy the benefits of being a listed company, such as gaining social credibility from external parties, including business partners, and maintaining name recognition. However, in light of the Company's current financial condition, the Company will not necessarily need fundraising from the market through equity financing over the next several years, and the fact that the Company has already established a certain level of trust-based corporate relationships with many of its business partners through long-standing business relationships, the Company does not believe that existing business relationships will materially deteriorate as a result of the delisting of the Company Shares. Furthermore, the trust that the Company has built up and the name recognition it has acquired through its business operations over the years will not be lost as a result of the delisting, and, by becoming a group company of Tsumura, a company listed on the Prime Market of the Tokyo Stock Exchange after the implementation of the Private Transfer to the Business Partner, the Company expects that its social credibility and name recognition will be maintained or enhanced. For these reasons, the Company believes that, even after the delisting of Company Shares, the impact of such disadvantages will be minimal.

In addition, based on the following points and other factors, the Company considers that the Tender Offer Price of 4,050 yen is an appropriate price that can be reasonably assessed as appropriately reflecting the Company's intrinsic value, and that the other terms and conditions of the Tender Offer are fair.

- a) The Tender Offer Price is higher than the legally binding proposed prices presented by the Prospective Buyers through the Privatization Bidding Process, and through multiple requests by the Special Committee to the Offeror and Yuzawa to increase the price, those increases were realized, and the Company has confirmed that there is no room to further improve the economic terms, including the Tender Offer Price.
- b) The Tender Offer Price falls within the range of the price ranges calculated by the comparable company analysis and the DCF Analysis (as defined below) and exceeds the upper limit of the calculation results under the market price analysis (Reference Date 1) and the comparable company analysis as shown in the valuation results of the Company Shares in the Valuation Report (Mitsubishi UFJ Morgan Stanley Securities), as described in “(i) Obtainment by the Company of a Valuation Report from an Independent Financial Advisor and Third-Party Valuation Institution” in “(3) Matters Relating to Calculation” below. In addition, considering that the market price (Reference Date 2) reflects a sharp increase in the price of the Company Shares during the period immediately following the Speculative Reports (as defined below) and that the share price has remained at a high level even as of the present, after a period of six months has elapsed since the Speculative Reports (as defined below), it is considered that the Company’s share price following the Speculative Reports (as defined below) excessively incorporates expectations regarding the Capital Policy and does not reflect changes in the Company’s business or financial condition. Accordingly, even if the Tender Offer Price falls below the lower limit of the range of the market price (Reference Date 2), it can be determined that such price is not unreasonable.
- c) The Tender Offer Price falls within the price ranges calculated by the DCF Method (as defined below), as shown in the valuation results of the Company Shares in the Valuation Report (Plutus Consulting), as described in “(ii) Obtainment by the Special Committee of a Valuation Report from an Independent Third-Party Valuation Institution” in “(3) Matters Relating to Calculation” below.
- d) The Tender Offer Price is the price that includes a premium of 23.66 % over the closing price of 3,275 yen for the Company Shares on the Prime Market of the Tokyo Stock Exchange on August 5, 2025, the final trading day before Bloomberg’s speculative report dated August 6, 2025 (the “Speculative Report”) and other such media reports concerning the Company Shares being taken private were published, and includes premiums of 25.31% over the simple average closing price of 3,232 yen for the one-month period up to August 5, 2025, 30.06% over the simple average closing price of 3,114 yen for the three-month period up to August 5, 2025, and 37.01% over the simple average closing price of 2,956 yen for the six-month period up to August 5, 2025. In addition, the Tender Offer Price is not considered to be at a significantly low level compared with median premiums (being 42.44% over the closing price on the business day immediately preceding the date of the board of directors resolution, 43.64% over the simple average closing price for the one-month period up to the business day immediately preceding the date of the board of directors resolution, 44.69% over the simple average closing price for the three-month period up to the business day immediately preceding the date of the board of directors resolution, and 46.11% over the simple average closing price for the six-month period up to the business day immediately preceding the date of the board of directors resolution) in other recent 368 domestic tender offer cases aimed at privatization that were announced during the period from June 28, 2019, the date on which the Ministry of Economy, Trade and Industry published the “Guidelines for Fair M&A,” to December 31, 2025, in which the tender offer period ended and the tender offer was successfully completed on or before that date (excluding cases where the premium is negative)) and is deemed to be sufficiently reasonable.
- e) As described in “(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” below, measures to ensure the fairness of the Tender

Offer have been taken, and it is deemed that that consideration has been given to the interests of the Company's minority shareholders.

On the other hand, the Tender Offer Price represents a discount of 9.60% from the closing price of 4,480 yen for the Company Shares on the Prime Market of the Tokyo Stock Exchange on February 20, 2026, the business day immediately preceding the date of the board of directors resolution in respect of the Tender Offer, a discount of 7.62% from the simple average closing price of 4,384 yen for the most recent one-month period, a discount of 9.23% from the simple average closing price of 4,462 yen for the most recent three-month period, and a discount of 5.59% from the simple average closing price of 4,290 yen for the most recent six-month period. On that point, the Company believes that the Company's share price rose markedly by 21.37% from the closing price of 3,275 yen on August 5, 2025 to the closing price of 3,975 yen on August 6, 2025, following the Speculative Report made on August 6, 2025, and that this rise can be viewed as reflecting a considerable degree of expectation regarding the implementation of the Transactions. Accordingly, the Company believes that it is not unreasonable to assess that the Company's share price following the Speculative Report does not necessarily reflect an appropriate price formation and does not appropriately reflect the Company's intrinsic value. However, in light of the fact that the Tender Offer Price represents a certain discount from the closing price on the business day immediately preceding the date of the board of directors resolution in respect of the Tender Offer and from the simple average closing prices for the most recent one-month, three-month, and six-month periods, the Company has reached the conclusion that, at this time, it is appropriate to take a neutral stance on whether to recommend that the Company's shareholders tender their shares in the Tender Offer, and to leave it ultimately to the judgment of the Company's shareholders as to whether to tender their shares in the Tender Offer.

In light of the above, at the meeting of its board of directors held yesterday, the Company resolved, as its view, to express its opinion in support of the Tender Offer and leave the decision on whether to tender their shares in the Tender Offer to the discretion of the Company's shareholders. The Company also believes, as described above, that it would not be unreasonable to evaluate that the Company's share price after the Speculative Reports has not necessarily been appropriately formed and does not properly reflect the Company's intrinsic value. In light of the fact that taking the Company's shares private through the Transactions, including the Tender Offer, would contribute to the enhancement of the Company's corporate value, and that the Tender Offer Price can reasonably be evaluated as a fair price that appropriately reflects the Company's intrinsic value, if, as a result of the Company's press release issued today providing sufficient and appropriate accurate information to the market regarding the Transactions, circumstances arise after the commencement of the Tender Offer in which the situation that the Tender Offer Price represents a certain discount to the Company's share price is resolved, thereby enabling the Company to recommend that its shareholders tender their shares in the Tender Offer, the Company may, while giving the utmost respect to the opinion of the Special Committee, change its neutral opinion as of today regarding whether to recommend that the Company's shareholders tender their shares in the Tender Offer and may recommend that the Company's shareholders tender their shares in the Tender Offer.

For details of the method of that resolution of the board of directors, see "(vii) Unanimous Approval by All Company Directors Not Having a Conflict of Interest (including Directors Who Are Audit and Supervisory Committee Members)" in "(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" below.

(iv) Management Policy after the Tender Offer

If, after the Tender Offer, the Offeror is unable to acquire all of the Company Shares (excluding treasury shares held by the Company and the Shares Agreed Not to Be

Tendered), then, as stated in “(5) Post-Tender Offer Reorganization and Other Policies (Matters Relating to the ‘Two-Step Acquisition’)” below, the Offeror plans to implement the Share Consolidation as the Squeeze-Out Procedures for the purpose of making the Offeror and Yuzawa the sole shareholders of the Company.

Furthermore, after the completion of the Share Consolidation, the Company is ultimately expected to become a wholly-owned subsidiary of Tsumura by implementing the Private Transfer to Yuzawa, the Non-Operating Assets Transfer, and the Private Transfer to Business Partner. The timing of the implementation of these transactions will depend on the authorities’ decision; that is, the approval of the application for exemption from the obligation to submit annual securities reports. However, the Company currently plans to implement these transactions around July-August 2026. With respect to the treatment of non-operating assets, Yuzawa’s basic policy is to sell such assets to a third party and convert them into cash in order to recover the funds used for the Tender Offer. However, no decisions have been made at this time regarding the method or timing of such sale.

Tsumura regards the Transactions as a business investment to acquire a new strategic partner. Tsumura aims to (i) expand into the general pharmaceuticals and healthcare product fields, in which the Company has strengths, centering on the field of medical Kampo formulations, in which Tsumura has strengths, and (ii) evolve its business into one that supports wellbeing in a healthy manner prior to the onset of illness by enhancing consumer-oriented health support functions in the field of preventative health and wellness. On the other hand, taking into account recent changes in the market environment surrounding the Company and the impact of such changes on its business performance, the Company believes it is important to promote business efficiency, restore sales of its “Yomeishu” products—its founding business—and develop and nurture new products as its next pillar of revenue.

As for the joint initiatives by the Company and Tsumura to realize the above, Tsumura envisions that, in addition to cost synergy initiatives through joint purchasing of materials and integrated procurement of raw materials, they will implement sales synergy initiatives, including improvements in methods for communicating product value through the introduction of evidence-based marketing for “Yomeishu” products and the development of new sales channels through the utilization of pharmaceutical agency distribution networks, as well as research and development synergy initiatives through sharing Tsumura’s knowledge and expertise.

For the period after conducting the Tender Offer and until the Private Transfer to Yuzawa (scheduled for around July-August 2026), the Offeror will be the parent company of the Company; however, from the commencement date of settlement upon the successful completion of the Tender Offer until the completion of the Private Transfer to Business Partner, it is expected that the Company’s business operations will be conducted within the scope of ordinary business under the Master Agreement. After the completion of the Squeeze-Out Procedures, Tsumura plans to cause two persons that it designates to participate in the Company’s board of directors as observers pursuant to the Master Agreement.

After the implementation of the Private Transfer to Business Partner, for the smooth promotion of synergy-creating initiatives, Tsumura is considering the secondment of its officers and employees to the Company; however, Tsumura is not expecting to appoint external management personnel. Tsumura plans to determine the details regarding the composition and operation of the board of directors through further discussions. Tsumura is not currently expecting to sell the acquired shares.

Tsumura believes that the employees of the Company will play an important role in fostering mutual understanding of the corporate cultures and business characteristics and strengths of both companies, and intends to maintain the employment and current treatment of employees as a basic policy. Furthermore, through measures such as personnel exchanges with Tsumura’s employees and collaboration between the businesses of both companies, Tsumura intends to strive to provide the employees of the Company with further opportunities to play an active role.

As stated above, by ultimately making the Company a wholly-owned subsidiary of

Tsumura, Tsumura aims to achieve further business growth and enhancement of the Company's corporate value.

With respect to the Kurasuwa business, the Company and Tsumura have confirmed the policy to scale down or withdraw from the business as a condition precedent prior to the implementation of the Private Transfer to Business Partner (scheduled to take place in July-August). While no specific decisions have been made regarding the sale of the business to a third party other than Tsumura, the matter is under consideration by the Company. Should the sale of the business to a third party other than Tsumura be finalized, the Company intends to disclose this information at a later date. If the sale of the Kurasuwa business is not realized prior to the implementation of the Private Transfer to Business Partner, the Company intends to scale down or withdraw from the Kurasuwa business itself, rather than sell the business to a third party. The sale, scale-down, or withdrawal of the Kurasuwa business would enable the Company to concentrate its management resources on the Yomeishu business, where synergies with Tsumura are expected, and therefore the Company has determined that this would contribute to enhancing its corporate value.

(3) Matters Relating to Calculation

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

(A) Name of Third-Party Valuation Institution; Relationship of Third-Party Valuation Institution to the Company and the Offeror

When deliberating the Tender Offer Price proposed by the Offeror and expressing its opinion on the Tender Offer, the Company has requested Mitsubishi UFJ Morgan Stanley Securities, which is a financial advisor and third-party valuation institution independent of the Offeror Group, the candidates for the Privatization Bidding Process and the Business Sale Bidding Process, and the Company, to conduct the valuation of the Company Shares and has obtained the Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) on February 20, 2026 from Mitsubishi UFJ Morgan Stanley Securities as a measure to ensure fairness.

Mitsubishi UFJ Morgan Stanley Securities is not a related party of the Offeror Group, the candidates for the Privatization Bidding Process or the Business Sale Bidding Process, or the Company and does not have any material interest in connection with the Transactions.

Furthermore, Mitsubishi UFJ Morgan Stanley Securities is a corporation with the same parent company as MUFG Bank, Ltd. ("MUFG Bank") and Mitsubishi UFJ Trust and Banking. MUFG Bank is also engaged in financing transactions as part of its ordinary banking operations with Tsumura and holds the position of shareholder of Tsumura, and Mitsubishi UFJ Trust and Banking Corporation holds the position of shareholder of the Company. However, according to Mitsubishi UFJ Morgan Stanley Securities, in accordance with the applicable provisions of Article 36, Paragraph 1 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; hereinafter the same) and Article 70-4 of the Cabinet Office Order on Financial Instruments Business (Cabinet Office Order No. 52 of 2007, as amended; hereinafter the same), Mitsubishi UFJ Morgan Stanley Securities, as a financial advisor, and MUFG Bank and Mitsubishi UFJ Trust and Banking, between them and within each company, has established and implemented, as a measure to prevent adverse effects, an appropriate management system to handle conflicts of interest, such as having an information barrier to strictly manage information regarding Tsumura and the Company. Therefore, Mitsubishi UFJ Morgan Stanley Securities has performed its duties as a financial advisor without being affected by the decisions of MUFG Bank and Mitsubishi UFJ Trust and Banking and has calculated the share value of the Company Shares from a position that is independent of MUFG Bank's position as a lender and shareholder of Tsumura and Mitsubishi UFJ Trust and Banking's position as a shareholder of the Company.

Based on the fact that a strict information management structure has been established between Mitsubishi UFJ Morgan Stanley Securities and MUFG Bank and Mitsubishi

UFJ Trust and Banking and within each of them and the fact that Mitsubishi UFJ Morgan Stanley Securities has experience as a third-party valuation institution for similar transactions, and other factors, the Company has appointed Mitsubishi UFJ Morgan Stanley Securities as its financial advisor and third-party valuation institution independent of the Offeror and the Company.

Contingent fees payable upon the announcement of the Transactions, including the Tender Offer, and the consummation of the Transactions are included in the remuneration for the Transactions of Mitsubishi UFJ Morgan Stanley Securities. However, the Company determined that, by considering factors such as general practices in similar transactions and that it is debatable whether or not the remuneration system whereby the Company would be required to pay a corresponding amount even if the Transactions are not consummated is appropriate, the fact that such contingent fees are included does not negate the independence of Mitsubishi UFJ Morgan Stanley Securities.

(B) Overview of Calculations

After considering the methods of calculation in the Tender Offer, and keeping in mind that it is appropriate to evaluate the value of the Company Shares from various perspectives, Mitsubishi UFJ Morgan Stanley Securities analyzed the value per share of the Company Shares by using the following methods: (i) the market price analysis since the Company Shares are listed on the Prime Market of the Tokyo Stock Exchange, (ii) the comparable company analysis since there are several listed companies that are engaged in relatively similar businesses to the Company and it is possible to make an analogical inference of the share value of the Company Shares by comparing similar companies, and (iii) the discounted cash flow analysis (the “DCF Analysis”) in order to reflect the status of the Company’s future business activities in the calculation.

The Company has not obtained an opinion on the fairness of the Tender Offer Price (a fairness opinion) from Mitsubishi UFJ Morgan Stanley Securities.

The following are the ranges of values per share of the Company Shares that were calculated by Mitsubishi UFJ Morgan Stanley Securities based on each calculation method mentioned above.

Market price analysis (Reference Date (1)):	2,956 yen to 3,275 yen
Market price analysis (Reference Date (2)):	4,290 yen to 4,480 yen
Comparable company analysis:	3,714 yen to 3,933 yen
DCF Analysis:	3,779 yen to 4,121 yen

Under the market price analysis, in order to eliminate any impact on market prices caused by the speculative reports by Bloomberg on August 6, 2025 regarding the privatization of the Company Shares, the first reference date (Reference Date (1)) was set as August 5, 2025, which is the trading day immediately preceding the date on which the reports were released, and the value per share of the Company Shares was calculated to range from 2,956 yen to 3,275 yen, based on (i) the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on the reference date (3,275 yen), (ii) the simple average closing price for one month immediately preceding the reference date (3,232 yen), (iii) the simple average closing price for the three months immediately preceding the reference date (3,114 yen), and (iv) the simple average closing price for the six months immediately preceding the reference date (2,956 yen). The second reference date (Reference Date (2)) was also set as February 20, 2026, being the date of the board of directors resolution, and the value per share of the Company Shares was calculated to range from 4,290 yen to 4,480 yen, based on (i) the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on the reference date (4,480 yen), (ii) the simple average closing price for one month immediately preceding the reference date (4,384 yen), (iii) the simple average closing price for the three months immediately preceding the reference date (4,462 yen), and (iv) the simple average closing price for the six

months immediately preceding the reference date (4,290 yen).

Under the comparable company analysis, given that the Company primarily operates in the medicinal liquor business and there are no truly comparable companies among domestic listed companies that engage in the same business as the Company, companies that primarily engage in the manufacture of general pharmaceuticals or health foods were identified as comparable companies, and companies in the industry in which the Company operates with a certain degree of similarity in their product offerings were broadly identified as comparable companies. ROHTO PHARMACEUTICAL CO., LTD., Morishita Jintan Co., Ltd., HISAMITSU PHARMACEUTICAL CO., INC., TSUMURA & CO., and Zeria Pharmaceutical Co., Ltd. were selected as comparable listed companies that engage in relatively similar businesses to the Company. The share value of the Company Shares was analyzed by using the multiple of earnings before interest, taxes, depreciation, and amortization (“EBITDA”) to the enterprise value (“EBITDA Multiple”), and the value per share of the Company Shares was calculated to range from 3,714 yen to 3,933 yen.

Under the DCF Analysis, the value per share of the Company Shares was calculated to range from 3,779 yen to 4,121 yen, after calculating the corporate value and share value of the Company by discounting to the present value at a given discount rate the free cash flow that the Company is expected to generate based on factors such as the business plans from the fiscal year ending March 2026 to the fiscal year ending March 2030 (the “Business Plan”) prepared by the Company for a period that is reasonably foreseeable at this time and publicly available information. The weighted average cost of capital (WACC) was used for the discount rates in the range of 5.50% to 7.50%. The perpetual growth rate method and the multiple method were used for the calculation of the going concern value, and the calculation resulted in a going concern value in the range of 7,136 million yen to 12,128 million yen. Under the perpetual growth rate method, the perpetual growth rate was set in the range of 0.75% to 1.25% based on domestic inflation rate forecasts and industry growth rates. Under the multiple method, the EBITDA multiple method was used, with the EBITDA Multiple being in the range of 5.0 to 7.0 based on the level of the companies in the same industry, etc. In addition to the total amount of cash and deposits, including long-term deposits, the following items were added in the calculation of the share value as non-operating assets, taking into account the tax effects associated with the sale thereof: (i) the investment securities (stocks and public and corporate bonds) held by the Company that the Company deems to be cash equivalents were added based on their market value, and (ii) real estate was added based on appraisals obtained from third parties.

The financial forecasts based on the Business Plan that were used as a basis for the calculation by Mitsubishi UFJ Morgan Stanley Securities using the DCF Analysis are as follows. The Business Plan includes fiscal years in which a large increase or decrease in net sales, profit, and free cash flow is expected compared to the previous fiscal year. Specifically, cash flow is expected to increase for the fiscal year ending March 2026 due to the withdrawal of long-term deposits. On the other hand, cash flow is expected to decrease for the fiscal year ending March 2027 because there will be no withdrawal of long-term deposits that occurred in the fiscal year ending March 2026. Profit is expected to significantly increase for the fiscal year ending March 2027 and the fiscal year ending March 2028 due to increased net sales from acquiring new domestic consumers of Yomeishu as a result of reviewing advertising measures such as TV commercials and for other reasons. Furthermore, the Business Plan was prepared for the purpose of examining the appropriateness of the transaction terms of the Transactions, taking into account past performance and current earnings status as well as the pressure to lower prices driven by factors such as intensifying development competition with competitors, maturation of the domestic pharmaceutical market, and an increase in competing products. The Business Plan was also prepared based on the business environment surrounding the Company, including trends in the pharmaceutical market, such as ensuring the quality and safety of pharmaceutical products and responding to the advancement of quality standards.

The Business Plan was formulated under an independent internal review framework within the Company. The Business Plan was initially prepared in August 2025 and has been updated based on the Company's announcement of the downward revision of its business performance on October 10, 2025. The figures for net sales in the Business Plan for the fiscal year ending March 2027 have been revised downward from the figures in the business plan that were used as the basis for the Medium-Term Business Plan given that there have been significant changes to the assumptions underlying the Medium-Term Business Plan, including sluggish domestic sales of Yomeishu caused by the impact of rising prices on consumer behavior, intensifying competition in catalogue sales, delayed growth of the Kurasuwa Business caused by difficulties in securing personnel for store expansion, and the diminished feasibility of an M&A transaction aimed at the final year of the Medium-Term Business Plan.

The synergy effects expected to be achieved by the execution of the Transactions are not reflected in the financial forecasts because it is difficult to specifically estimate those effects at this time.

(Unit: 1 million yen)

	Fiscal Year ending March 2026	Fiscal Year ending March 2027	Fiscal Year ending March 2028	Fiscal Year ending March 2029	Fiscal Year ending March 2030
Net sales	9,629	10,019	10,536	11,064	11,746
Operating profit	145	404	559	690	869
EBITDA	1,009	1,290	1,494	1,673	1,884
Free cash flow	1,419	395	283	424	710

Note: The analysis of Mitsubishi UFJ Morgan Stanley Securities and the Company Shares value analysis underlying it was provided solely for the purpose of reference for deliberations of the Company's board of directors and was addressed solely to the Company's board of directors with respect to consideration of its opinion regarding the Tender Offer for the Company Shares by the Offeror. This analysis does not constitute either a financial opinion of or a recommendation by Mitsubishi UFJ Morgan Stanley Securities or any of its affiliates, and does not express any opinion or make any recommendations to the shareholders of the Company or the Offeror concerning any actions by their respective shareholders, or any voting rights exercised by any shareholder in relation to the Tender Offer at a shareholders' meeting, or any other action in connection with the Tender Offer.

In evaluating the share value of the Company Shares, Mitsubishi UFJ Morgan Stanley Securities adopted, without any change, the information provided from the Company, information that has already been disclosed, and other relevant materials, and, assuming that all of such information and materials are accurate and complete, has not independently verified the accuracy or completeness of such information and materials. In addition, Mitsubishi UFJ Morgan Stanley Securities assumes that the information related to the financial forecasts of the Company have been reasonably prepared by the Company based on best forecasts and judgments available to them as of February 20, 2026 (the "Reference Date"). Mitsubishi UFJ Morgan Stanley Securities has assumed that it is possible to receive all the necessary governmental, regulatory, or other approvals and consents required for the Transactions, and in connection with such approvals and consents, no delays, limitations, conditions, or restrictions will be imposed that would have a material adverse effect on the Transactions. Mitsubishi UFJ Morgan Stanley Securities is not legal, accounting, or tax advisor. Mitsubishi UFJ Morgan Stanley Securities is a financial advisor only and have relied upon, without independent verification, the assessment of the

Company and its legal, accounting, and tax advisors with respect to legal, accounting, or tax matters.

With respect to the assets and liabilities (including off-balance-sheet assets and liabilities, and other contingent liabilities) of the Company and its affiliates, Mitsubishi UFJ Morgan Stanley Securities has not independently evaluated or assessed these assets or liabilities, or ordered any appraisal or assessment from a third-party institution. The evaluation by Mitsubishi UFJ Morgan Stanley Securities reflects the aforementioned information up to the Reference Date, and is based on the financial and market factors, among other things, as well as the information obtained by Mitsubishi UFJ Morgan Stanley Securities as of the Reference Date. Events occurring after the Reference Date may have an impact on the analysis by Mitsubishi UFJ Morgan Stanley Securities and on the assumptions used in preparing the Valuation Report (Mitsubishi UFJ Morgan Stanley Securities), but Mitsubishi UFJ Morgan Stanley Securities assumes no responsibility for updating, correcting, or reconfirming the Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) or its analysis results. The preparation of the Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) and the analysis serving as the basis for the Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) have gone through a complex process which cannot be adequately described by partial analysis or summary descriptions. The evaluation range listed in the Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) based on the specific analysis cannot be relied upon as an evaluation by Mitsubishi UFJ Morgan Stanley Securities of the actual value of the Company.

Mitsubishi UFJ Morgan Stanley Securities provides services as a financial advisor for the Company in connection with the Transactions, and plans to accept a fee as compensation for its services. A substantial portion of the fees collectable by Mitsubishi UFJ Morgan Stanley Securities are contingent on the completion of this Tender Offer.

(ii) Obtainment by the Special Committee of a Share Valuation Report from an Independent Third-Party Valuation Institution

(A) Name of Valuation Institution; Relationship of Valuation Institution to the Company and the Offeror

When deliberating the Tender Offer Price proposed by the Offeror and expressing its opinion on the Tender Offer, the Special Committee has requested Plutus Consulting, which is a financial advisor and third-party valuation institution independent of the Offeror Group, the candidates for the Privatization Bidding Process and the Business Sale Bidding Process, and the Company, to conduct the valuation of the Company Shares and has obtained the Valuation Report (Plutus Consulting) on February 20, 2026 from Plutus Consulting as a measure to ensure fairness.

Plutus Consulting is not a related party of the Offeror Group, the candidates for the Privatization Bidding Process or the Business Sale Bidding Process, or the Company and does not have any material interest in connection with the Transactions, including the Tender Offer.

Furthermore, remuneration for Plutus Consulting in connection with the Transactions is composed solely of the fixed remuneration payable regardless of whether the Transactions are consummated, and does not include any contingent fees payable upon the announcement or consummation of the Transactions.

(B) Overview of Calculations

After considering the methods of calculation in the Tender Offer, and keeping in mind that it is appropriate to evaluate the value of the Company Shares from various perspectives, Plutus Consulting analyzed the value per share of the Company Shares by using the following methods: (i) the market price method since the Company Shares are listed on the Prime Market of the Tokyo Stock Exchange, and (ii) the discounted cash flow method (the “DCF Method”) in order to reflect the status of the

Company's future business activities in the calculation. Given that the Speculative Report triggered a sharp rise in the price of the Company Shares to a level exceeding its all-time high since listing and the share price remains high, it is difficult to place full trust in the objectivity of the market price; therefore, the market price method is presented solely as reference information.

The Company has not obtained an opinion on the fairness of the Tender Offer Price (a fairness opinion) from Plutus Consulting.

The following are the ranges of values per share of the Company Shares that were calculated by Plutus Consulting based on each calculation method mentioned above.

(Reference) Market price method (Reference Date (1)):	2,956 yen to 3,275 yen
(Reference) Market price method (Reference Date (2)):	4,290 yen to 4,480 yen
DCF Method:	4,015 yen to 4,263 yen

Under the market price method, which has been provided as reference information, in order to eliminate any impact on market prices caused by the Speculative Report on August 6, 2025 regarding the privatization of the Company Shares, the first reference date (Reference Date (1)) was set as August 5, 2025, which is the trading day immediately preceding the date on which the Speculative report was made, and the value per share of the Company Shares was calculated to range from 2,956 yen to 3,275 yen, based on (i) the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on the reference date (3,275 yen), (ii) the simple average closing price for one month immediately preceding the reference date (3,232 yen), (iii) the simple average closing price for the three months immediately preceding the reference date (3,114 yen), and (iv) the simple average closing price for the six months immediately preceding the reference date (2,956 yen). The second reference date (Reference Date (2)) was also set as February 20, 2026, being the date of the board of directors resolution, and the value per share of the Company Shares was calculated to range from 4,290 yen to 4,480 yen, based on (i) the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on the reference date (4,480 yen), (ii) the simple average closing price for one month immediately preceding the reference date (4,384 yen), (iii) the simple average closing price for the three months immediately preceding the reference date (4,462 yen), and (iv) the simple average closing price for the six months immediately preceding the reference date (4,290 yen).

Under the DCF Method, the value per share of the Company Shares was calculated to range from 4,015 yen to 4,263 yen, after calculating the corporate value and share value of the Company by discounting to the present value at a given discount rate the free cash flow that the Company is expected to generate by primarily relying on appraisal values for the real estate business, and for the Yomeishu Business and the Kurasuwa Business (excluding the real estate business), based on factors such as the business plans from the fiscal year ending March 2026 to the fiscal year ending March 2030 prepared by the Company for a period that is reasonably foreseeable at this time and publicly available information. WACC was used for the discount rates in the range of 5.7% to 6.9%. In addition, the perpetual growth rate method and the multiple method were used for the calculation of the going concern value. Under the perpetual growth rate method, the perpetual growth rate was set at 0% based on the theoretically expected long-term economic environment and other factors, and the calculation resulted in a going concern value in the range of 14,782 million yen to 17,944 million yen. Under the multiple method, EV/EBIT and EV/EBITDA multiples were used, with the EBIT multiple and EBITDA multiple for the enterprise value being 12.7 and 8.2, respectively, based on the level of the companies in the same industry, etc., and the calculation resulted in a going concern value in the range of 16,879 million yen to 18,853 million yen. In addition, the amount of cash and deposits surplus (which was calculated by deducting (i) operational cash and deposits estimated by comprehensively taking into account actual past cash-flow management, etc. from (ii) the Company's cash and deposits) as well as the investment securities,

public and corporate bonds, and long-term deposits, etc. held by the Company were added in the calculation of the share value as non-operating assets.

The financial forecasts based on the Business Plan that were used as a basis for the calculation by Plutus Consulting using the DCF Method are as follows. The Company's future financial forecasts include fiscal years in which a large increase or decrease in operating profit and free cash flow is expected compared to the previous fiscal year. Specifically, sales are expected to significantly increase from the fiscal year ending March 2026 through the fiscal year ending March 2028 due to increased sales from acquiring new domestic consumers of Yomeishu as a result of reviewing measures such as TV commercials and for other reasons. In addition, while free cash flow is expected to temporarily decrease until the fiscal year ending March 2027 due to increased renewal investments, free cash flow is expected to significantly increase thereafter through the fiscal year ending March 2030, driven by an increase in sales resulting from the review of advertising measures and for other reasons.

Furthermore, the Business Plan was prepared for the purpose of examining the appropriateness of the transaction terms of the Transactions, taking into account past performance and current earnings status as well as the pressure to lower prices driven by factors such as intensifying development competition with competitors, maturation of the domestic pharmaceutical market, and an increase in competing products. The Business Plan was also prepared based on the business environment surrounding the Company, including trends in the pharmaceutical market, such as ensuring the quality and safety of pharmaceutical products and responding to the advancement of quality standards. The Business Plan was formulated under an independent internal review framework within the Company. The Business Plan was initially prepared in August 2025 and has been updated based on the Company's announcement of the downward revision of its business performance on October 10, 2025. The figures for net sales in the Business Plan for the fiscal year ending March 2027 have been revised downward from the figures in the business plan that were used as the basis for the Medium-Term Business Plan given that there have been significant changes to the assumptions underlying the Medium-Term Business Plan, including sluggish domestic sales of Yomeishu caused by the impact of rising prices on consumer behavior, intensifying competition in catalogue sales, delayed growth of the Kurasuwa Business caused by difficulties in securing personnel for store expansion, and the diminished feasibility of an M&A transaction aimed at the final year of the Medium-Term Business Plan.

The synergy effects expected to be achieved by the execution of the Transactions are not reflected in the financial forecasts because it is difficult to specifically estimate those effects at this time.

(Unit: 1 million yen)

	Fiscal Year ending March 2026 (three months)	Fiscal Year ending March 2027	Fiscal Year ending March 2028	Fiscal Year ending March 2029	Fiscal Year ending March 2030
Net sales	2,302	10,019	10,536	11,064	11,746
Operating profit	16	404	559	690	869
EBITDA	263	1,290	1,494	1,673	1,884
Free cash flow	851	138	228	401	585

Note: In principle, when evaluating the share value of the Company Shares, Plutus Consulting adopted, without any change, the information provided from the Company, publicly available information, and other relevant materials, and, assuming that all of such information and materials, etc. are accurate and complete, has not independently verified the accuracy or completeness of such information and materials.

In addition, with respect to the Company's assets and liabilities (including financial derivatives, off-balance-sheet assets and liabilities, and other contingent liabilities) of

the Company and its affiliates, Plutus Consulting has not independently evaluated or assessed these assets or liabilities, or ordered any appraisal or assessment from a third-party institution. In addition, Plutus Consulting assumes that the information related to the financial forecasts of the Company have been reasonably prepared by the Company's management team based on best forecasts and judgments available to them as of the time of calculation. However, Plutus Consulting conducted question and answer sessions with the Company to confirm the details of the Company's business plan that was used as a basis for the calculation. Furthermore, as stated in "(iv) Establishment of an Independent Special Committee by the Company and Obtainment of a Report from an Independent Special Committee" in "(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest" below, the Special Committee confirmed the reasonableness of the details, material assumptions, and the preparation process of the Company's business plan, and the Special Committee confirmed that the business plan is not unreasonable.

(iii) Calculation Method Used by the Offeror

In determining the Tender Offer Price, the Offeror analyzed the Company's business and financial condition through the financial information and other materials disclosed by the Company, and taking into account that the Consortium Proposal assumes a share value of 4,021 yen per Company Share and that the value per share in the Consortium Proposal is the price presented in the Company's active market check, the Offeror considered setting the Tender Offer Price at or above the price of 4,021 yen.

Furthermore, based on the results of discussions and negotiations with the Company regarding the possibility of obtaining support for the Tender Offer from the Company as well as the Tender Offer Price, the Offeror ultimately decided on the Tender Offer Price of 4,050 yen on February 24, 2026.

In light of the fact that the value per Company Share in the Consortium Proposal is the price presented in the Company's active market check, the Offeror considered the Tender Offer Price from the perspective of setting the Tender Offer Price at or above the share value per Company Share in the Consortium Proposal, and decided the Tender Offer Price through discussions and negotiations with the Company. The Offeror has not obtained a share valuation report from a third-party valuation institution.

The Tender Offer Price (4,050 yen) represents a discount of 9.60% over the closing price of the Company Shares of 4,480 yen on the Tokyo Stock Exchange as of February 20, 2026, which is the business day immediately preceding the date of the board of directors resolution in respect of the Tender Offer, a discount of 7.62% over the simple average closing price of 4,384 yen for the one-month period up to that date, a discount of 9.23% over the simple average closing price of 4,462 yen for the three-month period up to that date, and a discount of 5.59% over the simple average closing price of 4,290 yen for the six-month period up to that date.

As stated above, the Tender Offer Price of 4,050 yen is lower than the closing price on the business day immediately preceding the date of the board of directors resolution in respect of the Tender Offer, the simple average closing price for the one-month period up to that date, the simple average closing price for the three-month period up to that date, and the simple average closing price for the six-month period up to that date. However, the Offeror believes that the Company's stock price has risen sharply after the Disclosure of August 6 was made on August 6, 2025 and that the stock prices thereafter have been excessively influenced by expectations surrounding the Company's privatization transactions and do not reflect changes in the Company's business or financial condition. Specifically, the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on February 20, 2026, the business day prior to the date of the board of directors resolution in respect of the Tender Offer, was 4,480 yen, representing an increase of 775 yen (23.66%) over the closing price on August 5, 2025, the business day prior to the Disclosure of August 6, of 3,275 yen, while the simple average closing price over the preceding one-month period up to and including such date was 3,232 yen, the simple average closing price over the preceding three-month period up to and including such date

was 3,114 yen, and the simple average closing price over the preceding six-month period up to and including such date was 2,956 yen. Furthermore, the Tender Offer Price of 4,050 yen represents a premium of 23.66% to the closing price of the Company Shares on the Tokyo Stock Exchange Prime Market on August 5, 2025, the business day prior to the Disclosure of August 6, of 3,275 yen, a premium of 25.31% to the simple average closing price over the preceding one-month period of 3,232 yen, a premium of 30.06% to the simple average closing price over the preceding three-month period of 3,114 yen, and a premium of 37.01% to the simple average closing price over the preceding six-month period of 2,956 yen.

(4) Expectations for Delisting and Reasons Therefor

As of today, the Company Shares are listed on the Prime Market of the Tokyo Stock Exchange. However, since the Offeror has not set the maximum number of shares to be purchased in the Tender Offer, depending on the result of the Tender Offer, the Company Shares may be delisted pursuant to the prescribed procedures in accordance with the criteria for delisting prescribed by the Tokyo Stock Exchange. In addition, even in the case where the Company Shares do not meet such criteria at the time of the completion of the Tender Offer, if the Offeror implements the Squeeze-Out Procedures described in “(5) Post-Tender Offer Reorganization and Other Policies (Matters Relating to the ‘Two-Step Acquisition’)” below after the Tender Offer is completed, then the Company Shares will fall under the criteria for delisting prescribed by the Tokyo Stock Exchange and be delisted pursuant to the prescribed procedures in accordance with such procedures. In such case, the Company Shares will no longer be traded on the Prime Market of the Tokyo Stock Exchange after the delisting of the Company Shares.

(5) Post-Tender Offer Reorganization and Other Policies (Matters Relating to the ‘Two-Step Acquisition’)

As stated in “(i) Overview of the Tender Offer” under “(2) Grounds and Reasons for Opinions Relating to the Tender Offer” above, since the Offeror plans to take the Company Shares private, in the event that the Offeror is unable to obtain all of the Company Shares (except treasury shares owned by the Company and the Shares Agreed Not to Be Tendered) through the Tender Offer, then, after the successful completion of the Tender Offer, the Offeror intends to implement the Squeeze-Out Procedures by taking the following actions. Promptly after the completion of the settlement of the Tender Offer, the Offeror intends to request that an extraordinary shareholders’ meeting of the Company be convened in early June 2026 (the “Extraordinary Shareholders’ Meeting”) the agenda for which include, among other things, the following proposals: (i) a consolidation of the Company Shares (the “Share Consolidation”) in accordance with Article 180 of the Companies Act; and (ii) an amendment to the Company’s articles of incorporation to abolish the share unit number provisions, subject to the Share Consolidation taking effect. The Offeror intends to approve each of the above proposals at the Extraordinary Shareholders’ Meeting.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders’ Meeting, the shareholders of the Company will, on the effective date of the Share Consolidation, hold the number of Company Shares corresponding to the ratio of the Share Consolidation that is approved at the Extraordinary Shareholders’ Meeting. If, due to the Share Consolidation, a fraction less than one share emerges, shareholders of the Company who hold such fractional shares will receive amounts of cash obtained by selling the Company Shares equivalent to the total number of such fractional shares (with such aggregate sum rounded down to the nearest whole number. Same as below) to the Offeror as per the procedures specified in Article 235 of the Companies Act and other applicable laws and regulations. Regarding the purchase price for the aggregate sum of such fractional shares in the Company, it is intended that the amount of cash received by each shareholder who did not tender its shares in the Tender Offer (excluding the Offeror, the Company, and Yuzawa) would be equal to the price obtained by multiplying the Tender Offer Price by the number of Company Shares owned by such shareholder. The Offeror will request the Company to file a petition to the court for permission to purchase such Company Shares. Although the ratio of the Share Consolidation has not been determined as of today, the

Offeror intends to request that the Company decide on the ratio so that shareholders (excluding the Offeror, the Company, and Yuzawa) who did not tender in the Tender Offer will hold fractional shares in order for the Offeror and Yuzawa to become the sole shareholders of the Company. If the Tender Offer is successfully completed, the Company intends to accept these requests from the Offeror.

According to the provisions of the Companies Act that aim to protect the rights of minority shareholders to which the Share Consolidation relates, if there are fractional shares as a result of the Share Consolidation, shareholders of the Company (excluding the Offeror, the Company, and Yuzawa) may request that the Company purchase all such fractional Company Shares that they hold at a fair price, and such shareholders may file petitions with the court to determine the price of the Company Shares in accordance with Articles 182-4 and 182-5 of the Companies Act, and other applicable laws and regulations. As stated above, all shareholders of the Company who do not tender their Company Shares in the Tender Offer (excluding the Offeror, the Company, and Yuzawa) will hold fractional shares; accordingly, any shareholders of the Company who object to the Share Consolidation will be able to file the above petition. In the event that above petition is filed, the acquisition price will be finally determined by the court.

If the Squeeze-Out Procedures are expected to be completed before June 30, 2026, the Offeror intends to request the Company to make a partial amendment to its articles of incorporation to abolish the provisions on the record date for voting rights at the annual general meeting of shareholders of the Company in order to make the shareholders entitled to exercise their rights at the annual general meeting of shareholders of the Company for the fiscal year ending March 2026 to be held late June 2026 (the “Annual General Meeting of Shareholders”) be the shareholders remaining after the completion of the Squeeze-Out Procedures (meaning the Offeror and Yuzawa), subject to the completion of said Squeeze-Out Procedures. Therefore, shareholders may not be entitled to exercise their voting rights at the Annual General Meeting of Shareholders even if such shareholders are stated or recorded in the Company’s shareholder register as of March 31, 2026.

With respect to the procedures described above, depending on amendments to or enforcement of applicable laws and regulations, or interpretations thereof by the relevant authorities, it may require time for the implementation of such procedures or there may be changes to the timing of implementation thereof. However, even in such cases, a method will be adopted whereby cash is ultimately delivered to the shareholders of the Company (excluding the Company, and Yuzawa) who did not tender their shares in the Tender Offer. The amount of cash to be delivered to each such shareholder will be calculated to equal the Tender Offer Price multiplied by the number of shares of the Company held by such shareholder.

As stated in “(i) Overview of the Tender Offer” under “(2) Grounds and Reasons for Opinions Relating to the Tender Offer” above, even if the Offeror and Yuzawa are unable to hold the number of Company Shares which represent the number equal to or more than two-thirds of the total number of voting rights of all shareholders of the Company, the Company believes it can be expected that the requirements for adopting the proposals regarding the Share Consolidation at the Extraordinary Shareholders’ Meeting will be satisfied. However, in such case, there is a possibility that the proposals regarding the Share Consolidation may be denied at the Extraordinary Shareholders’ Meeting. For responses in such case, please refer to “(i) Overview of the Tender Offer” under “(2) Grounds and Reasons for Opinions Relating to the Tender Offer” above.

As for the specific procedures and timing of their implementation in the foregoing cases, the Company, after consultation with the Offeror, plans to promptly make a public announcement once such matters have been determined. The Tender Offer does not in any way constitute a solicitation of approval of the shareholders of the Company at the Extraordinary Shareholders’ Meeting. In addition, with respect to the tax treatment of participation in the Tender Offer or of the procedures described above, shareholders are requested to confirm the details with their own tax advisors or other professionals, at their own responsibility.

(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest

As of today, the Company is not a subsidiary or an affiliate of the Offeror, and neither all nor a part of the management team of the Company plan to make any direct or indirect contribution to the Offeror. Therefore, the Transactions, including the Tender Offer, do not constitute a management buyout (MBO), a tender offer by a controlling shareholder, other affiliates, or other parties specified in Article 441, Paragraph 1, Item 2 of the Securities Listing Regulations and Article 436-3, Paragraph 3 of the Enforcement Rules for the Securities Listing Regulations. Notwithstanding the foregoing, (i) the Transactions, including the Tender Offer, may constitute an act equivalent to an MBO, etc. on the grounds that, as described in “(i) Overview of the Tender Offer” of “(2) Grounds and Reasons for Opinions Relating to the Tender Offer” above, Yuzawa, which holds 4,641,500 shares of the Company Shares (ownership ratio: 33.34%), has entered into the Non-Tender Agreement with the Tender Offeror, and entered into the Master Agreement among the Tender Offeror, Yuzawa, the Company, and Tsumura, pursuant to which Yuzawa is expected, following the completion of the Tender Offer and the Squeeze-Out Procedures by the Offeror, to remain as the sole shareholder of the Company through the Private Transfer to Yuzawa from the Offeror and to implement the Non-Operating Assets Transfer under which the Company’s non-operating assets will be transferred to Yuzawa, and (ii) the Transactions are intended to take the Company’s shares private and will have a significant impact on the Company’s general shareholders. Therefore, the Company has implemented the following measures from the perspective of ensuring the fairness of the terms and conditions of the Transactions by ensuring the fairness of the procedures in the Transactions.

The Offeror believes that setting the minimum number of shares to be purchased in the Tender Offer as a so-called “majority of minority” condition would make the completion of the Tender Offer unstable and, conversely, would potentially not benefit the interests of the Company’s general shareholders who wish to tender shares in the Tender Offer, so the minimum number of shares to be purchased in the Tender Offer has not been set as a so-called “majority of minority” condition. However, the Offeror believes it has given adequate consideration to the interests of the Company’s general shareholders from the fact that the Offeror and the Company have taken the measures detailed below as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest.

The descriptions concerning the measures implemented by the Offeror described below are based on explanations given by the Tender Offeror.

(i) Implementation of Bidding Process

As stated in “(iii) Decision-Making Process Leading to the Company’s Decision to Support the Tender Offer, and the Reasons Therefor” under “(2) Grounds and Reasons for Opinions Relating to the Tender Offer” above, because the Company believes that it is necessary to compare and examine any and all options to enhance its corporate value, the Company conducted the Privatization Bidding Process for the purpose of selecting the Privatization Partner Candidates and causing the Privatization Partner to delist the Company Shares. The Company ultimately received legally binding letters of intent from two candidates, including the Consortium, from among the three Prospective Buyers who participated in the Second Privatization Bidding Process, and received a non-legally binding letter of intent from one company. Because the Company and the Special Committee considered at that time that the Consortium Proposal most highly assessed the Company’s business value and that the content of the various measures aimed at enhancing the Company’s corporate value was relatively superior, the Company and the Special Committee decided the Consortium to be the final candidate for the Privatization Partner. However, after that, Yuzawa indicated that it did not intend to sell its Company Shares and could not accept the Consortium Proposal or the Revised Consortium Proposal, in which it was assumed that Yuzawa would sell its Company Shares. Accordingly, the Company determined that the Revised Consortium Proposal by the Consortium lacked any likelihood of being realized. Then, the Company received the Yuzawa Proposal from Yuzawa, Etc. and a proposal of the Tender Offer Price from the Offeror. Such price

was higher than the tender offer price proposed in the Revised Consortium Proposal, which had been one of the highest prices presented in the Privatization Bidding Process, and the terms in the Yuzawa Proposal were more advantageous to the Company's shareholders in comparison to all of the legally binding proposals presented in the Privatization Bidding Process.

In addition, as stated in "(iii) Decision-Making Process Leading to the Company's Decision to Support the Tender Offer, and the Reasons Therefor" under "(2) Grounds and Reasons for Opinions Relating to the Tender Offer" above, the Company conducted the Business Sale Bidding Process for the purpose of selecting the Business Partner, and ultimately received legally binding letters of intent from two candidates, including Tsumura. The Company and the Special Committee believed that Tsumura's proposal, which most highly assessed the Company's business value, would contribute to the enhancement of the corporate value of the Company and determined that Tsumura would be most appropriate for the Business Partner. Yuzawa also confirmed that Tsumura would be the best partner.

As stated above, the Company conducted the Privatization Bidding Process and the Business Sale Bidding Process and ensured an opportunity to broadly receive proposals for enhancing the Company's corporate value.

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

As stated in "(i) Obtainment by the Company of a Share Valuation Report from an Independent Financial Advisor and Third-Party Valuation Institution" under "(3) Matters Relating to Calculation" above, in order to ensure the fairness in the process of decision-making by the Company's board of directors regarding the Transactions, including the Tender Offer, the Company requested Mitsubishi UFJ Morgan Stanley Securities as its financial advisor and third-party valuation institution independent of the Offeror and the Company to calculate the value of the Company Shares and obtained the Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) on February 20, 2026.

In addition, Mitsubishi UFJ Morgan Stanley Securities, is not a related party of the Offeror Group, the candidates in the Privatization Bidding Process or the Business Sale Bidding Process, or the Company, and does not have any material interest in relation to the Transactions, including the Tender Offer.

Also, contingent fees payable upon the consummation of the Transactions are included in the remuneration for Mitsubishi UFJ Morgan Stanley Securities. However, the Company determined that, by considering factors such as general practices in similar transactions, the fact that such contingent fees payable upon the consummation of the Transactions are included in the remuneration for Mitsubishi UFJ Morgan Stanley Securities does not negate the independence of Mitsubishi UFJ Morgan Stanley Securities. Therefore, the Company has appointed Mitsubishi UFJ Morgan Stanley Securities as its financial advisor and third-party valuation institution based on the remuneration system described above. Furthermore, the Special Committee has confirmed that there are no issues with the independence and expertise of Mitsubishi UFJ Morgan Stanley Securities.

For the details of the Valuation Report (Mitsubishi UFJ Morgan Stanley Securities), please refer to "(i) Obtainment by the Company of a Share Valuation Report from an Independent Financial Advisor and Third-Party Valuation Institution" under "(3) Matters Relating to Calculation" above.

(iii) Obtainment by the Company of Advice from an Independent Law Firm

As stated in "(iii) Decision-Making Process Leading to the Company's Decision to Support the Tender Offer, and the Reasons Therefor" under "(2) Grounds and Reasons for Opinions Relating to the Tender Offer" above, in order to ensure the decision-making by the Company regarding the Transactions, including the Tender Offer, and ensure the fairness and appropriateness in the process of decision-making

by the Company's board of directors, the Company has been receiving necessary legal advice from MHM on the method and process of decision-making by the Company's board of directors including various procedures in the Transactions and other matters to be noted.

In addition, MHM is not a related party of the Offeror Group, the candidates in the Privatization Bidding Process or the Business Sale Bidding Process, or the Company, and does not have any material interests that should be noted in relation to the Transactions, including the Tender Offer.

The Special Committee has confirmed that there are no issues with the independence or expertise of MHM. Remuneration for MHM is composed solely of the remuneration paid on an hourly basis regardless of whether the Transactions are consummated, and does not include any contingent fees payable upon the consummation of the Transactions.

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

(A) Background of the Establishment, Etc.

In light of the fact the Capital Policy is implemented for the purpose of taking the Company Shares private and has a material effect on the Company's general shareholders, and from the perspective of ensuring the fairness of the terms and conditions of the Capital Policy by ensuring the fairness of the procedures in the Capital Policy, the Company confirmed at the Company's board of directors meeting held on July 30, 2025 that the independent outside directors of the Company who are candidates for the members of the special committee were independent of the Privatization Partner Candidates and the Company (in addition, the Company confirmed at the time of the receipt of the Yuzawa Proposal that they were independent of the Offeror Group), independent with respect to the success or failure of the Capital Policy, and that they had eligibility as members. Then, the Company established the Special Committee, which is composed of three members, Mr. Masayuki Tanaka (Independent Outside Director of the Company), Ms. Akemi Sunaga (Independent Outside Director of the Company and Certified Public Accountant), and Ms. Atsuko Sato (Independent Outside Director of the Company) (in addition, the members of the Special Committee have not been changed since its establishment.). In addition, the Special Committee has elected Mr. Masayuki Tanaka as the chairman of the Special Committee by mutual vote. Remuneration for the members of the Special Committee is composed solely of the fixed remuneration payable regardless of whether the Capital Policy is consummated, and does not include any contingent fees payable upon the announcement or consummation of the Capital Policy.

In deciding the establishment of the Special Committee, the Company's board of directors made inquiries to the Special Committee regarding (i) the rationality of the purpose of the Capital Policy (including whether the Capital Policy will contribute to the enhancement of the corporate value of the Company), (ii) the fairness and appropriateness of the procedures in the Capital Policy, (iii) the fairness and appropriateness of the terms and conditions of the Capital Policy, (iv) (if a tender offer is implemented as part of the Capital Policy) whether to express an opinion in favor of the Tender Offer and to recommence that the shareholders tender their shares in the Tender Offer, (v) based on the above, whether the decision by the Company's board of directors regarding the implementation of the Capital Policy is fair to the Company's general shareholders (minority shareholders) and will not undermine the interests of the Company's general shareholders (minority shareholders), and (vi) other matters that are inquired as the Company's board of directors or the Company's representative director considers necessary concerning the Capital Policy in light of the purpose of the establishment of the special committee (the "Inquired Matters").

The Company determined at the board of directors meeting described above that it shall make decisions regarding the implementation of the Capital Policy with maximum respect for the decisions of the Special Committee, and that if the Special

Committee determines that the implementation or the terms and conditions of the Capital Policy are not appropriate, the Company's board of directors shall not approve the Capital Policy.

At the same time, the Company decided to grant the Special Committee the following authority: (i) to be substantially involved in the process of negotiations between the Company and the offeror (including giving instructions or requests about the negotiation policy and engaging in negotiations itself as necessary); (ii) to appoint its own financial or legal advisors, as necessary, in deliberating and making decisions regarding the Inquired Matters (in such case, the Company will bear the expenses) or nominate or approve (including approval after the fact) the financial or legal advisors of the Company; (iii) to receive from the officers and employees of the Company or other persons deemed necessary by the Special Committee the information necessary to deliberate and make decisions regarding the Inquired Matters as necessary; and (iv) to conduct other matters deemed necessary by the Special Committee in deliberating and making decisions regarding the Capital Policy.

Further, the Special Committee has confirmed on August 5, 2025 that there are no issues with the independence from the Privatization Partner Candidates and the Company, and expertise with respect to transactions of the same type as the Capital Policy, of MHM, a legal advisor, and Mitsubishi UFJ Morgan Stanley Securities, a financial advisor, appointed by the Company, and approved them as the Company's advisors. In addition, the Special Committee has confirmed that there are no issues with the independence from the Privatization Partner Candidates and the Company, and expertise with respect to transactions of the same type as the Capital Policy, of Plutus Consulting and Iwata Godo, and appointed Plutus Consulting as its own financial advisor and Iwata Godo as its own legal advisor.

(B) Background of the Consideration

The Special Committee held a total of 27 meetings between August 5, 2025 and February 20, 2026, and also carried out its duties relating to the Inquired Matters by conducting reporting, information sharing, deliberations, decision-making, and other such activities via email and other means as necessary between meeting dates.

Specifically, the Special Committee confirmed, through questions and answer sessions with the Company (including those conducted in writing), the Company's understanding, as well as the understanding of the Offeror, Yuzawa, and Tsumura as ascertained by the Company through discussions with the Offeror, Yuzawa, and Tsumura, with respect to the significance and purpose of the Transactions, the evaluation of the Company's business, the details of measures to enhance the Company's corporate value, the management policy after the Transactions, and the terms and conditions of the Transactions.

In addition, the Special Committee confirmed and approved the reasonableness of the content of the Business Plan, which also formed the basis for the calculation of the share value of the Company by the Offeror Group, Mitsubishi UFJ Morgan Stanley Securities, and Plutus Consulting, as well as the important assumptions and background of its preparation.

Further, the Special Committee received explanations from Mitsubishi UFJ Morgan Stanley Securities regarding the process of negotiations on the terms and conditions of the Transactions and the valuation of the Company's share value, and from Plutus Consulting regarding the valuation of the Company's share value, and conducted questions and answer sessions with respect to those matters.

Further, the Special Committee received legal advice from Iwata Godo, the Special Committee's own legal advisor, in light of its independence and expertise, on the details of the measures to ensure the fairness of the Transactions and the measures to avoid conflicts of interest, and other general matters regarding the Transactions, and also heard opinions from MHM, the Company's legal advisor, as necessary. In addition, the Special Committee received financial advice from Plutus Consulting, the Special Committee's own financial advisor, in light of its independence and expertise, and also heard opinions from Mitsubishi UFJ Morgan Stanley Securities, the

Company's financial advisor, as necessary, and deliberated and examined negotiation policies for obtaining higher prices from the Prospective Buyers including the Offeror.

In addition, the Special Committee received timely reports on the background and details of discussions and negotiations regarding the Capital Policy between the Company and each of the Prospective Buyers, including the Offeror Group and Tsumura, including upon the Company's receipt of proposals from the Offeror regarding the Tender Offer Price, and received advice from Iwata Godo and Plutus Consulting, and also heard opinions from MHM and Mitsubishi UFJ Morgan Stanley Securities as necessary, and over a period of more than six months, substantially participated in the discussions and negotiations with each of the Prospective Buyers, including the Offeror Group and Tsumura, regarding the Tender Offer Price and the Capital Policy, by, among other things, deliberating and examining negotiation policies with respect to each of the Prospective Buyers, including the Offeror Group and Tsumura, on multiple occasions. As a result, on February 19, 2026, the Company received a proposal from the Offeror that included setting the Tender Offer Price at 4,050 yen, and ultimately, the Tender Offer Price has been raised from the Offeror's initial proposed price of 4,022 yen to 4,050 yen.

Further, the Special Committee received explanations on multiple occasions from Iwata Godo and MHM regarding the contents of the drafts of the press releases and opinion expression reports relating to the Tender Offer that the Company plans to announce or submit, as well as the draft of the tender offer registration statement relating to the Tender Offer that the Offeror plans to submit, and has confirmed that comprehensive information disclosure is planned.

(C) Details of the Judgment

Based on the above, the Special Committee carefully and repeatedly deliberated and examined the Inquired Matters, taking into account the legal advice received from Iwata Godo and MHM, the financial advice received from Plutus Consulting and Mitsubishi UFJ Morgan Stanley Securities, the content of the Valuation Report (Plutus Consulting) submitted by Plutus Consulting on February 20, 2026, and the content of the Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) submitted by Mitsubishi UFJ Morgan Stanley Securities on February 20, 2026, and as a result, submitted the Report set out in Attachment 1 to the Company's board of directors on February 20, 2026, with the unanimous agreement of all committee members.

Please refer to the Report for the details of the Special Committee's report and the reasons therefor.

(v) **Obtainment by the Special Committee of a Share Valuation Report from an Independent Third-Party Valuation Institution**

As stated in "(ii) Obtainment by the Special Committee of a Share Valuation Report from an Independent Third-Party Valuation Institution" under "(3) Matters Relating to Calculation" above, in deliberating the Inquired Matters, the Special Committee requested Plutus Consulting, which is a third-party valuation institution independent of the Offeror and the Company, to calculate the value of the Company Shares, and it obtained the Valuation Report (Plutus Consulting) on February 20, 2026 to ensure the fairness of the Transactions, including the Tender Offer.

In addition, Plutus Consulting is not a related party of the Offeror Group, the candidates in the Privatization Bidding Process or the Business Sale Bidding Process, or the Company, and does not have any material interest that should be noted in relation to the Transactions, including the Tender Offer.

The Special Committee has confirmed that there are no issues with the independence or expertise of Plutus Consulting. Remuneration for Plutus Consulting is composed solely of the fixed remuneration payable regardless of whether the Transactions are consummated, and does not include any contingent fees payable upon the announcement or consummation of the Transactions.

For the details of the Valuation Report (Plutus Consulting), please refer to “(ii) Obtainment by the Special Committee of a Share Valuation Report from an Independent Third-Party Valuation Institution” under “(3) Matters Relating to Calculation” above.

(vi) Obtainment by the Special Committee of Advice from an Independent Law Firm

As stated in “(iv) Establishment of an Independent Special Committee by the Company and Obtainment of a Report Therefrom” above, the Special Committee has appointed Iwata Godo as its own legal advisor independent of the Offeror and the Company, and has been receiving legal advice from Iwata Godo, including advice on the measures to be taken to ensure the fairness of the procedures in the Transactions, various procedures in the Transactions and the method and process of decision-making by the Company regarding the Transactions.

In addition, Iwata Godo is not a related party of the Offeror Group, the candidates in the Privatization Bidding Process or the Business Sale Bidding Process, or the Company, and does not have any material interests that should be noted in relation to the Transactions, including the Tender Offer. Remuneration for Iwata Godo is composed solely of the remuneration paid on an hourly basis regardless of whether the Transactions is consummated, and does not include any contingent fees payable upon the consummation of the Transactions.

(vii) Unanimous Approval by Company Directors Not Having a Conflict of Interest (including Directors Who are Audit and Supervisory Committee Members)

By (a) taking into account the advice from a financial perspective received from Mitsubishi UFJ Morgan Stanley Securities and the content of the Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) submitted by Mitsubishi UFJ Morgan Stanley Securities on February 20, 2026, and the legal advice received from MHM on the matters to be noted in making decisions regarding the Transactions, including the Tender Offer, and the Valuation Report (Plutus Consulting) submitted through the Special Committee, and (b) respecting to the utmost extent the content of the Report submitted by the Special Committee, the Company conducted careful deliberations and considerations from the perspectives of whether the Transactions may enhance the corporate value of the Company and whether the terms and conditions of the Transactions are appropriate.

As a result, as stated in “(iii) Decision-Making Process Leading to the Company’s Decision to Support the Tender Offer, and the Reasons Therefor” under “(2) Grounds and Reasons for Opinions Relating to the Tender Offer” above, at the board of directors meeting held yesterday, the directors of the Company unanimously determined that the Transactions, including the Tender Offer, would enhance the corporate value of the Company and the terms and conditions of the Transactions, including the Tender Offer Price (4,050 yen), are appropriate, and that the Tender Offer would provide the Company’s shareholders with a reasonable opportunity to sell their shares, and they adopted a resolution to express an opinion in favor of the Tender Offer and to leave the decision of whether to tender shares in the Tender Offer to the discretion of the Company’s shareholders.

(viii) Measures to Secure Opportunities for Other Offerors to Purchase the Company Shares

In addition, the Offeror has set the tender offer period at 30 business days, which is longer than the 20 business days that is the minimum tender offer period required by laws and regulations. By setting a longer tender offer period in comparison to the minimum period required by laws and regulations, the Offeror has ensured that the general shareholders of the Company have opportunities to make a judgement regarding the tender in the Tender Offer, and persons other than the Offeror has an opportunity to make a competing offer. Accordingly, the Offeror has taken measures to ensure the fairness of the Tender Offer. In addition, the Offeror and the Company have not entered into any agreement that restricts a competing offeror from having

contact with the Company, such as an agreement that includes transaction protection provisions that would prohibit the Company from having contact with a competing offeror.

(7) Other

As stated in “(i) Overview of the Tender Offer” under “(2) Grounds and Reasons for Opinions Relating to the Tender Offer” above, Yuzawa will assign to Tsumura all of the Company Shares held by Yuzawa after the Non-Operating Assets Transfer.

The overview of Tsumura is as follows.

(1)	Name	TSUMURA & CO.
(2)	Location	2-17-11, Akasaka, Minato-ku, Tokyo
(3)	Name and title of representative	Terukazu Kato, President and Representative Director CEO
(4)	Description of business	Production and sale of pharmaceutical products (including Kampo extract intermediates, granular Kampo formulations and crude drug preparations)
(5)	Capital	30,142,000,000 yen (as of December 31, 2025)
(6)	Date of incorporation	April 25, 1936
(7)	Major shareholders and their ownership percentages (as of September 30, 2025)	The Master Trust Bank of Japan, Ltd. (Trust account) 15.90%
		BOCHK FOR PING AN LIFE INSURANCE COMPANY OF CHINA, LTD. 10.20%
		STATE STREET BANK AND TRUST COMPANY 505001 5.67%
		Custody Bank of Japan, Ltd. (Trust account) 5.61%
		BRIGHT RIDE LIMITED 2.25%
		Stock held by Tsumura group employees 2.06%
		MUFG Bank, Ltd. 1.79%
		The Nomura Trust and Banking Co., Ltd. (Trust account) 1.74%
		THE BANK OF NEW YORK MELLON 140044 1.45%
JP MORGAN CHASE BANK 385781 1.31%		
(8)	Relationships between the Company and Tsumura	
	Capital relationships	N/A
	Personnel relationships	N/A
	Transactional relationships	N/A
	Status as related person	N/A

(Note) “Major shareholders and their ownership percentages (as of September 30, 2025)” is based on the “Major Shareholders” section of the Semi-Annual Report for the 90th Fiscal Year filed by Tsumura on November 11, 2025.

For reference, Tsumura’s financial advisor is Deloitte Tohmatsu LLC, and its legal advisor is Nagasawa Sogo Law Office.

4. Matters Relating to Material Agreements Concerning the Tender Offer

(i) The Non-Tender Agreement

The Offeror entered into the Non-Tender Agreement with Yuzawa, dated February 24, 2026, containing the provisions set forth below.

(A) Yuzawa shall not tender the 4,641,500 Company Shares that it holds in the Tender Offer.

(B) If the Tender Offer is completed successfully, Yuzawa shall vote the Shares Agreed Not to

Be Tendered in accordance with the Offeror's instructions and in the same manner as the Offeror at an extraordinary shareholder meeting of the Company which includes in the agenda a proposal to conduct a share consolidation of the Company Shares pursuant to Article 180 of the Companies Act and to partially amend the articles of incorporation to abolish the provisions regarding the number of shares per unit subject to the effectiveness of the share consolidation.

The only matters provided for in the Non-Tender Agreement other than the above are provisions for consultation, governing law, and jurisdiction.

(ii) The Tender Agreements

The Offeror entered into the Tender Agreements dated February 24, 2026 with each of the Tender Agreement Shareholders, containing the provisions set forth below, under which each of the Tender Agreement Shareholders agreed to tender all of the Company Shares that they hold (the "Tendered Shares"; total number of shares held: 2,037,019 shares; total ownership ratio: 14.63%) in the Tender Offer and not to withdraw the Tendered Shares after tendering.

In addition, the Tender Agreement Shareholders' obligations to tender their shares under the Tender Agreements are subject to the following conditions: (a) the Tender Offer has been legally and validly commenced and not withdrawn; (b) the Company has passed a board of directors resolution to approve the Tender Offer, the contents of which have been announced by the Company, and the Company has not withdrawn or changed that board of directors resolution or passed another resolution with contents inconsistent therewith (it should be noted that this condition is not stipulated in the Tender Agreement with Mr. Shiozawa (number of shares held: 163,819 shares; ownership ratio: 1.18%); (c) the representations and warranties of the Offeror are true and correct in all material respects as of the execution date of the Tender Agreements and the commencement of the Tender Offer; (d) the Offeror has performed or complied with all of the obligations required to be performed or complied with by the Offeror under the Tender Agreements in all material respects; and (e) there are no undisclosed material facts concerning the business, etc. of the Company (as defined in Article 166, paragraph 2 of the Financial Instruments and Exchange Act) or facts concerning the implementation or suspension of a tender offer for the share certificates, etc. of the Company (as defined in Article 167, paragraph 2 of the Financial Instruments and Exchange Act). In addition, the Tender Agreement with Toa Reinsurance (number of shares held: 548,000 shares; ownership percentage: 3.94%) is also subject to the condition that a share purchase agreement with content reasonably satisfactory to Toa Reinsurance has been executed between the Company and a person designated by Toa Reinsurance for all shares of Toa Reinsurance held by the Company.

The other key provisions common to the Tender Agreements are summarized below.

- (A) During the period from the execution date of the Tender Agreements to the commencement date of settlement of the Tender Offer (the "Settlement Date"), the Tender Agreement Shareholders shall not transfer, pledge as collateral, or otherwise dispose of the Tendered Shares, or acquire, offer, or transfer (including short sale) the Company Shares or rights pertaining to the Company Shares and shall not make any proposal, solicitation, consultation, negotiation, or provision of information to or with any third party regarding any transaction that would compete with the Tender Offer or that would make the purchase of the Target Company Shares through the Tender Offer substantially impossible. If the Tender Agreement Shareholders receive any solicitation, proposal, information or offer from any third party other than the Offeror regarding such activities, the Tender Agreement Shareholders shall immediately notify the Offeror of that fact and the details thereof, and shall discuss with the Offeror in good faith regarding how to respond to that third party.
- (B) Except for matters expressly provided for in the Tender Agreements, the Tender Agreement Shareholders shall not, without the prior written consent of the Offeror, exercise the right to request the convening of a general meeting of shareholders of the Company (Article 297 of the Companies Act), the right to propose an agenda (Article 303, paragraphs 1 and 2 of the Companies Act), the right to propose an agenda item (Article 304 and Article 305, paragraph 1 of the Companies Act), or other shareholder rights.
- (C) If the Tender Agreement Shareholders tender their shares and the Tender Offer is successfully completed without withdrawal or cancellation of their tender, and the Company convenes a general meeting of shareholders with a record date for the exercise

of rights that is prior to the Settlement Date, the Tender Agreement Shareholders shall, at the option of the Offeror, either (a) grant comprehensive proxy rights to the Offeror or a person designated by the Offeror, or (b) vote in accordance with the instructions of the Offeror. The Tender Agreement Shareholders shall, in the case of (a) above, sign and seal the power of attorney and other documents necessary to grant the comprehensive proxy and deliver that power of attorney to the Offeror by a date reasonably designated by the Offeror, and the Tender Agreement Shareholders shall not, in any event, revoke such grant of proxy; and, in the case of (b) above, exercise their voting rights and all other rights with respect to the Company Shares at that shareholder meeting in accordance with the instructions of the Offeror, and take all necessary measures to ensure that the intentions of the Offeror are properly reflected in the exercise of rights.

The Tender Agreement with Mitsubishi UFJ Trust (number of shares held: 675,000 shares; ownership percentage: 4.85%) and Banking further provides that if a third party other than the Offeror commences a tender offer (the “Third Party Tender Offer (Mitsubishi UFJ Trust and Banking)”) at a purchase price that exceeds the Tender Offer Price by 10% or more by the last day of the Tender Offer Period (the “Expiration Date”), and the Third Party Tender Offer (Mitsubishi UFJ Trust and Banking) is for the purpose of taking the Company private, does not set a maximum number of shares to be purchased, and sets a minimum number of shares to be purchased that is at least a majority of the Company’s issued common shares, Mitsubishi UFJ Trust and Banking may request the Offeror to hold consultations regarding a change in the Tender Offer Price. If the Offeror does not change the Tender Offer Price to an amount equal to or higher than the tender offer price in the Third Party Tender Offer (Mitsubishi UFJ Trust and Banking) by the earlier of the date on which 10 business days have elapsed from the date of that request and the date that is two business days before the Expiration Date, Mitsubishi UFJ Trust and Banking shall not be obligated to tender its shares. In such case, if Mitsubishi UFJ Trust and Banking has already tendered its shares, it may cancel the tender without paying any damages, penalty or other money regardless of the name by which it is called, and without any other obligation, burden or condition being imposed on it.

The Tender Agreement with Toa Reinsurance further provides that if a party other than the Offeror commences a tender offer for the ordinary shares of the Company (the “Competing Tender Offer (Toa Reinsurance)”) at a purchase price that exceeds the Tender Offer Price by 10% or more by Expiration Date, and the Competing Tender Offer (Toa Reinsurance) is for the purpose of taking the Company private, does not set a maximum number of shares to be purchased, and sets a minimum number of shares to be purchased that is at least a majority of the Company’s issued common shares, Toa Reinsurance may request the Offeror to hold consultations regarding a change in the Tender Offer Price. If the Offeror does not change the Tender Offer Price to an amount equal to or higher than the tender offer price in the Competing Tender Offer (Toa Reinsurance) by the earlier of the date on which 10 business days have elapsed from the date of that request and the date that is two business days before the Expiration Date, or if Toa Reinsurance reasonably determines that its directors’ fiduciary duty may be breached if Toa Reinsurance tenders its shares or does not withdraw shares already tendered, Toa Reinsurance shall not be obligated to tender its shares. In such case, if Toa Reinsurance has already tendered its shares, it may cancel the tender without paying any damages, penalty or other money regardless of the name by which it is called, and without any other obligation, burden or condition being imposed on it.

The Tender Agreement with Hachijuni Nagano Bank (number of shares held: 650,200 shares; ownership percentage: 4.67%) further provides that if a third party other than the Offeror commences a tender offer (the “Third Party Tender Offer (Hachijuni Nagano Bank)”) at a purchase price that exceeds the Tender Offer Price by 10% or more by the Expiration Date, and the Third Party Tender Offer (Hachijuni Nagano Bank) is for the purpose of taking the Company private, does not set a maximum number of shares to be purchased, and sets a minimum number of shares to be purchased that is at least a majority of the Company’s issued common shares, Hachijuni Nagano Bank may request the Offeror to hold consultations regarding a change in the Tender Offer Price. If the Offeror does not change the Tender Offer Price to an amount equal to or higher than the tender offer price in the Third Party Tender Offer (Hachijuni Nagano Bank) by the earlier of the date on which 10 business days have elapsed

from the date of that request and the date that is two business days before the Expiration Date, Hachijuni Nagano Bank shall not be obligated to tender its shares. In such case, if Hachijuni Nagano Bank has already tendered its shares, it may cancel the tender without paying any damages, penalty or other money regardless of the name by which it is called, and without any other obligation, burden or condition being imposed on it.

In addition, the Tender Agreements provide for representations and warranties (Note 1) (Note 2), indemnification obligations (Note 3), grounds for termination with cause (Note 4), grounds for no-fault termination (Note 5), and confidentiality obligations.

Note 1: The Tender Agreements provide that each tendering shareholder makes representations and warranties to the Offeror regarding (a) capacity and authority, (b) no insolvency proceedings or the like, (c) the execution and enforceability of the Tender Agreement, (d) no conflict with laws and regulations or the like, (e) full ownership of the Tendered Shares, (f) obtainment of licenses, permits, and the like, (g) no correspondence to antisocial forces, no business or other relationships with antisocial forces, and no engagement in antisocial activities, and (h) no awareness of material facts.

Note 2: The Tender Agreements provide that the Offeror makes representations and warranties to each tendering shareholder regarding (a) establishment and existence, (b) no insolvency proceedings or the like, (c) the execution and enforceability of the Tender Agreement, (d) no conflict with laws and regulations or the like, (e) obtainment of licenses, permits, and the like, (f) no correspondence to antisocial forces, no business or other relationships with antisocial forces, and no engagement in antisocial activities, and (g) no awareness of material facts. (The tender agreement with Mitsubishi UFJ Trust and Banking also contains provisions regarding certainty of funding.)

Note 3: The Tender Agreements provide that if any of the Tender Agreement Shareholders or the Offeror breaches its own contractual obligations or representations and warranties, that party must compensate or indemnify the other party for any damages or the like suffered by the other party to the extent of adequate causation.

Note 4: The Tender Agreements provide that the Tender Agreement Shareholders and the Offeror may terminate the Tender Agreements immediately, with prior written notice to the other party, if any representation or warranty of the other party is found to be untrue or inaccurate in any material respect, if any obligation to be performed or complied with by the other party is not performed or complied with in any material respect, or if any legal insolvency proceedings are commenced with respect to the other party. (The Tender Agreement with Toa Reinsurance also provides for the discharge of the obligation to tender in the Tender Offer in the event that a competing tender offer is commenced.)

Note 5: The Tender Agreements provide that the Tender Agreements will be terminated if the Tender Offer is withdrawn or the Tender Offer is unsuccessful. (The Tender Agreements with Mitsubishi UFJ Trust and Banking, Hachijuni Nagano Bank, and Mr. Shiozawa provide for termination by written agreement between the Offeror and Mitsubishi UFJ Trust and Banking, Hachijuni Nagano Bank, or Mr. Shiozawa, and the Tender Agreement with Toa Reinsurance provides for termination in the event that the Tender Offer does not commence by February 25, 2026.)

Save for the Tender Agreements, no agreements regarding the Transactions have been entered into between the Offeror and the Tender Agreement Shareholders, and except for the payment of the Tender Offer Price, no interests will be granted to the Tender Agreement Shareholders in connection with the Tender Offer.

(iii) The Arrangement

The Offeror entered into an oral agreement dated February 24, 2026 with Mr. Nomura, under which Mr. Nomura agreed to tender all of the Company Shares that he holds (total number of shares held: 3,700 shares; total ownership ratio: 0.03%) in the Tender Offer and in principle not to withdraw those shares after tendering.

Save for the Arrangement, no agreements regarding the Transactions have been entered into between the Offeror and Mr. Nomura, and except for the payment of the Tender Offer Price, no interests will be granted to Mr. Nomura in connection with the Tender Offer.

(iv) The Master Agreement

The Company entered into the Master Agreement dated February 24, 2026 with the Offeror, Yuzawa and Tsumura, which includes a confirmation that the Company shall implement the Transactions through the series of transactions pursuant to the following provisions.

(1) The Tender Offer

The Offeror intends to conduct the Tender Offer on the terms and conditions stated in the Master Agreement.

(2) The Squeeze-Out Procedures

1. If the Tender Offer is successfully completed but the Offeror is unable to purchase all of the Company Shares (excluding the shares held by Yuzawa and treasury shares), the Company will hold an extraordinary shareholder meeting for the purpose of deciding on a proposal for a share consolidation at such consolidation ratio as will result in the number of shares held by shareholders other than the Offeror and Yuzawa (excluding the Company itself) becoming a fraction less than one share, and the Offeror and Yuzawa will vote in favor of the proposal at the Shareholder Meeting, in order to make the Company itself, the Offeror and Yuzawa, or alternatively the Offeror and Yuzawa alone, the sole shareholders of the Company.
2. The consolidation ratio in the Share Consolidation shall be determined in accordance with the following policy.
 - (1) The Company Shares held by all shareholders of the Company, excluding the Offeror and Yuzawa (and the Company itself), shall become a fraction less than one share.
 - (2) The total number of fractional shares of the Company Shares held by all shareholders of the Company shall equal at least one share.
3. In the Squeeze-Out Procedures, if the Share Consolidation results in a fraction of less than one share of the Company Shares, the Company shall sell to the Offeror a number of the Company Shares equivalent to the total of those fractional shares (with any fraction of less than one share to be rounded down) and shall deliver, to the shareholders of the Company whose holdings are so reduced to a fraction of a share as a result of the Share Consolidation, money in the amount equivalent to the product of the number of shares held by such shareholders before the Squeeze-Out Procedures multiplied by the Tender Offer Price.
4. When the Company itself, the Offeror and Yuzawa, or alternatively the Offeror and Yuzawa alone become the sole shareholders of the Company as a result of the Squeeze-Out Procedures, the Company shall, as soon as practicable, take such actions as are reasonably necessary to obtain approval for exemption from the submission of securities reports (the "Reporting Exemption Approval") pursuant to the proviso of Article 24, paragraph 1 of the Financial Instruments and Exchange Law and Article 4 of the Enforcement Order of the same Act (including the submission to the Commissioner of the Financial Services Agency of each document set forth in Article 16, paragraph 1, item 1 of the Cabinet Office Order on Disclosure of Corporate Affairs).

(3) Reorganization procedures

The Share Transfer (Offeror):

When the Squeeze-Out Procedures are completed and the Company itself, the Offeror and Yuzawa, or alternatively the Offeror and Yuzawa alone have become the sole shareholders of the Company, and the Reporting Exemption Approval has been granted, the Offeror and Yuzawa shall, on a date separately determined by agreement between the Offeror and Yuzawa (however, as soon as practicable), execute an agreement to the effect that the Offeror will transfer all of the Company Shares it holds to Yuzawa at a price separately agreed upon between the Offeror and Yuzawa (the "Share Transfer (Offeror)"), and Yuzawa will accept that transfer.

Implementation of the Non-Operating Assets Transfer:

Yuzawa shall cause the Company to make a distribution of surplus with the non-operating assets as the distributed property and/or conduct an absorption-type split with the non-operating assets as the assets to be transferred as soon as practicable after the completion of the Share Transfer (Offeror). However, if the Non-Operating Assets are transferred to Yuzawa through an absorption-type company split, that split shall be a non-contributing company split in which no assets shall be delivered as consideration.

Implementation of reorganization procedures:

On or before the closing date of the Share Transfer, Yuzawa, the Offeror, and the Company shall complete (a) the transfer of the Kurasuwa business to a third party, excluding certain stores and operations, or the cessation of business activities and closure of stores, etc., and (b) the discontinuation of new production of products related to the Yomeishu business, excluding certain products.

(4) The Share Transfer

Yuzawa and Tsumura shall execute a share transfer agreement (the “Share Transfer Agreement”) in the form and content provided for in the Master Agreement on the execution date of the Master Agreement. Upon fulfillment of the conditions precedent provided for in the Share Transfer Agreement (Note 1), Yuzawa shall transfer all of the Company Shares (excluding treasury shares) to Tsumura and Tsumura shall receive that transfer as of the Closing Date provided for in the Share Transfer Agreement (the “Share Transfer”).

The consideration for the Share Transfer under the Share Transfer Agreement shall be 6.8 billion yen (the “Transfer Price”). Furthermore, Yuzawa and the Offeror shall jointly and severally compensate Tsumura or the Company for any damages incurred as a result of a breach of the representations and warranties set forth in the Share Transfer Agreement and the Master Agreement, or any matters to be performed or complied with by the Closing Date (Notes 3, 4, 5, 6, 7, 8, and 10; Note 5 includes representations and warranties with respect to the Company), up to a maximum of 100% of the Transfer Price, provided that a claim for damages is made within a specified period after the Closing Date.

Note 1: The conditions precedent provided for in the Share Transfer Agreement are as follows.

Conditions precedent pertaining to Yuzawa:

(1) Any of the representations and warranties of Tsumura and the Company provided for in the Master Agreement (Note 2 and 3) is true and accurate (excluding minor errors and inaccuracies) as of the Closing Date (meaning the date separately agreed upon between Yuzawa and Tsumura in writing as the Closing Date).

Note 2: The Master Agreement provides that Tsumura makes representations and warranties regarding (a) establishment and existence, (b) the execution and performance of the agreement, (c) enforceability, (d) no conflict with laws and regulations or the like, (e) obtainment of licenses, permits, and the like, (f) no legal insolvency proceedings or the like, (g) no relationships with antisocial forces, and (h) sufficiency of funds.

Note 3: The Master Agreement provides that the Company makes representations and warranties regarding (a) establishment and existence, (b) the execution and performance of the agreement, (c) enforceability, (d) no conflict with laws and regulations or the like, (e) obtainment of licenses, permits, and the like, (f) no legal insolvency proceedings or the like, (g) no relationships with antisocial forces, (h) no insider information, (i) matters concerning shares, and (j) off-balance-sheet liabilities.

(2) The Tender Offer has been lawfully and validly completed in accordance with the Master Agreement.

(3) The Squeeze-Out Procedures have been lawfully and validly completed in accordance with the Master Agreement, resulting in the Offeror and Yuzawa becoming the sole shareholders of the Company.

(4) The Reporting Exemption Approval has been legally and validly completed in accordance

- with the Master Agreement.
- (5) The reorganization procedures have been lawfully and validly completed in accordance with the Master Agreement.
 - (6) The transfer approval and other procedures required by law and the articles of incorporation for the execution of the Share Transfer have been lawfully and validly completed. Tsumura has not breached any of the matters to be performed or complied with by Tsumura prior to closing pursuant to the Share Transfer Agreement and the Master Agreement (excluding minor breaches).
 - (7) All necessary licenses and permits required prior to closing for the Share Transfer (including the submission to the Japan Fair Trade Commission of a notification of a plan with respect to the acquisition of shares (“Notification of Share Acquisition”) pursuant to Article 10, paragraph 2 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947); the same applies hereinafter) have been obtained or fulfilled, the statutory waiting period has elapsed, and no measures or proceedings have been taken by judicial or administrative authorities (including the Japan Fair Trade Commission) that would impede the execution of the Share Transfer, such as the issuance of a cease and desist order or proceedings related to such an order (including the sending of advance notice or documents requesting reports, etc., as stipulated in Article 10, paragraph 9 of that Act; “Cease and Desist Order, Etc.”).
 - (8) No judicial or administrative decision or the like has been made to the effect that the Share Transfer is restricted or prohibited in whole or in part.

Conditions precedent pertaining to Tsumura:

- (1) The representations and warranties of Yuzawa provided for in the Master Agreement (Note 4) and the representations and warranties of Yuzawa provided for in the Share Transfer Agreement (Note 5) are true and accurate (excluding minor errors and inaccuracies) as of the Closing Date.

Note 4: The Master Agreement provides that Yuzawa makes representations and warranties regarding (a) establishment and existence, (b) the execution and performance of the agreement, (c) enforceability, (d) no conflict with laws and regulations or the like, (e) obtainment of licenses, permits, and the like, (f) no legal insolvency proceedings or the like, and (g) no relationships with antisocial forces.

Note 5: The Share Transfer Agreement provides that Yuzawa makes representations and warranties regarding (i) matters concerning the shares, (ii) no debts, etc. of the Company, (iii) no damages, etc. of the Company, (iv) no tax obligations, etc. of the Company, (v) remaining cash and deposits, and (vi) no membership of a group aggregated taxation system.

- (2) The representations and warranties of the Offeror and the Company provided for in the Master Agreement (Note 6) (Note 3) are true and accurate (excluding minor errors and inaccuracies) as of the Closing Date.

Note 6: The Master Agreement provides that the Offeror makes representations and warranties regarding (a) establishment and existence, (b) the execution and performance of the agreement, (c) enforceability, (d) no conflict with laws and regulations or the like, (e) obtainment of licenses, permits, and the like, (f) no legal insolvency proceedings or the like, (g) no relationships with antisocial forces, and (h) sufficiency of funds.

- (3) The Tender Offer has been lawfully and validly completed in accordance with the Master Agreement.
- (4) The Squeeze-Out Procedures have been lawfully and validly completed in accordance with the Master Agreement, resulting in the Offeror and Yuzawa becoming the sole shareholders of the Company.
- (5) The Reporting Exemption Approval has been legally and validly completed in accordance with the Master Agreement.
- (6) The reorganization procedures have been lawfully and validly completed in accordance with the Master Agreement.
- (7) The transfer approval and other procedures required by law and the articles of incorporation for the execution of the Share Transfer have been lawfully and validly

- completed.
- (8) Yuzawa has not breached any of the matters to be performed or complied with by Yuzawa prior to closing pursuant to the Share Transfer Agreement and the Master Agreement (Notes 7 and 8).
- Note 7: The Share Transfer Agreement provides, as the matters to be performed or complied with by Yuzawa prior to the Closing, that: (a) Yuzawa shall repay and perform, etc. losses, debts, obligations and expenses incurred by the Company as a result of the Transactions that involve actual outflows of cash or deposits; and (b) Yuzawa shall repay and perform, etc. tax obligations, etc. incurred by the Company as a result of the Transactions.
- Note 8: The Master Agreement provides, as the matters to be performed or complied with by Yuzawa prior to the Closing, that: (a) Yuzawa shall not prevent the Company from conducting its business operations in the ordinary course of business; (b) except where expressly contemplated in the Master Agreement or where the prior written consent of Tsumura is obtained, Yuzawa shall (i) not prevent the Company from complying with its obligation not to conduct any prior consent matters (Note 9) and (ii) not conduct transactions directly or indirectly between the Company and Yuzawa and the Offeror themselves or related parties of any or all of those parties; (c) after the completion of the Squeeze-Out Procedures, Yuzawa shall take necessary actions such as sending a notice of convocation of the board of directors meeting to the observers designated by Yuzawa and Tsumura to attend the board of directors meeting of the Company; and (d) Yuzawa shall not prevent the maintenance of the working conditions of the employees that belong to the Company.
- Note 9: The Master Agreement provides for the following prior consent matters: (a) establishment, amendment or abolishment of the articles of incorporation or other important internal rules; (b) issuance or disposal of shares, etc.; (c) reorganization such as a merger, share exchange, share transfer, company split, share delivery, transfer of all or a material part of business, or business acquisition (excluding the transfer of stores to be closed and businesses to any third party with content reasonably satisfactory to Tsumura); (d) distribution of surplus or acquisition of treasury shares; (e) stock split or share consolidation; (f) increase or decrease in the amount of capital, etc.; (g) borrowing, issuance of bonds, etc. or other act incurring debt outside the ordinary course of business; (h) sale, etc., of material assets; (i) changes in executive directors; (j) petition for commencement of legal insolvency proceedings; (k) material change in personnel systems; and (l) material change in accounting policies or practices.
- (9) The Offeror and the Company have not breached any of the matters to be performed or complied with by the Offeror and the Company prior to closing pursuant to the Master Agreement (Notes 10 and 11).
- Note 10: The Master Agreement provides, as the matters to be performed or complied with by the Offeror prior to the Closing, that: (a) the Offeror shall not prevent the Company from conducting its business operations in the ordinary course of business; (b) except where expressly contemplated in the Master Agreement or where the prior written consent of Tsumura is obtained, the Offeror shall (i) not prevent the Company from complying with its obligation not to conduct any prior consent matters (Note 9) and (ii) not conduct transactions directly or indirectly between the Company and Yuzawa and the Offeror themselves or related parties of any or all of those parties; (c) the Offeror shall take necessary actions such as sending a notice of convocation of the board of directors meeting to the observers designated by Yuzawa and Tsumura to attend the board of directors meeting of the Company; and (d) the Offeror shall maintain the working conditions of the employees that belong to the Company.
- Note 11: The Master Agreement provides, as the matters to be performed or complied with by the Company prior to the Closing, that: (a) the Company shall conduct its business operations in the ordinary course of business; (b) except where expressly contemplated in the Master Agreement or where the prior written consent of

Tsumura is obtained, the Company shall (i) comply with its obligation not to conduct any prior consent matters (Note 9) and (ii) not conduct transactions directly or indirectly between the Company and Yuzawa and the Offeror themselves or related parties of any or all of those parties; (c) the Company shall take necessary actions such as sending a notice of convocation of the board of directors meeting to the observers designated by Yuzawa and Tsumura to attend the board of directors meeting of the Company; (d) the Company shall maintain the working conditions of the employees that belong to the Company(excluding cases where any amendment thereof is required for the business restructuring acts); (e) the Company shall obtain consent from specific counterparties, and make best efforts to obtain consent from the other counterparties to the agreements requiring consent (any agreement entered into by the Company that is of material importance to the Company and contains provisions requiring consent from the counterparty to execute the Transactions; this includes any provision to the effect that entering into or performing the Master Agreement or executing the Transactions without that consent constitutes a default); and (f) the Company shall give notice to the counterparties to the agreements requiring notice (any agreement entered into by the Company that is of material importance to the Company and contains provisions requiring notice to the counterparty to execute the Transactions).

- (10) All necessary licenses and permits required prior to closing for the Share Transfer have been obtained or fulfilled, the statutory waiting period has elapsed, and no Cease and Desist Order, Etc. has been issued by judicial or administrative authorities (including the Japan Fair Trade Commission).
- (11) No judicial or administrative decision or the like has been made to the effect that the Share Transfer is restricted or prohibited in whole or in part.

5. Granting of Benefits by the Offeror or Other Specially Related Persons

N/A

6. Policy of Response to Basic Policies Relating to Company Control

N/A

7. Questions for the Offeror

N/A

8. Request for Extension of the Tender Offer Period

N/A

9. Future Prospects

See “(iv) Management Policy after the Tender Offer” under “(2) Grounds and Reasons for Opinions Relating to the Tender Offer,” “(4) Expectations for Delisting and Reasons Therefor,” and “(5) Post-Tender Offer Reorganization and Other Policies (Matters Relating to the ‘Two-Step Acquisition’)” under “3. Substance of and Grounds and Reasons for Opinions Relating to the Tender Offer.”

10. Matters Relating to the MBO, etc.

- (1) Appropriateness of MBO, etc.

As of today, the Company is not a subsidiary or an affiliate of the Offeror, and neither all nor a part of the management team of the Company plan to make any direct or indirect contribution to the Offeror. Therefore, the Transactions, including the Tender Offer, do not constitute a management buyout (MBO), a tender offer by a controlling shareholder, other affiliates, or other parties specified in Article 441, Paragraph 1, Item 2 of the Securities Listing Regulations and Article 436-3, Paragraph 3 of the Enforcement Rules for the Securities Listing Regulations. Notwithstanding the foregoing, (i) the Transactions, including the Tender Offer, may constitute an act equivalent to an MBO, etc. on the grounds that, as described in the above “4. Matters Relating to Material Agreements Concerning the

Tender Offer,” Yuzawa, another affiliated company of the Company, has entered into the Non-Tender Agreement with the Tender Offeror, and entered into the Master Agreement among the Tender Offeror, Yuzawa, the Company, and Tsumura, pursuant to which Yuzawa is expected, following the completion of the Tender Offer and the Squeeze-Out Procedures by the Offeror, to remain as the sole shareholder of the Company through the Private Transfer to Yuzawa from the Offeror and to implement the Non-Operating Assets Transfer under which the Company’s non-operating assets will be transferred to Yuzawa, and (ii) the Transactions are intended to take the Company’s shares private and will have a significant impact on the Company’s general shareholders. Therefore, the Company has implemented the procedures stipulated in the “Matters to be Observed Pertaining to MBOs, etc.” as prescribed in Rule 441 of the Securities Listing Regulations (Tokyo Stock Exchange).

- (2) Matters relating to the measures to ensure fairness and measures to prevent conflicts of interest

As described in “(1) Appropriateness of MBO, etc.” above, since the Transactions, including the Tender Offer, may constitute an act equivalent to an MBO, etc. for the Company, the Company determined that measures to ensure fairness and to avoid conflicts of interest are necessary. Therefore, as stated in “(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” in “3. Substance of and Grounds and Reasons for Opinions Relating to the Tender Offer” above, the Company has taken measures to ensure fairness and measures to prevent conflicts of interest with respect to the Transactions, including the Tender Offer.

- (3) Opinion of the Special Committee that the Transactions are fair to the general shareholders

As stated in “(iv) Establishment of an Independent Special Committee by the Company and Obtainment of a Report Therefrom” in “(6) Measures to Ensure the Fairness of the Tender Offer Such as Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest” under “3. Substance of and Grounds and Reasons for Opinions Relating to the Tender Offer” above, the Company has received the Report from the Special Committee to the effect that the Transactions, including the Tender Offer, are fair to the general shareholders. For the details of the Report, please see Attachment 1.

11. Other

- (1) **Announcement of “Notice Regarding Revisions of Full-Year Financial Results Forecast Due to the Recording of Extraordinary Losses, Revisions of Year-End Dividend Forecast (No Dividend Payment), Termination of Shareholder Benefit Program, and Abandoning Mid-Term Management Plan”**

At the board of directors meeting held yesterday, the Company passed a resolution to (i) revise downward its full-year earnings forecast for the fiscal year ending March 2026 due to the expected recording of extraordinary losses, (ii) subject to the completion of the Tender Offer, revise the year-end dividend forecast for the fiscal year ending March 2026, (iii) not distribute any year-end dividends for the fiscal year ending March 2026, and (iv) to abolish the shareholder benefit program effective the fiscal year ending March 2027, and in conjunction therewith, to withdraw the medium-term management plan covering the period through the fiscal year ending March 2027. For details, see “Notice regarding Revision of Full-Year Earnings Forecast in Connection with the Recording of Extraordinary Losses, Revision of Year-End Dividend Forecast (No Dividend), Abolishment of Shareholder Benefit Program, and Withdrawal of the Medium-Term Management Plan” released by the Company today.

- (2) **“Notice Regarding Expected Recognition of Extraordinary Income (Gain on Sale of Investment Securities)”**

At the board of directors meeting held yesterday, the Company resolved to sell certain investment securities it holds and expects to record extraordinary gains in the fiscal year ending March 2027 as gains on sale of investment securities. For further details, please refer to the “Notice Regarding the (Expected) Recording of Extraordinary Gains (Gain on Sale of Investment Securities)” released by the Company today.

End

(Reference)

The Report (Attachment 1)

Press release dated February 25, 2026 and titled “Notice Regarding Planned Commencement of Tender Offer for Shares of Yomeishu Seizo Co., Ltd. (Securities Code: 2540)” (Attachment 2)

Note: 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.