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April 27, 2026

To whom it may concern

Company name	Yomeishu Seizo Co., Ltd.
Representative name	Representative Director, President, Hideo Tanaka
Securities Code	2540; Prime Market of the Tokyo Stock Exchange
Contact	Director, Senior Executive Officer, General Manager of the Corporate Planning Department, Akira Igawa
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Notice of Extraordinary General Meeting of Shareholders Regarding Reverse Stock Split, Abolition of Unit Share System, and Partial Amendment to Articles of Incorporation

On April 27, 2026, the Board of Directors resolved to convene an Extraordinary General Meeting of Shareholders (hereinafter referred to as “the Extraordinary General Meeting”) scheduled for June 1, 2026, and to submit proposals regarding the reverse stock split, abolition of the unit share system, and partial amendment to the Articles of Incorporation to the Extraordinary General Meeting. Details are as follows:

Please note that during the process of the aforementioned procedures, the common shares of the Company (hereinafter referred to as “Company Shares”) will meet the delisting criteria of Tokyo Stock Exchange, Inc. (hereinafter referred to as “Tokyo Stock Exchange”). Consequently, Company Shares will be designated as securities to be delisted from June 1, 2026 to June 17, 2026, and are scheduled to be delisted on June 18, 2026. After delisting, Company Shares will no longer be tradable on the Prime Market of the Tokyo Stock Exchange. We kindly ask for your understanding.

Details

- I. Date and Venue of the Extraordinary General Meeting
 1. Date and time
Monday, June 1, 2026, at 10:00 AM
 2. Venue
2nd floor, head office, 16-25 Nanpeidai-cho, Shibuya-ku, Tokyo
- II. Agenda of the Extraordinary General Meeting
Resolution items
 - Proposal 1: Reverse stock split
 - Proposal 2: Partial amendment to articles of incorporation
- III. Regarding the Reverse Stock Split
 1. Purpose and reason for the reverse stock split

As announced in the “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” (hereinafter referred to as “Press Release of Expression of Opinion”) published on February 25, 2026, the Reno Co., Ltd. (hereinafter referred to as the “Tender Offeror” conducted a public tender offer (hereinafter referred to as “the Tender Offer”) for all of the Company Shares listed on the Prime Market of the Tokyo Stock Exchange (excluding treasury shares owned by the Company and non-subscription agreement shares (Note 1)) as part of a series of transactions (hereinafter referred to as “the Transaction”) aimed at privatizing the Company Shares. The tender offer period (hereinafter referred to as “Tender Offer Period”) was set from February 25, 2026, to April 8, 2026.

And, as announced in the “Notice concerning the Results of the Tender Offer for the Shares of the Company by Reno Co., Ltd. and Changes in Parent Company, Major Shareholder, and Principal Shareholder” dated April 9, 2026, the tender offer was successfully completed, and as of April 15, 2026, the settlement commencement date of the tender offer, the tender offeror owned 6,920,500 shares of Company Shares (ownership ratio (Note 2): 49.70%). Additionally, as of the same date, Yuzawa Co., Ltd., (hereafter referred to as “Yuzawa”) a shareholder owning shares subject to the non-tender agreement, owned 4,641,500 shares of Company Shares (ownership ratio: 33.34%), resulting in a total of 11,562,000 shares of Company Shares (ownership ratio: 83.04%) owned by the tender offeror and Yuzawa.

(Note 1) “Non-subscription agreement shares” refers to the 4,641,500 shares of Company Shares (ownership ratio: 33.34%) owned by Yuzawa, as agreed in the Non-Subscription Agreement dated February 24, 2026 (hereinafter referred to as “Non-Subscription Agreement”) between the tender offeror and Yuzawa, whereby Yuzawa agreed not to subscribe for its shares in the public tender offer.

(Note 2) “Ownership ratio” refers to the ratio of the total number of issued shares of the Company as of December 31, 2025 (16,500,000 shares) described in “Non-Consolidated Financial Results for the Third Quarter of the Fiscal Year Ended March 31, 2026” announced by the Company on January 1, 2026, after deducting the number of treasury shares owned by the Company as of the same date (2,576,243 shares), to the total number of shares (13,923,757 shares (The ratio is rounded to the nearest third decimal place, and hereafter the same shall apply unless otherwise specified.)). (Note that the number of the Company’s shares (60,755 shares) held by The Master Trust Bank of Japan, Ltd. (the officer’s BIP trust account, 75,828 units, hereinafter referred to as “BIP Trust Account”) as the trust assets of the Company’s performance-linked remuneration system (hereinafter referred to as “BIP Trust System”) is not included in the treasury shares held by the Company, since those shares were disposed as treasury shares toward The Master Trust Bank of Japan, Ltd., the co-trustee of the trustee related to BIP Trust System. Hereinafter the same shall apply toward the description of the number of treasury shares.)

Considering the significant changes in the Company’s business environment, including the sluggish domestic sales of “YOMEISHU”, intensified competition in mail-order sales, delays in the expansion of the “CLASUWA”-related business, and the diminished feasibility of achieving the M&A targets envisioned in the mid-term management plan (April 2022 to March 2027) (hereinafter referred to as “Mid-Term Management Plan”), the Company has been exploring strategic options, including capital transactions involving its shares, since around April 2025, in order to address management challenges such as strengthening the sales force for products centered on “YOMEISHU” and fundamentally improving the “CLASUWA”-related business, with the aim of further enhancing corporate value over the medium to long term and safeguarding the common interests of shareholders.

Furthermore, upon receiving a meeting request from the principal shareholder Yuzawa, the Company held an initial meeting with Yuzawa and Yukihiro Nomura (hereinafter referred to as “Yuzawa et al.,” and collectively with the tender offeror, referred to as the “Tender Offeror Group.”) on April 2, 2025.

During this meeting, the Company received explanations regarding the ideal state of a listed company and was made aware of issues concerning the Company, along with being presented with privatization as one of the options for resolving these issues. This meeting provided an opportunity for the Company to reconsider its capital policy in order to realize shareholder value and enhance corporate value. Subsequently, amid an increasingly challenging management environment, the Company recognized that the privatization of its shares by a strategic partner could be a rational management option for achieving medium to long term corporate value enhancement. Therefore, the Company decided to further solidify its examination of strategic options, including the privatization of its shares by a strategic partner (hereinafter referred to as “the Capital Policy”).

In order to deepen its examination, the Company, on May 13, 2025, after considering expertise and track record, appointed Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (hereinafter referred to as “Mitsubishi UFJ Morgan Stanley Securities”) as its independent financial advisor, as well as Mori Hamada & Matsumoto (hereinafter referred to as “Mori Hamada & Matsumoto Law Office”) as its legal advisor for this matter.

Thereafter, as the examination of the Capital Policy advanced, and in addition to the advice received from the aforementioned advisors, the Company continued discussions with Yuzawa and other parties from early April to late July 2025 in parallel with considering the Capital Policy. While being approached regarding an MBO sponsored by Yuzawa, the Company fully recognized the necessity of conducting a market check if it were to opt for privatizing its shares. Concerning the Capital Policy, from the perspective of enhancing corporate value and safeguarding the common interests of shareholders, the Company determined that implementing an “active market check” with the aim of maximize the common interests of shareholders would be desirable. Accordingly, beginning in early July 2025, the Company decided to conduct bidding process (hereinafter referred to as “the Privatization Bidding Process” to choose strategic partner for the Capital Policy (hereinafter referred to as “the Privatization Partner”) and make the Company’s shares private by the Privatization Partner. Through its financial advisor Mitsubishi UFJ Morgan Stanley Securities, the Company invited participation in this Bidding Process from among seven PE fund and business companies which are chosen as candidates for the Privatization Partner (hereinafter referred to as “the Privatization Partner Candidates”) and started the first bidding process (hereinafter referred to as “the First Privatization Bidding Process”) aimed at privatizing its shares by a strategic partner (hereinafter referred to as “the Privatization Bidding Process”). Furthermore, based on meetings with Yuzawa, the Company did not disclose the existence of the Privatization Bidding Process to Yuzawa until December 5, 2025, and had not, by January 9, 2026, received a proposal from Yuzawa that clearly confirmed the specificity and feasibility of the privatization.

Further considering that the Capital Policy is aimed at privatizing the Company Shares and would significantly affect the general shareholders, the Company resolved at the Board of Directors meeting on July 30, 2025, to establish a special committee (hereinafter referred to as “the Special Committee”) composed of three Independent Outside Directors (who are Audit and Supervisory Committee Members) of the Company who are independent from the Privatization Partner Candidates and the Company, in order to ensure the fairness of the procedures related to the Capital Policy and to secure the fairness of the transaction terms. (For details of the activities of the Special Committee, please refer to section “4) Establishment of an independent Special Committee and acquisition of a report” of “(3) Measures to ensure the fairness of the Transaction and avoid conflicts of interest” under “3. Basis and reasons for the amount of money expected to be delivered to shareholders through fractional share processing related to the reverse stock split”.) The Special Committee also confirmed the independence and expertise regarding transactions of the same kind of the Capital Policy by both Mitsubishi UFJ Morgan Stanley Securities, our financial advisor and third-party valuation firm, and Mori Hamada & Matsumoto Law Office, our legal advisor, and approved their appointment. Furthermore, the Special

Committee appointed PLUTUS CONSULTING Co., Ltd. (hereinafter referred to as “PLUTUS CONSULTING”) as its financial advisor and IWATA GODO. as its legal advisor.

Subsequently, following the initiation of the First privatization Bidding Process in early July 2025, the Company and the Special Committee received letters of intent from several of this seven Privatization Partner Candidates (including Tsumura Co., Ltd. (hereafter referred to as “Tsumura”) and Kohlberg Kravis Roberts & Co. L.P. is an investment advisory firm established in Delaware, USA. (Including affiliated companies and related funds, hereinafter referred to as “KKR”.) that participated in that round in late July. After carefully comparing their proposals in terms of transaction structure, economic conditions, post-transaction management policy, and anticipated synergies, the Company sequentially selected three candidate companies (hereinafter referred to as the “Bid Candidates”) to be invited to participate in the second round of the Privatization Bidding Process (hereinafter referred to as “the Second Privatization Bidding Process”) from late August 2025 onward.

It should be noted that although Tsumura participated in the First Privatization Bidding Process, its proposal was based on a joint investment with a financial investor partner considering an investment in the Company. Taking into account the proposals submitted by other candidate non-publication partners, who also submitted letters of intent on the assumption that joint investment was feasible, the Company and the Special Committee, after careful consideration, determined that a joint privatization of the Company Shares by KKR and Tsumura was most likely to contribute to enhancing the Company’s corporate value and maximizing shareholder value. Consequently, in late September 2025, the Company, together with its financial advisor Mitsubishi UFJ Morgan Stanley Securities, arranged a meeting between KKR and Tsumura. Thereafter, as the consortium of KKR and Tsumura (hereinafter referred to as “the Consortium”) indicated its intention to submit a legally binding proposal, the Consortium was invited as one of the three candidate companies in the Second Privatization Bidding Process.

Subsequently, from late August 2025 onward, the Company provided the invited Bid Candidates in the Second Privatization Bidding Process the opportunity to conduct due diligence, and by early December 2025, it had received legally binding letters of intent from two candidates, including the Consortium, and a non-legally binding letter of intent from one company. The Company had also reviewed proposals from candidates that were not legally binding, but determined that due to the lack of funding guarantees and a lower likelihood of realization, those proposals were inferior compared to the letters of intent from the two legally binding candidates.

Although the valuation of the Company Shares in the legally binding letters of intent received from the two candidates, including the Consortium, was the same, the Consortium’s proposal was considered to have the highest appraisal of the value of the Company’s business and offered relatively superior measures for enhancing corporate value—such as advancing marketing in the YOMEISHU business, expanding overseas sales channels, strengthening research and development capabilities, and implementing value-up measures through effective utilization of real estate. Accordingly, the Company and the Special Committee decided to designate the Consortium as the final candidate for the non-publication partner. On December 1, 2025, the Company granted the Consortium exclusive negotiation rights and commenced discussions and examinations regarding the privatization of the Company Shares.

Thereafter, as announced in the disclosure titled “(Progress of Disclosures) Regarding Some Reports” dated December 30, 2025, the Company communicated the contents of the Consortium’s proposal to Yuzawa, the Company’s largest shareholder, on December 5, 2025. Subsequently, on December 8, 2025, Yuzawa indicated to the Company that, although it agreed with the privatization, it did not intend to sell its shares, and therefore could not consent to the Consortium’s proposal, which was premised on Yuzawa selling its Company Shares. In light of Yuzawa’s position, the Company engaged in further

discussions with the Consortium and, on December 30, 2025, received a revised proposal from the Consortium—including partial recapitalization by Yuzawa (hereinafter referred to as “the Consortium Revised Proposal”)—which was subsequently communicated again to Yuzawa. However, on the same day, Yuzawa expressed that the contents of the Consortium Revised Proposal did not sufficiently align with its intentions and were not worthy of further consideration.

Based on the above, our company has confirmed that Yuzawa does not intend to sell Company Shares, even considering the content of the consortium’s revised proposal. Therefore, we have determined that the revised proposal lacks feasibility and notified the consortium on the evening of December 30, 2025, that the exclusive negotiation rights granted to them have been terminated. Additionally, Yuzawa has reiterated its intention to privatize Company Shares by remaining as a shareholder, and we have begun discussions with Yuzawa regarding specific methods for privatizing Company Shares.

Subsequently, on January 9, 2026, we received a proposal from Yuzawa concerning the privatization of Company Shares (hereinafter referred to as the “Yuzawa Proposal”). The Yuzawa Proposal envisions privatizing Company Shares through a tender offer, acquiring non-operating assets held by our company, and promptly transferring Company Shares to the best owner of our business (hereinafter referred to as the “Business Partner”). (It should be noted that the Yuzawa Proposal does not include any mention of reducing or withdrawing from the CLASUWA-related business.) We have determined that the Yuzawa Proposal has the potential to enhance our corporate value by concentrating our management resources on our business through the acquisition of non-operating assets by Yuzawa and by transferring our business to the optimal business partner. Furthermore, the Yuzawa Proposal indicates an effort to achieve the highest per-share value of 4,021 yen or more as a result of an active market check, suggesting that the transaction related to the Yuzawa Proposal could benefit our shareholders. In early January 2026, Yuzawa and others expressed the importance of selecting the Business Partner from among multiple candidates who have presented price offers regarding the value of our business. To enhance corporate value, we decided to invite three companies (one private equity fund and two operating companies, including Tsumura and excluding KKR) which were invited to the Second Privatization Bidding Process, to the Business Partner selection process (hereinafter referred to as the “the Bidding Process for Selling the Business”).

Subsequently, by January 30, 2026, we received legally binding letters of intent from two companies, including Tsumura. Tsumura proposed maximizing corporate value by leveraging its expertise, sales network, and knowledge, collaborating with its R&D department for new product development, and reducing costs and improving capital efficiency through joint operations for raw material procurement. Tsumura also suggested reducing or withdrawing from the CLASUWA-related business before transferring it to the Business Partner, (This refers to the transfer of all of our shares in Yuzawa to Tsumura, following the valuation of non-business assets, etc. (as defined below). The same applies hereinafter.) including the possibility of selling the business to third parties other than Tsumura to concentrate managing resources on YOMEISHU-related business which possesses synergy. Joint initiatives with Tsumura include cost synergy measures through joint purchasing and integrated procurement of raw materials, sales synergy measures through improved product value appeal methods via evidence marketing for “YOMEISHU” products, and new sales channel development through pharmaceutical distribution networks. These measures, along with the reduction or withdrawal from the CLASUWA-related business, would allow us to focus management resources on the YOMEISHU-related business, which the Company and the special committee has confirmed to be highly feasible. The synergies expected from enhancing marketing for the YOMEISHU-related business, expanding sales channels overseas, reducing costs, and strengthening R&D capabilities led us to conclude that Tsumura’s proposal would contribute to enhancing our corporate value and we confirm that Tsumura is

the most suitable Business Partner. We informed Yuzawa of this conclusion, and Yuzawa, which had determined that having a third-party partner acquire and manage our business with the management team post-privatization would be desirable for the medium to long term growth of the business, also confirmed that Tsumura is the most suitable Business Partner.

Additionally, the Company and the Special Committee confirmed that the legally binding letter of intent received from Tsumura by January 30, 2026, represents the best and final proposal with no room for improvement in economic terms.

On February 4, 2026, we received a written proposal from the tender offeror setting the price per common share for the Tender Offer (hereinafter referred to as the “Tender Offer Price”) at 4,022 yen (a 6.25% discount to the closing price of 4,290 yen on the Prime Market of the Tokyo Stock Exchange on February 3, 2026, the last trading day before the proposal, a 7.75% discount to the simple average closing price of 4,360 yen over the past month, a 9.68% discount to the simple average closing price of 4,453 yen over the past three months, and a 4.98% discount to the simple average closing price of 4,233 yen over the past six months).

In response, considering our corporate value and the interests of minority shareholders, we concluded that the proposed price was not at a sufficient level, and on February 10, 2026, we requested the tender offeror and Yuzawa to raise the Tender Offer Price, taking into account the recent market trends for Company Shares (referring to the period after February 3, 2026, when speculative reports caused a rise in share prices) as well as premium levels in similar past cases and the stock valuation analysis by the Special Committee’s financial advisor. Subsequently, on February 16, 2026, we received a revised proposal from the tender offeror setting the Tender Offer Price at 4,050 yen (a 10.79% discount to the closing price of 4,540 yen on February 13, 2026, the last trading day before the proposal, a 7.13% discount to the simple average closing price of 4,361 yen over the past month, a 9.48% discount to the simple average closing price of 4,474 yen over the past three months, and a 5.15% discount to the simple average closing price of 4,270 yen over the past six months). In response, considering the recent market price trends for Company Shares (referring to the period after February 3, 2026, when speculative reports led to a rise in share prices) and the possibility of proposing a price that further reflects the asset value of our securities holdings, we requested on February 17, 2026, that the tender offeror and Yuzawa raise the Tender Offer Price. Subsequently, on February 19, 2026, we received a written response from the tender offeror stating that the Tender Offer Price of 4,050 yen proposed on February 16, 2026, was final and that no further increase was being considered.

Subsequently, on February 20, 2026, the Special Committee, taking into account advice on stock valuation analysis provided by Mitsubishi UFJ Morgan Stanley Securities and PLUTUS CONSULTING, concluded that the Tender Offer Price was a reasonable price that fairly reflected our company’s intrinsic value and, with a certain premium over our share price before the speculative reports (as defined below), was not unreasonable. Based on this evaluation, we concluded that the transaction, including the Tender Offer, would contribute to enhancing our corporate value. However, regarding whether we recommend our shareholders to apply the Tender Offer, given that the Tender Offer Price of 4,050 yen was discounted relative to the closing price of 4,480 yen on the Prime Market of the Tokyo Stock Exchange as of February 20, 2026, and that the Tender Offer Price is likely to be discounted relative to the closing price on the business day preceding the resolution of the Board of Directors meeting, we conveyed to the Company the opinion that whether shareholders should apply for the Tender Offer should be left to the judgment of our shareholders, taking a neutral stance.

Throughout the review and negotiation process, the Special Committee received reports from our company and its advisors and has confirmed and submitted opinions, etc. as necessary. Specifically, our company first received confirmation and approval from the Special Committee regarding the rationale behind the content of our business plan, the key assumptions, and the background of its preparation, which served as the basis for the stock valuation by the tender offeror group and Mitsubishi UFJ

Morgan Stanley Securities. Additionally, our financial advisor, Mitsubishi UFJ Morgan Stanley Securities, prepared its negotiation approach in advance, based on our company's considerations and in accordance with the Special Committee's advice when dealing with the tender offeror group.

Then, on February 20, 2026, we received a report (hereinafter referred to as the "Report") from the Special Committee (for the details of the Report, please refer to the Attachment 1 of the Press Release of Expression of Opinion). In addition, the Company also received a stock valuation report of Company Shares (hereinafter referred to as the "Stock Valuation Report (PLUTUS CONSULTING)") from the Special Committee, which was submitted by PLUTUS CONSULTING on February 20, 2026, concerning the results of the stock valuation of our company (for details, please refer to "5 Acquisition of stock valuation reports from independent third-party valuation institutions by the Special Committee" of "(3) Measures to ensure the fairness of the Transaction and avoid conflicts of interest" under "3. Basis and reasons for the amount of money expected to be delivered to shareholders through fractional share processing related to the reverse stock split").

Based on the above developments, at the Board of Directors meeting held on February 24, 2026, we carefully discussed and examined whether the Transaction, including the Tender Offer, would contribute to enhancing our corporate value and whether the transaction terms, including the Tender Offer Price, were reasonable, taking into account the legal advice received from Mori Hamada & Matsumoto Law Office, the financial advice from Mitsubishi UFJ Morgan Stanley Securities, the stock valuation report (hereinafter referred to as the "Stock Valuation Report (Mitsubishi UFJ Morgan Stanley Securities)" Mitsubishi UFJ Morgan Stanley Securities) obtained on February 20, 2026, as well as the stock valuation report (PLUTUS CONSULTING) submitted by the Special Committee, while giving utmost respect to the judgment of the Special Committee as expressed in the Report.

As a result, our company concluded that the transaction, whereby Company Shares will be transferred to Tsumura, which was selected through a series of bidding processes immediately after privatization as the most suitable Business Partner from the perspective of enhancing corporate value, would indeed contribute to enhancing our corporate value. The reasons for considering that the transaction, including Tsumura's acquisition of Company Shares, would contribute to the enhancement of corporate value are as follows:

(a) Further evolution of the YOMEISHU brand through synergistic effects of combined business characteristics and strengths

By leveraging Tsumura's expertise, sales network, and accumulated knowledge, we believe that improvements in marketing methods and the expansion of new domestic sales channels will be achievable. Specifically, we plan to introduce consumer-oriented evidence marketing aimed at lifelong health support, establish a value proposition-based promotion system that utilizes evidence to enhance product appeal, and capitalize on Tsumura's pharmaceutical distributor network to expand specialized dispensing and increase customer touchpoints in domestic pharmacy channels. Moreover, we can mutually utilize Tsumura's local networks in China and other overseas markets to explore entry into new regions and collaborate with new distributors, potentially restructuring an effective sales strategy abroad.

(b) Research and new product development based on crude drugs and traditional medicine

We have maintained an R&D-based product development center for about 60 years while our focus gradually shifted from basic research to product development. Through collaboration with Tsumura's R&D department, we believe that we can re-emphasize basic research and achieve new product development based on crude drugs and traditional medicine that leverages the strengths of both Tsumura and our company. Specifically, personnel exchanges and the sharing of knowledge with Tsumura's R&D department, along with the introduction of formulation technologies and the

enhancement of R&D capabilities, combined with our expertise in herbs and infusion techniques developed through YOMEISHU and Tsumura's extraction and granulation technologies, lead us to believe that successful product development can be achieved.

(c) Improvement of cost structure and capital efficiency

Through joint operations with Tsumura, we believe that cost reduction and improved capital efficiency can be achieved through scale advantages and enhanced bargaining power from joint procurement of raw materials, as well as through extended payment terms via integrated procurement.

Regarding the CLASUWA-related business, prior to the implementation of the relative transfer to the Business Partner, our company and Tsumura have agreed as a condition to reduce or withdraw from this business. Although no concrete steps have been determined as we are also considering a sale of this business to a third party other than Tsumura, if such a sale is confirmed, we will disclose it in due course. In the event that the sale of the CLASUWA-related business prior to the relative transfer to the Business Partner does not materialize, our company intends to reduce or withdraw from this business. We believe that either outcome—sale or reduction/withdrawal—will allow us to concentrate our management resources on the YOMEISHU-related business, which is expected to generate synergies with Tsumura, thereby enhancing our corporate value.

Furthermore, as a benefit of the Transaction, our company will be able to reduce fixed costs such as audit fees, costs associated with conducting shareholder meetings, and expenses related to outsourcing the management of the shareholder register, as Company Shares become privatized through the Transaction.

Additionally, common disadvantages of privatizing Company Shares include the inability to raise funds from capital markets and the loss of benefits associated with being a listed company, such as enhanced social credibility from business partners and maintaining brand recognition. However, considering our current financial situation, we do not necessarily foresee the need to finance through equity for several years, and trust with many of our business partners has been well established over many years. Moreover, the trust and brand recognition built through our business operations will not be lost due to delisting, and as Tsumura, a listed company on the Prime Market of the Tokyo Stock Exchange, will become part of our group following the relative transfer to the Business Partner, social credibility and brand recognition are expected to be maintained or even enhanced. Therefore, we believe that any negative impacts resulting from privatization will be minimal.

The Tender Offer Price of 4,050 yen is considered a reasonable price that appropriately reflects the intrinsic value of the Company, as described in “v. Matters concerning the amount of money expected to be delivered to shareholders through fractional share processing and the appropriateness of said amount” of “2) Matters concerning the method of processing fractional shares resulting in less than one full share” of “(1) Basis and reasons for the amount of money expected to be delivered to shareholders through fractional share processing” under “3. Basis and reasons for the amount of money expected to be delivered to shareholders through fractional share processing related to the reverse stock split.” Furthermore, the other conditions of the Tender Offer are deemed fair.

On the other hand, the Tender Offer Price represents a discount of 9.60% compared to 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 prior to the resolution date of the Company's Board of Directors regarding the Tender Offer. It also represents a discount of 7.62% compared to the simple average closing price of 4,384 yen over the past month, a discount of 9.23% compared to the simple average closing price of 4,462 yen over the past three months, and a discount of 5.59% compared to the simple

average closing price of 4,290 yen over the past six months. Regarding this, the Company considers that the stock price rose significantly from a closing price of 3,275 yen on August 5, 2025, to a closing price of 3,975 yen on August 6, 2025—a rise of 21.37%—following speculative reporting on August 6, 2025. This increase reflects considerable expectations regarding the implementation of the Transaction and we consider that the evaluation, the Company’s share price after the speculative reporting is not appropriately reflect the Company’s intrinsic value because is not necessarily formed price, is not necessarily unreasonable. However, considering that as of February 25, 2026—the announcement date for the commencement of the Tender Offer—the Tender Offer Price is set at a level representing a certain discount relative to the closing price on the business day prior to the Board of Directors’ resolution as well as the simple average closing prices over the past month, three months, and six months, the Company has taken a neutral stance on recommending participation in the Tender Offer, ultimately leaving the decision to its shareholders.

Based on the above, at the Board of Directors meeting held on February 24, 2026, the Company resolved to express its opinion in favor of the Tender Offer while leaving the decision of whether to tender shares to the shareholders. Additionally, as mentioned above, the Company considers that the stock price following the speculative reporting does not necessarily represent appropriate price formation and does not adequately reflect the intrinsic value of the Company.

The resolution method at the aforementioned Board of Directors meeting is described in “7) Approval by all Directors without conflicts of interest (including Directors who are Audit and Supervisory Committee Members)” of “(3) Measures to ensure the fairness of the Transaction and avoid conflicts of interest” under “3. Basis and reasons for the amount of money expected to be delivered to shareholders through fractional share processing related to the reverse stock split.”

Subsequently, as described above, the Tender Offer was successfully completed. However, since the tender offeror was unable to acquire all of the Company Shares (excluding the Company Shares owned by the the treasury shares owned by the Company and Non-subscription agreement shares) through the tender offer, the Company, at the request of the tender offeror and as announced in its opinion expression press release, resolved at the Board of Directors meeting held on April 27, 2026, to propose a reverse stock split at the Extraordinary General Meeting of Shareholders—conditional upon shareholder approval—in order to limit the Company’s shareholders to only Yuzawa and the tender offeror, by consolidating the Company’s 2,306,800 shares (hereafter referred to as “this reverse stock split”.) into one share as described in “(2) Details of the consolidation” under “2. Outline of the reverse stock split.”

As a result of this reverse stock split, the number of shares owned by shareholders other than Yuzawa and the tender offeror is expected to become fractional shares.

2. Outline of the reverse stock split

(1) Schedule of the reverse stock split

1) Announcement date of record date for Extraordinary General Meeting of Shareholders	Tuesday, March 31, 2026
2) Record date for Extraordinary General Meeting of Shareholders	Wednesday, April 15, 2026
3) Board of Directors’ resolution date	Monday, April 27, 2026
4) Date of Extraordinary General Meeting of Shareholders	Monday, June 1, 2026 (Scheduled)
5) Designation date of delisted stock	Monday, June 1, 2026 (Scheduled)
6) Final trading date of Company Shares	Wednesday, June 17, 2026 (Scheduled)
7) Delisting date of Company Shares	Thursday, June 18, 2026 (Scheduled)
8) Effective date of reverse stock split	Monday, June 22, 2026 (Scheduled)

(2) Details of the consolidation

1) Type of shares to be consolidated

Common shares

2) Consolidation ratio

The Company Shares will be consolidated at a ratio of 2,306,800 shares to one share.

3) Reduction in the total number of issued shares

13,923,377 shares

(Note 3) At the Board of Directors meeting held on April 27, 2026, the Company resolved to cancel 2,576,618 treasury shares (equivalent to all treasury shares owned by the Company as of April 15, 2026. Note that the number of the Company's shares (60,755 shares) held by The Master Trust Bank of Japan, Ltd. (the officer's BIP trust account, 75,828 units, hereinafter referred to as "BIP Trust Account") as the trust assets of the Company's performance-linked remuneration system (hereinafter referred to as "BIP Trust System") is not included in the treasury shares held by the Company, since those shares were disposed as treasury shares toward The Master Trust Bank of Japan, Ltd., the co-trustee of the trustee related to BIP Trust System) on June 19, 2026, the previous business day before the effective date of the reverse stock split. Therefore, the "Reduction in the total number of issued shares" is based on the total number of issued shares after the cancellation.

4) Total number of issued shares before the effective date

13,923,382 shares

(Note 4) The total number of issued shares before the effective date is the total number of issued shares of the Company as of December 31, 2025 (16,500,000 shares) described in "Non-Consolidated Financial Results for the Third Quarter of the Fiscal Year Ended March 31, 2026" announced by the Company on January 1, 2026, after deducting the number of treasury shares that the Company plans to cancel on June 19, 2026 (2,576,618 shares). Furthermore, the cancellation of treasury shares is resolved at the Board of Directors meeting held on today.

5) Total number of issued shares after the effective date

5 shares

6) Total number of authorized shares on the effective date

20 shares

7) Method of processing fractional shares and the amount of money expected to be delivered to shareholders through such processing

As described in "1. Purpose and reason for the reverse stock split," the number of Company Shares owned by shareholders other than the tender offeror and Yuzawa is expected to become fractional shares as a result of this reverse stock split. The total number of fractional shares (with any fractions being rounded down) will be sold, and the proceeds from the sale will be distributed to the shareholders in proportion to these fractional amounts.

Regarding the sale, the Company plans to sell the shares to the tender offeror with court approval based on Article 235, Paragraph 2 of the Companies Act (Act No. 86 of 2005, including subsequent amendments; hereinafter the same) as applied mutatis mutandis to Article 234, Paragraph 2 of the same Act, considering that the reverse stock split is part of the transaction aimed at limiting the Company's shareholders to only the tender offeror and Yuzawa, that the Company Shares are scheduled to be delisted on June 18, 2026, and will become non-market shares, and that the possibility of finding a buyer through auction is low.

In this case, if the necessary court approval is obtained as planned, the sale price will be set at a level that allows the Company to distribute to shareholders an amount equivalent to the number of shares recorded in the final shareholder register as of June 19, 2026—the business day before the effective date of the reverse stock split—multiplied by the Tender Offer Price of 4,050 yen. However, if court approval is not obtained or adjustments for rounding are necessary, the actual amount distributed may differ from this figure.

3. Basis and reasons for the amount of money expected to be delivered to shareholders through fractional share processing related to the reverse stock split

(1) Basis and reasons for the amount of money expected to be delivered to shareholders through fractional share processing

1) Matters considered to ensure that the interests of shareholders other than those of the parent company, etc., are not harmed in cases where a parent company, etc., exists.

This reverse stock split is being carried out as part of the Transaction and constitutes the second stage of the so-called two-stage acquisition following the Tender Offer. As of February 25, 2026—the announcement date for the commencement of the Tender Offer—the tender offeror did not hold any of the Company Shares, and the Transaction, including the Tender Offer, does not constitute an acquisition of a subsidiary by a controlling shareholder. Furthermore, it is not planned for all or part of the Company’s management to invest directly or indirectly in the tender offeror, and the Transaction, including the Tender Offer, does not qualify as a management buyout (MBO).

However, (i) Yuzawa, which holds 4,641,500 shares of the Company Shares (representing an ownership ratio of 33.34%), has entered into a non-tender agreement with the tender offeror and executed a basic transaction agreement dated February 24, 2026 (hereinafter referred to as the “Basic Transaction Agreement”), concerning this transaction among the tender offeror, Yuzawa, the Company, and Tsumura. Following the tender offer and the squeeze-out procedure (a series of procedures to limit the Company’s shareholders to only the tender offeror and Yuzawa if the tender offeror is unable to acquire all of the Company Shares, excluding treasury shares and shares subject to the Non-Subscription Agreement), the tender offeror plans to transfer all of Company Shares in the Company to Yuzawa via a private transfer, leaving Yuzawa as the sole shareholder. Subsequently, Yuzawa intends to execute a distribution of surplus funds and/or an absorption-type split to transfer the Company’s non-operating assets to itself and remain the only shareholder after transferring all Company Shares held by the tender offeror to Yuzawa after the squeeze-out procedure. In light of the fact that the Transaction, including the Tender Offer, may qualify as an act akin to an MBO and is aimed at privatizing the Company Shares—thereby significantly affecting the interests of the general shareholders—the Company has implemented the measures described in “(3) Measures to ensure the fairness of the Transaction and avoid conflicts of interest” to secure fair transaction terms.

2) Matters concerning the method of processing fractional shares resulting in less than one full share

i. Whether the Company intends to proceed in accordance with the provisions of Article 235, Paragraph 1 of the Companies Act or Article 234, Paragraph 2 of the same Act as applied pursuant to Article 235, Paragraph 2, and the reasons therefore

Regarding which provision of the Companies Act (either Article 235, Paragraph 1, or the provision of Article 234, Paragraph 2 as applied *mutatis mutandis* under Article 235, Paragraph 2) is expected to be applied and the reasons therefor, please refer to “(7) Method of processing fractional shares and the amount of money expected to be delivered to shareholders through such processing” of “(2) Details of the consolidation” under “2. Outline of the reverse stock split.”

- ii. Name or title of the person or entity expected to purchase the shares subject to sale

Reno Co., Ltd.

- iii. Method of securing funds for the payment of the purchase price for the shares subject to sale and the appropriateness of said method

According to the tender offeror, the funds required to acquire the Company Shares—equivalent to the total number of fractional shares resulting from the reverse stock split—will be covered with cash and deposits.

The Company has confirmed that the funds have been secured by verifying the tender offer registration statement submitted by the tender offeror on February 25, 2026, along with the attached balance certificate. Moreover, the tender offeror has indicated that no events have occurred, nor are anticipated, that could impede the payment of the sale of Company Shares proceeds corresponding to the total number of fractional shares resulting from the reverse stock split.

Based on the above, the Company has determined that the method of securing funds for the payment of the sale of Company Shares proceeds corresponding to the total number of fractional shares resulting from the reverse stock split by the tender offeror is appropriate.

- iv. Expected timing of the sale and the distribution of proceeds from the sale to shareholders

The Company plans to file a petition with the court in early July 2026, based on Article 234, Paragraph 2 of the Companies Act as applied mutatis mutandis to Article 235, Paragraph 2 of the same Act, seeking approval for the tender offeror to purchase the Company Shares equivalent to the total number of fractional shares resulting from the reverse stock split. While the timing of obtaining such approval may vary depending on the court's circumstances, the Company expects that, upon receiving court approval, the tender offeror will proceed with the purchase of the Company Shares around late July 2026. Following this, after making the necessary preparations for delivering purchase price, the Company anticipates delivering to our shareholders around mid-September 2026.

Considering the time required for the series of procedures following the effective date of the reverse stock split, the Company has determined that the sale of the Company Shares corresponding to the total number of fractional shares, as well as the subsequent distribution of the proceeds to shareholders, will occur at the times indicated above.

- v. Matters concerning the amount of money expected to be delivered to shareholders through fractional share processing and the appropriateness of said amount

The amount of money expected to be delivered to shareholders through fractional share processing is planned to be calculated by multiplying the number of Company Shares recorded in the final shareholder register as of June 19, 2026—the business day before the effective date of the reverse stock split—by the Tender Offer Price of 4,050 yen, as described in “i. Whether the Company intends to proceed in accordance with the provisions of Article 235, Paragraph 1 of the Companies Act or Article 234, Paragraph 2 of the same Act as applied pursuant to Article 235, Paragraph 2, and the reasons therefore” of “2) Matters concerning the method of processing fractional shares resulting in less than one full share.”

Based on the following considerations, the Company has determined that the Tender Offer Price and the other conditions of the Tender Offer are reasonable, and that the Tender Offer provides its shareholders with an opportunity to sell their Company Shares at a price incorporating a reasonable premium and under fair conditions.

- A) The Tender Offer Price is higher than the legally binding proposal price presented by bidders during the privatization bidding process and has been raised through multiple requests from the Special Committee to both the tender offeror and Yuzawa, confirming that there is no room for further increases in the economic conditions, including the Tender Offer Price.

- B) The tender offer price falls within the range of values calculated using the discounted cash flow analysis (hereinafter referred to as “DCF analysis”) in the Stock Valuation Report (Mitsubishi UFJ Morgan Stanley Securities). It exceeds the upper limit of the valuation results based on market price analysis (Reference Date 1) and comparable company analysis. Furthermore, considering that the market price analysis (Reference Date 2) reflects the surge in the company’s stock price immediately following speculative reports (as defined below) and that the stock price remains high even approximately six months after these reports, it is deemed that the stock price since the speculative reports has excessively incorporated expectations regarding this capital policy and does not reflect changes in the company’s business or financial conditions. Therefore, even if the Tender Offer Price is below the lower limit of the range in the market price analysis (Reference Date 2), it can be judged as not unreasonable.
- C) The Tender Offer Price also falls within the range of values calculated using the discounted cash flow method (hereinafter referred to as “DCF method”) in the Stock Valuation Report (PLUTUS CONSULTING).
- D) The Tender Offer Price includes a premium of 23.66% over the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on August 5, 2025 (3,275 yen) —the last trading day before speculative reports (hereinafter referred to as “Speculative Reports”) regarding the privatization of the Company Shares by Bloomberg on August 6, 2025—and a premium of 25.31% over the simple average closing price for the past month (3,232 yen), 30.06% over the simple average closing price for the past three months (3,114 yen), and 37.01% over the simple average closing price for the past six months (2,956 yen) as of August 5, 2025. Compared to the median premiums of other recent tender offer cases for privatization purposes in Japan (368 cases announced and completed between June 28, 2019, when the Ministry of Economy, Trade and Industry published “Guidelines for Fair M&A,” and December 31, 2025, excluding cases with negative premiums), which are 42.44% over the closing price on the trading day before the Board of Directors’ resolution, 43.64% over the simple average closing price for the past month from the Board of Directors’ resolution, 44.69% over the simple average closing price for the past three months from the Board of Directors’ resolution, and 46.11% over the simple average closing price for the past six months from the Board of Directors’ resolution, the tender offer price is not significantly lower and is considered sufficiently reasonable.
- E) Measures to ensure the fairness of the Tender Offer and to avoid conflicts of interest, as described in “(3) Measures to ensure the fairness of the Transaction and avoid conflicts of interest” below, have been implemented, and it is recognized that the interests of the company’s minority shareholders have been considered.

Additionally, the Company, while expressing a favorable view of the Tender Offer and a neutral opinion to its shareholders regarding whether to participate in the Tender Offer, has confirmed that there have been no significant changes to the conditions underlying its judgment on the Tender Offer Price up to the time of the Board of Directors’ resolution dated April 27, 2026, which convened the Extraordinary General Meeting of Shareholders.

Based on the above, the Company has determined that both the method of handling fractional shares and the amount of money expected to be distributed to its shareholders as a result of such handling are reasonable.

- 3) Significant events affecting the Company’s assets, such as the disposal of important assets, the assumption of significant liabilities, or other events that substantially impact the status of the Company’s assets, occurred after the end of the last fiscal year.
 - i. This Tender Offer was completed.

As described in “1.Purpose and reason for the reverse stock split” above, the tender offeror conducted this Tender Offer from February 25, 2026, to April 8, 2026. As a result of the Tender Offer, as of April 15, 2026 (the settlement commencement date of the Tender Offer), the tender offeror holds

6,920,500 shares of the Company Shares (ownership ratio: 49.70%). As of the same date, Yuzawa holds 4,641,500 shares of the Company Shares (ownership ratio: 33.34%), making a total of 11,562,000 shares (ownership ratio: 83.04%) held by the tender offeror and Yuzawa.

ii. Cancellation of Treasury Shares

At the Board of Directors meeting held on April 27, 2026, the Company resolved to cancel 2,576,618 shares of its treasury shares as of June 19, 2026 (equivalent to all the treasury shares owned by the Company as of April 15, 2026. 60,755 shares held by The Master Trust Bank of Japan, Ltd. (the officer's BIP Trust Account, 75,828 units) as the trust assets of the Company's performance-linked remuneration system are not included as they were disposed of to The Master Trust Bank of Japan, Ltd., the co-trustee of the trustee related to BIP Trust System.)

Furthermore, the cancellation of the treasury shares is conditional upon the proposal regarding the share consolidation being approved at the Extraordinary General Meeting of Shareholders, and the total number of issued shares of the Company after cancellation will be 13,923,757 shares.

(2) The Company's stock is expected to be delisted.

1) Delisting

As described in "1. Purpose and reason for the reverse stock split" above, the Company plans to implement the share consolidation, subject to the approval of its shareholders at the Extraordinary General meeting, thereby making the tender offeror and Yuzawa the sole shareholders. Consequently, the Company Shares is expected to be delisted in accordance with the delisting criteria of the Tokyo Stock Exchange after undergoing the prescribed procedures. Specifically, following designation as a delisting candidate from June 1, 2026 to June 17, 2026, the stock is anticipated to be delisted on June 18, 2026. After delisting, the Company Shares will no longer be tradable on the Prime Market of the Tokyo Stock Exchange.

2) Reasons for delisting

As described in "1. Purpose and reason for the reverse stock split" above, the decision to proceed with the Transaction together with the tender offeror was reached on the grounds that it would contribute to enhancing the Company's corporate value.

3) Impact on minority shareholders and considerations

As described in "(3) Measures to ensure the fairness of the Transaction and avoid conflicts of interest" below, the Company received a report from the Special Committee dated February 20, 2026, stating that the Transaction is considered fair to the Company's general shareholders.

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

As of the announcement of the Tender Offer on February 25, 2026, the Company was neither a subsidiary nor an affiliate of the tender offeror, nor was any part of its management expected to invest directly or indirectly in the tender offeror. Therefore, the Transaction, including the Tender Offer, does not fall under a management buyout (MBO) or a tender offer by a controlling shareholder or related party as defined 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. However, considering that (i) as described in "1. Purpose and reason for the reverse stock split" Yuzawa, which holds 4,641,500 shares (ownership ratio: 33.34%), has entered into the Non-Subscription Agreement with the tender offeror and the Basic Transaction Agreement among the tender offeror, Yuzawa, the Company, and Tsumura, and is expected to remain the sole shareholder after the tender offeror's completion of the Tender Offer and squeeze-out procedures—thereby implementing a non-operating asset dividend to transfer the Company's non-operating assets to Yuzawa—

and (ii) the transaction aims to privatize the Company Shares, significantly affecting the general shareholders, the following measures have been taken to ensure the fairness of the transaction procedures and terms.

Furthermore, the tender offeror stated that setting a lower limit on the number of shares to be purchased under the so-called “Majority of Minority” equivalent to condition could destabilize the Tender Offer and potentially work against the interests of the Company’s minority shareholders who wish to participate; therefore, no such lower limit has been set in the Tender Offer.

However, given that the tender offeror and the Company have implemented below measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest, it is considered that sufficient consideration has been given to the interests of the Company’s minority shareholders. In addition, the descriptions below regarding measures taken by the Tender Offer are based on explanations provided by the Tender Offer.

1) Conduct of the bidding process

Believing that it is necessary to compare and examine all options for enhancing corporate value, the Company implemented a non-public bidding process for selecting a non-public partner aimed at privatizing Company Shares. Ultimately, among the three purchase candidates participating in the Second Privatization Bidding Process, the Company received legally binding letters of intent from two candidates, including the Consortium, and a non-legally binding letter of intent from one candidate. The Company and the Special Committee determined that the Consortium proposal, which valued the Company’s business the highest and whose various proposed measures for enhancing corporate value were relatively superior, should be selected as the final candidate for the non-public partner. However, subsequently, Yuzawa indicated that it had no intention of selling Company Shares, and thus could not agree to the Consortium proposal or the Consortium Revised Proposal, which assumed such a sale; consequently, the Consortium Revised Proposal was deemed unlikely to materialize. Later, the Yuzawa Proposal from Yuzawa was received and the Tender Offer Price was proposed by the tender offeror, with that price exceeding the Consortium Revised Proposal’s Tender Offer Price—one of the highest in the Privatization Bidding Process—and offering conditions more favorable to the Company’s shareholders than all other legally binding proposals presented.

In addition, the Company conducted the Bidding Process for Selling the Business for the purpose of selecting a Business Partner, and ultimately received legally binding letters of intent from two companies, including Tsumura. The Company and the Special Committee believe that Tsumura’s proposal, which valued the Company’s business the highest, would contribute to enhancing the Company’s corporate value, and have determined that Tsumura is a suitable business partner, with Yuzawa also confirming that Tsumura is the best partner.

As described above, the Company conducted both the Privatization Bidding Process and the Bidding Process for Selling the Business, thereby securing an opportunity to receive a wide range of proposals for enhancing its corporate value.

2) Acquisition of the stock valuation report from an independent third-party valuation agency by the Company

(i) The name of the independent third-party valuation agency and its relationship with the Company and the tender offeror

The Company examined the Tender Offer Price proposed by the tender offeror and, as a measure to ensure fairness in rendering its opinion on the tender offer, requested a stock valuation of Company Shares from Mitsubishi UFJ Morgan Stanley Securities—an independent financial advisor and third-party valuation agency engaged by the Company, the tender offeror

group, and the candidates in both the Privatization Bidding Process and the Bidding Process for Selling the Business—and obtained the Stock Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) dated February 20, 2026.

Mitsubishi UFJ Morgan Stanley Securities is not a member of the tender offeror group, nor is it a candidate in the Privatization Bidding Process or the Bidding Process for Selling the Business, and is not a related party of the Company; furthermore, it does not have any material interests in the Transaction.

Also, Mitsubishi UFJ Morgan Stanley Securities is a company with the same parent company as MUFG Bank, Ltd. (hereinafter referred to as “MUFJ Bank”) and Mitsubishi UFJ Trust and Banking Corporation. While MUFJ Bank conducts ordinary banking operations, including lending transactions with Tsumura, and holds a shareholder position in Tsumura, and Mitsubishi UFJ Trust and Banking Corporation holds a shareholder position in the Company, according to Mitsubishi UFJ Morgan Stanley Securities, in compliance with the applicable provisions of Article 36, Paragraph 1 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended, the same shall apply hereinafter) and Article 70-4 of the Cabinet Office Ordinance regarding Financial Instruments and Exchange Business, etc. (Act No. 52 of 2007, as amended, the same shall apply hereinafter), appropriate information barrier measures about Tsumura and the Company have been established and are enforced between Mitsubishi UFJ Morgan Stanley Securities, MUFJ Bank, and Mitsubishi UFJ Trust and Banking Corporation, as well as within their respective organizations, as a preventive measure against conflicts of interest.

Consequently, Mitsubishi UFJ Morgan Stanley Securities provides its services as a financial advisor independently of any influence from MUFJ Bank or Mitsubishi UFJ Trust and Banking Corporation, and conducts the stock valuation of the Company independently of MUFJ Bank’s position as a lender and shareholder of Tsumura or Mitsubishi UFJ Trust and Banking Corporation’s status as a shareholder of the Company.

Our company has appointed Mitsubishi UFJ Morgan Stanley Securities as an independent financial advisor and third-party valuation institution for this transaction, based on the establishment of a strict information management system among Mitsubishi UFJ Morgan Stanley Securities, MUFJ Bank, and Mitsubishi UFJ Trust and Banking Corporation, as well as within each organization, and in consideration of Mitsubishi UFJ Morgan Stanley Securities’ track record as a third-party valuation institution in similar transactions in the past.

Although the compensation for Mitsubishi UFJ Morgan Stanley Securities related to the Transaction includes a success fee that paid on the condition of the announce of the Transaction including the Tender Offer or the conclusion of the Transaction, our company has determined that the inclusion of such a success fee does not negate independence, taking into account general practices in similar transactions and the potential financial burden on the Company even if this transaction does not materialize.

(ii) Overview of valuation

Mitsubishi UFJ Morgan Stanley Securities, after examining valuation methods for the Tender Offer, has determined that a multifaceted evaluation of the stock value of Company Shares is appropriate. Given that the Company Shares are listed on the Prime Market of the Tokyo Stock Exchange, a market price analysis was conducted. Additionally, since there are multiple listed companies engaged in relatively similar businesses to the Company, a comparative company analysis was performed to infer the Company Shares value based on comparisons with similar companies. Furthermore, DCF analysis was utilized to reflect the Company’s future business activities in the valuation of Company Shares.

However, the Company has not obtained a fairness opinion regarding the fairness of the

Tender Offer Price from Mitsubishi UFJ Morgan Stanley Securities.

The range of stock value per share of the Company Shares calculated by Mitsubishi UFJ Morgan Stanley Securities using the aforementioned methods is as follows:

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

In the market price analysis, to exclude the impact of Bloomberg’s speculative report on August 6, 2025, regarding the privatization of the Company Shares, the reference date (Reference Date 1) was set as August 5, 2025, prior to the press announcement. Based on the closing price of 3,275 yen on that date, the one-month simple average closing price of 3,232 yen, the three-month simple average closing price of 3,114 yen, and the six-month simple average closing price of 2,956 yen, the Company’s share value per share was calculated to range from ¥2,956 to ¥3,275. Additionally, using February 20, 2026—the date of the Board of Directors’ resolution—as the reference date (Reference Date 2), the Company’s share value per share was calculated to range from 4,290 yen to 4,480 yen, based on the closing price of 4,480 yen, the one-month simple average closing price of 4,384 yen, the three-month simple average closing price of 4,462 yen, and the six-month simple average closing price of 4,290 yen on the Prime Market of the Tokyo Stock Exchange.

In the comparative company analysis, since the Company primarily operates in the medicinal liquor business, there are no directly comparable companies among listed companies in Japan. Therefore, companies primarily engaged in the manufacturing of over-the-counter drugs and health foods were selected as comparable companies. Additionally, companies with certain similarities in products within our industry were broadly selected. Based on this, Rohto Pharmaceutical Co., Ltd., Morishita Jintan Co., Ltd., HISAMITSU PHARMACEUTICAL CO., INC., Tsumura & Co., and Zeria Pharmaceutical Co., Ltd. were chosen as comparable companies. Using the EBITDA multiple method (hereinafter referred to as “EBITDA Multiple”), which applies the ratio of enterprise value to operating profit before interest, taxes, depreciation, and amortization (EBITDA), the Company’s stock value per share was analyzed and calculated to range from 3,714 yen to 3,933 yen.

In the DCF analysis, based on the business plan created by the Company for the period from the fiscal year ended March 31, 2026 to the fiscal year ending March 31, 2030 (hereinafter referred to as “Business Plan”)—which is reasonably predictable at calculation—and various elements such as publicly available information, the free cash flow expected to be generated by the Company in the future was discounted to present value using a certain discount rate to calculate both the corporate value and the stock value of the Company. The Company’s stock value per share was calculated to range from 3,779 yen to 4,121 yen. The discount rate adopted was the weighted average cost of capital, ranging from 5.50% to 7.50%. For the calculation of terminal value, both the perpetual growth rate method and the multiple method were adopted, with the terminal value calculated to range from 7,136 million yen to 12,128 million yen. In the perpetual growth rate method, the perpetual growth rate was set at 0.75% to 1.25%, considering future domestic inflation forecasts and industry growth rates. In the multiple method, the EBITDA Multiple method was used, with the multiple set at 5.0 to 7.0 times, considering the levels of industry companies. Non-operating assets—including all cash and deposits including long-term time deposits, investment securities (stocks and bonds) which are deemed equivalent to cash by the Company, based on market value, and real estate based on appraisal evaluations obtained from third parties—were added, taking into

account the tax impact of sales.

In the DCF analysis, the financial forecasts based on the Business Plan used as the premise for the analysis by Mitsubishi UFJ Morgan Stanley Securities are as follows. The Business Plan includes fiscal years with significant increases and decreases in sales, profits, and free cash flow compared to the previous fiscal year. Specifically, the fiscal year ended March 31, 2026 anticipates an increase in cash flow due to the redemption of long-term time deposits, while the fiscal year ending March 31, 2027 anticipates a decrease in cash flow due to the absence of such redemption occurred in the fiscal year ended March 31, 2026. The fiscal years ending March 31, 2027 and March 31, 2028 anticipate significant increases in profits due to increased sales from acquiring new domestic “YOMEISHU” users through revised advertising strategies such as television commercials. Furthermore, the Business Plan was created to examine the appropriateness of the Transaction terms, considering past performance, current revenue conditions, intensified development competition with competitors, the maturation of the domestic pharmaceutical market, increased competitive products, downward pressure on prices, and the need to ensure quality and safety of pharmaceuticals as well as to respond to higher quality standards, among other factors, affecting the pharmaceutical market and the management environment surrounding the Company. The Business Plan was independently formulated within the Company and initially created in August 2025, with updates reflecting the downward revision of the Company’s performance announced on October 10 of the same year. The sales figures for the fiscal year ending March 31, 2027 in the Business Plan were revised downward from those assumed in the Mid-Term Management Plan due to significant changes in the assumptions made during the formulation of the Mid-Term Management Plan, such as the impact of inflation on consumer behavior, sluggish sales of domestic “YOMEISHU,” intensified competition in mail-order sales, delays in expanding CLASUWA-related businesses due to difficulties in securing personnel for store expansion, and reduced feasibility of M&A anticipated for the final year.

The synergy effects expected to be realized through the execution of this transaction have not been included in the financial forecasts, at the time of calculation difficult to estimate them specifically.

(Unit: million yen)

	Fiscal Year Ended March 31, 2026	Fiscal Year Ending March 31, 2027	Fiscal Year Ending March 31, 2028	Fiscal Year Ending March 31, 2029	Fiscal Year Ending March 31, 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 and valuation of the Company’s share value conducted by Mitsubishi UFJ Morgan Stanley Securities are intended solely to assist the Company’s Board of Directors in considering its opinion regarding the Tender Offer for the Company’s shares by the tender offeror. This analysis does not constitute financial advice or recommendations by Mitsubishi UFJ Morgan Stanley Securities or its affiliates regarding any shareholder actions related to the Tender Offer, any shareholder voting or other actions at shareholder meetings, or any shareholder endorsing concerning the Transaction.

Mitsubishi UFJ Morgan Stanley Securities, in its calculation of the share value per share of

the Company, adopted the information provided by the Company and publicly available information as is, assuming that all such materials and information are accurate and complete, without independently verifying their accuracy and completeness. In addition, with respect to the Company's financial forecast information, Mitsubishi UFJ Morgan Stanley Securities assumes that it was reasonably prepared by the Company based on the best forecasts and judgments available as of February 20, 2026 (hereinafter referred to as the "Target Date"). Mitsubishi UFJ Morgan Stanley Securities further assumes that all necessary approvals, consents, etc., from government agencies and supervisory authorities required for this transaction can be obtained, and that such approvals, consents, etc., will not be subject to delays, restrictions, or conditions that would have a significant adverse impact on this transaction. Mitsubishi UFJ Morgan Stanley Securities is not a legal, accounting, or tax advisor. It relies on the judgments of the Company and our legal, accounting, and tax advisors without independently verifying legal, accounting, or tax issues. Mitsubishi UFJ Morgan Stanley Securities has not independently evaluated or assessed the assets or liabilities (including off-balance-sheet assets and liabilities and other contingent liabilities) of the Company or its affiliates, nor has it requested appraisals or assessments from third-party institutions. The valuation by Mitsubishi UFJ Morgan Stanley Securities reflects the information available as of the Target Date, the financial and market conditions as of that date, and the information obtained by Mitsubishi UFJ Morgan Stanley Securities as of the Target Date. Events occurring after the Target Date may affect the assumptions used in the analysis and Stock Valuation Report (Mitsubishi UFJ Morgan Stanley Securities). However, Mitsubishi UFJ Morgan Stanley Securities is not obligated to update, revise, or reconfirm the Stock Valuation Report (Mitsubishi UFJ Morgan Stanley Securities). The Stock Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) and analysis are based on a complex process and are not necessarily suitable for partial analysis or summarized descriptions. The specific analysis-based valuation ranges described in the Stock Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) should not be interpreted as an evaluation of the actual value of the Company by Mitsubishi UFJ Morgan Stanley Securities.

Mitsubishi UFJ Morgan Stanley Securities is scheduled to receive fees for its services as a financial advisor for the Transaction, with a significant portion of the fees contingent upon the completion of the Transaction.

3) Independent Legal Advice from a Law Firm

The Company has received necessary legal advice from Mori Hamada & Matsumoto Law Office, an independent legal advisor separate from the tender offeror and the Company, regarding the procedures related to the Transaction, including the decision-making methods and processes of the Company's Board of Directors, to ensure fairness and appropriateness in the board's decision-making concerning the Transaction, including the Tender Offer .

Furthermore, Mori Hamada & Matsumoto Law Office does not have any significant interests to be disclosed regarding this transaction, including those related to the tender offeror group, the Privatization Bidding Process, the Bidding Process for Selling the Business, or related parties of the Company.

Also, the Special Committee has confirmed that there are no issues with the independence and expertise of Mori Hamada & Matsumoto Law Office. The remuneration for Mori Hamada & Matsumoto Law Office consists solely of hourly fees paid regardless of the success or failure of this transaction, and does not include success fees contingent upon its completion.

4) Establishment of an independent Special Committee and acquisition of a report

(i) Background of establishment

The Company, considering that this capital policy aims to privatize the Company Shares and significantly impacts general shareholders, established the Special Committee composed of Independent Outside Directors of the Company as candidates for committee members at the Board of Directors meeting held on July 30, 2025 by ensuring fairness of procedure regarding the Capital Policy from the viewpoint of securing fairness of the transaction term. The committee members were confirmed to be independent from the Privatization Partner Candidates and the Company (including independence from the tender offeror group at the time of receiving the Yuzawa Proposal), independent from the success or failure of this capital policy, and suitable as committee members. The special committee consists of three members: Mr. Masayuki Tanaka (Independent Outside Director of the Company), Ms. Akemi Sunaga (Independent Outside Director of the Company, certified public accountant), and Ms. Atsuko Sato (Independent Outside Director of the Company). The committee members have not changed since the establishment of the Special Committee. The Special Committee elected Mr. Masayuki Tanaka as its chairman. The remuneration for the Special Committee members consists solely of fixed fees paid regardless of the success or failure of this capital policy, and does not include success fees contingent upon its announcement or completion.

At the time of deciding to establish the Special Committee, the Company's Board of Directors consulted the Special Committee on the following matters (hereinafter referred to as "Consultation Matters"): (i) the rationality of the purpose of the Capital Policy (including whether it contributes to enhancing the Company's corporate value), (ii) the fairness and appropriateness of the procedures related to the Capital Policy, (iii) the fairness and appropriateness of its conditions, (iv) whether the Board of Directors should express an opinion in favor of the tender offer and recommend that the Company's shareholders apply for the tender offer if it is conducted as part of the Capital Policy, (v) whether the Board of Director's decision to implement the Capital Policy is fair and not disadvantageous to general (minority) shareholders of the Company, and (vi) other matters deemed necessary by the Board of Directors or the Representative Director of the Company concerning the Capital Policy in consideration of the establishment of the special committee.

In addition, at the aforementioned Board of Directors meeting, the Company resolved that the decision-making of the Board of Directors regarding the implementation of the Capital Policy would be conducted with the utmost respect for the judgment of the Special Committee. Furthermore, if the Special Committee determines that the implementation or conditions of the Capital Policy are inappropriate, the Board of Directors will not approve its implementation. The Company also resolved to grant the Special Committee the authority to: (i) substantially participate in the negotiation process between the Company and the purchaser (including, as necessary, providing instructions or requests regarding negotiation policies and conducting negotiations itself); (ii) appoint its own financial or legal advisors as necessary for the examination and judgment of the Consultation Matters (with the costs borne by the Company) or designate or approve (including post-approval) the Company's financial or legal advisors; (iii) receive, as necessary, the information required for the examination and judgment of the Consultation Matters from the Company's officers, employees, or other persons deemed necessary by the Special Committee; and (iv) implement other measures deemed necessary by the Special Committee for the examination and judgment regarding the Capital Policy.

Furthermore, on August 5, 2025, the Special Committee confirmed that there were no issues with the independence and expertise regarding similar transactions to the Capital Policy of Mori Hamada & Matsumoto Law Office, the legal advisor appointed by the Company, and Mitsubishi UFJ Morgan Stanley Securities, the financial advisor, and approved them as the Company's advisors. In addition, the Special Committee confirmed the independence and expertise

regarding similar transactions to the Capital Policy of the Privatization Partner Candidates and the Company, and appointed PLUTUS CONSULTING as its independent financial advisor and IWATA GODO. as its independent legal advisor.

(ii) Examination process

The Special Committee held a total of 27 meetings from August 5, 2025 to February 20, 2026, and, as necessary, conducted reporting, information sharing, deliberations, and decision-making via email and other means between meetings to fulfill its duties regarding the Consultation Matters.

Specifically, the Special Committee conducted Q&A sessions (including written inquiries) with the Company to confirm the significance and purpose of the transaction, the evaluation of the Company's business, the details of measures to enhance corporate value, the post-transaction management policies, and the various conditions of the Transaction, as well as the Company's understanding and the understanding of the tender offeror, Yuzawa, and Tsumura as ascertained through discussions with the Company.

Also, the Special Committee reviewed and approved the content, key assumptions, and preparation process of the Business Plan—which serves as the basis for the valuation of the Company's stock by tender offeror group, Mitsubishi UFJ Morgan Stanley Securities, and PLUTUS CONSULTING—and confirmed its rationality.

Subsequently, the Special Committee received explanations from Mitsubishi UFJ Morgan Stanley Securities regarding the negotiation process and the valuation of the Company's stock, as well as from PLUTUS CONSULTING regarding the valuation of the Company's stock, and conducted Q&A sessions on these matters.

Furthermore, the Special Committee received legal advice from its independent legal advisor, IWATA GODO., regarding measures to ensure fairness and avoid conflicts of interest in the Transaction, as well as general legal advice on the Transaction. It also sought opinions from the Company's legal advisor, Mori Hamada & Matsumoto Law Office, as necessary. In addition, the Special Committee obtained financial advice from its independent financial advisor, PLUTUS CONSULTING, and, as needed, from the Company's financial advisor, Mitsubishi UFJ Morgan Stanley Securities, and deliberated on negotiation policies aimed at extracting a higher price from Bid Candidates including tender offeror.

Moreover, when the Company received a proposal regarding the Tender Offer Price from tender offeror, the Special Committee was promptly informed about the negotiation history and details concerning the Capital Policy between the Company and each Bid Candidates — including tender offeror group and Tsumura — and received advice from IWATA GODO. and PLUTUS CONSULTING, as well as, when necessary, opinions from Mori Hamada & Matsumoto Law Office and Mitsubishi UFJ Morgan Stanley Securities. Over a period of more than six months, it repeatedly deliberated on the negotiation policies for Bid Candidates, including tender offeror group and Tsumura, and was substantially involved in negotiations and discussions regarding the Tender Offer Price and the Capital Policy with tender offeror group and other candidates, including Tsumura. As a result, on February 19, 2026, the Company received a proposal from the tender offeror to set the Tender Offer Price at 4,050 yen, ultimately raising the price from the initial offer of 4,022 yen to 4,050 yen.

Furthermore, the Special Committee received multiple explanations from IWATA GODO. IWATA GODO. and Mori Hamada & Matsumoto Law Office regarding the drafts of the press release and the opinion statement report related to the Tender Offer to be announced or submitted by the Company, as well as the draft of the tender offer registration statement to be submitted by the tender offeror, thereby confirming that comprehensive information disclosure

was planned.

(iii) Judgment content

Under the foregoing circumstances, after carefully deliberating and examining the advisory matters in light of the legal advice received from IWATA GODO. IWATA GODO. and Mori Hamada & Matsumoto Law Office, the financial advice from PLUTUS CONSULTING and Mitsubishi UFJ Morgan Stanley Securities, and the Stock Valuation Report (PLUTUS CONSULTING) and the Stock Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) on February 20, 2026, the Special Committee unanimously submitted the advisory report (the Attachment 1 of the Press Release of Expression of Opinion) to the Company's Board of Directors on February 20, 2026.

For the content and reasons underlying the Special Committee's advisory report, please refer to the Attachment 1 of the advisory report in the press release of this opinion statement.

5) Acquisition of stock valuation reports from independent third-party valuation institutions by the Special Committee

(i) Names of valuation institutions and their relationship with the Company and the tender offeror

The Special Committee, in reviewing the Tender Offer Price proposed by the tender offeror and in expressing its opinion on the Tender Offer, as a measure to ensure fairness, requested a valuation of the Company's stock from PLUTUS CONSULTING—an independent financial advisor and third-party valuation institution that is independent of tender offeror group, the candidates of the Privatization Bidding Process and the Bidding Process for Selling the Business or the Company's related parties—and obtained the Stock Valuation Report (PLUTUS CONSULTING) dated February 20, 2026.

PLUTUS CONSULTING is not affiliated with tender offeror group, the candidates of the Privatization Bidding Process or the Bidding Process for Selling the Business, nor with the Company's related parties, and does not have any significant conflicts of interest with respect to the Transaction, including the Tender Offer. In addition, the fee payable to PLUTUS CONSULTING for the Transaction is solely a fixed fee, regardless of the Transaction's outcome, and does not include any success fee contingent upon the completion of the Tender Offer or the Transaction.

(ii) Summary of valuation

After examining the valuation methods in the Tender Offer, PLUTUS CONSULTING concluded that it was appropriate to evaluate the Company's stock value from multiple perspectives. Based on the fact that the Company Shares is listed on the Prime Market of the Tokyo Stock Exchange, the market price method was used, and in order to reflect the Company's future business activities, the (DCF method was employed. Note that the market price method is presented only as reference information, since Speculative Reports led to the stock soaring above its all-time high and remaining elevated, thereby rendering full reliance on the market price questionable.

The Company has not obtained a fairness opinion regarding the Tender Offer Price from PLUTUS CONSULTING.

The ranges for the per-share stock value of the Company Shares, as calculated by PLUTUS CONSULTING using each of the above methods, are as follows

(Reference) Market Price Method (Reference Date 1)	From ¥2,956 to ¥3,275
(Reference) Market Price Method (Reference Date 2)	From ¥4,290 to ¥4,480
DCF Method	From ¥4,015 to ¥4,263

Using the market price method as reference, to eliminate the impact on the stock price from Speculative Reports related to the Company Shares privatization on August 6, 2025, the reference date (Reference Date 1) was set as August 5, 2025—prior to such reports. Based on the closing price of 3,275 yen on that day at the Prime Market of the Tokyo Stock Exchange, as well as the one-month simple average closing price of 3,232 yen, the three-month simple average closing price of 3,114 yen, and the six-month simple average closing price of 2,956 yen preceding that date, the per-share stock value was calculated to range from 2,956 yen to 3,275 yen. Furthermore, using February 20, 2026—the date of the Company's Board of Directors' resolution—as the reference date (Reference Date 2), based on the closing price of 4,480 yen on that day, and the one-month simple average closing price of 4,384 yen, the three-month simple average closing price of 4,462 yen, and the six-month simple average closing price of 4,290 yen preceding that date, the per-share stock value was calculated to range from

4,290 yen to 4,480 yen

Using the DCF method, for the real estate business the valuation primarily relies on appraisal values, while for the YOMEISHU-related and CLASUWA-related businesses (excluding the real estate business), the valuation is based on the business plan prepared by the Company for the period from the fiscal year ended March 31, 2026 to the fiscal year ended March 31, 2030—which is reasonably predictable at calculation and on publicly available information. The expected free cash flows are discounted to their present value at a certain rate, resulting in a per-share valuation ranging from 4,015 yen to 4,263 yen. A weighted average cost of capital of between 5.7% and 6.9% was used. Additionally, both the perpetual growth method and the multiple method were employed to calculate the terminal value. With the perpetual growth method, assuming a perpetual growth rate of 0% based on the long-term economic environment, the terminal value was estimated to lie between 14,782 million yen and 17,944 million yen. With the multiple method, using EV/EBIT and EV/EBITDA multiples of 12.7 and 8.2 respectively based on industry standards, the terminal value was calculated to be between 16,879 million yen and 18,853 million yen. Furthermore, non-operating assets such as surplus cash (calculated by deducting estimated operating cash from the Company’s cash balances based on past cash management performance), as well as the Company’s investment securities, bonds, and long-term time deposits, were added.

The financial forecasts based on the Business Plan used as the basis for the DCF method by PLUTUS CONSULTING are as follows. The Company’s future financial forecasts include fiscal years in which significant increases or decreases in operating profit and free cash flow compared to the previous year are expected. Specifically, from the fiscal year ended March 31, 2026 to the fiscal year ending March 31, 2028, sales are expected to grow significantly—due in part to measures such as reviewing television advertising to acquire new domestic users of YOMEISHU—resulting in substantial profit increases. Although free cash flow is expected to temporarily decline until the fiscal year ending March 31, 2027 due to increased renewal investments, it is anticipated to rise significantly thereafter through the fiscal year ending March 31, 2030, supported by sales expansion resulting from the review of advertising measures.

This Business Plan was prepared for the purpose of examining the appropriateness of the Transaction terms, taking into account the Company’s past performance, current earnings, intensified competition in development with peers, the maturation of the domestic pharmaceutical market, and the increased pressure on prices due to the proliferation of competing products, as well as the need to ensure and enhance the quality and safety of pharmaceuticals. The plan was formulated under the Company’s independent internal review system. It was initially prepared in August 2025 and updated on October 10, 2025 following the announcement of downward revisions to the Company’s performance. In addition, the sales figures for the fiscal year ending March 31, 2027 in the Business Plan were revised downward from those assumed in the Mid-Term Management Plan due to significant changes in assumptions—such as the impact of inflation on consumer behavior, sluggish domestic sales of YOMEISHU, intensified competition in mail-order sales, delays in expanding the CLASUWA-related business due to difficulties in securing personnel for store development, and a reduced likelihood of executing the envisaged M&A in the final year.

The synergy effects expected to be realized through the execution of the Transaction have not been incorporated into the financial forecasts, at the time of calculation difficult to estimate concretely.

(Unit: million yen)

	Fiscal Year Ended March 31, 2026 (3 months)	Fiscal Year Ending March 31, 2027	Fiscal Year Ending March 31, 2028	Fiscal Year Ending March 31, 2029	Fiscal Year Ending March 31, 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) PLUTUS CONSULTING, in conducting the valuation of the Company's stock, has principally adopted the information provided by the Company and publicly available data, assuming that all such materials and information are accurate and complete, and has not independently verified their accuracy or completeness. Furthermore, no independent evaluation or appraisal has been conducted in relation to the Company's assets and liabilities (including financial derivatives, off-balance sheet assets and liabilities, and other contingent liabilities), nor has any third-party appraisal been requested. In addition, the financial forecast information provided by the Company is assumed to have been prepared reasonably based on the best forecasts and judgments available to the Company's management at the time of valuation. However, PLUTUS CONSULTING conducted Q&A sessions with the Company regarding the business plan used as the basis for the valuation and confirmed its contents. Moreover, as described in "4) Establishment of an independent Special Committee and acquisition of a report," the Special Committee confirmed the rationality of its contents, key assumptions, and preparation process, and verified that they were not unreasonable.

6) Advice from an independent law firm to the Special Committee

As stated in "4) Establishment of an independent Special Committee and acquisition of a report," the Special Committee has appointed IWATA GODO. as an independent legal advisor separate from the tender offeror and the Company. The firm provides legal advice, including measures to ensure procedural fairness in the Transaction, procedures related to the Transaction, and the methods and processes of decision-making by the Company regarding the Transaction.

Furthermore, IWATA GODO. does not have any significant interests to disclose concerning the tender offeror group, the candidates of the Privatization Bidding Process or the Bidding Process for Selling the Business, or related parties of the Company. The firm's remuneration consists solely of hourly fees paid regardless of the success or failure of this transaction, and does not include success fees contingent upon the completion of the Transaction.

7) Approval by all Directors without conflicts of interest (including Directors who are Audit and Supervisory Committee Members)

The Company, having considered financial advice received from Mitsubishi UFJ Morgan Stanley Securities, the Stock Valuation Report (Mitsubishi UFJ Morgan Stanley Securities) submitted on February 20, 2026, legal advice from Mori Hamada & Matsumoto Law Office regarding decision-making points for the Transaction (including the Tender Offer), and the Stock Valuation Report (PLUTUS CONSULTING) submitted through the Special Committee, carefully deliberated on whether this transaction would enhance the Company's corporate value and whether the terms of the Transaction were reasonable, while fully respecting the content of the report submitted by the Special Committee.

As a result, at the Board of Directors meeting held on February 24, 2026, the Company unanimously decided that the Transaction, including the Tender Offer, would contribute to enhancing the Company's corporate value, that the Transaction terms, including the Tender Offer Price (4,050 yen), are reasonable, and that the Tender Offer provides shareholders with a rational opportunity to sell their shares. The Company expressed its opinion in favor of the Tender Offer and resolved to leave the decision of whether to tender shares to the judgment of its shareholders.

8) Measures to ensure opportunities from other tender offerors

Furthermore, the tender offeror has set the tender offer period to 30 business days, which is longer than

the statutory minimum period of 20 business days. By setting the tender offer period longer than the statutory minimum, the tender offeror aims to ensure adequate time for the Company's general shareholders to make an appropriate judgment regarding participation in the Tender Offer and to secure opportunities for counteroffers or competitive bids from other parties, thereby ensuring the fairness of the Tender Offer. Furthermore, the tender offeror and the Company have not entered into agreements that include transaction protection clauses prohibiting the Company from contacting counteroffer proposers or agreements restricting counteroffer proposers from contacting the Company.

4. Future outlook

As stated in "1) Delisting" of "(2) The Company's stock is expected to be delisted" under "3. Basis and reasons for the amount of money expected to be delivered to shareholders through fractional share processing related to the reverse stock split," the Company Shares are scheduled to be delisted following the implementation of the reverse stock split.

5. Matters Related to MBO, etc.

(1) Application of "Compliance Matters Related to MBO, etc."

As of February 25, 2026, the date of the announcement of the commencement of this tender offer, the Company is neither a subsidiary nor an affiliate of the tender offeror, and none of the Company's management team, in whole or in part, is scheduled to directly or indirectly invest in the tender offeror. Therefore, this transaction, including this tender offer, does not fall under a tender offer by a controlling shareholder, other affiliates, or any other entities specified in Article 441, Paragraph 1, Item 2 of the Securities Listing Regulations and Article 436-3, Paragraph 3 of the Enforcement Rules of the Securities Listing Regulations. However, (i) as stated in "3. Basis, etc., of the amount of money expected to be delivered to shareholders through fractional share processing related to the share consolidation" under "(1) Basis and reasons for the amount of money expected to be delivered to shareholders through fractional share processing," specifically in "① Matters considered to ensure that the interests of shareholders other than the parent company, etc., are not harmed when there is a parent company, etc.," Yuzawa Co., Ltd., which owns 4,641,500 shares of the Company's stock (ownership ratio: 33.34%), has entered into a non-tender agreement with the tender offeror and has concluded a basic transaction agreement with the tender offeror, Yuzawa Co., Ltd., the Company, and Tsumura. Following the implementation of this tender offer and the squeeze-out procedure by the tender offeror, Yuzawa Co., Ltd. is expected to remain as the sole shareholder of the Company after a private transfer from the tender offeror to Yuzawa Co., Ltd. and to carry out the transfer of the Company's non-business assets to Yuzawa Co., Ltd. through the distribution of non-business assets. Consequently, this transaction, including this tender offer, may be considered an act equivalent to an MBO, etc., and (ii) because this transaction aims to privatize the Company's shares and significantly impacts its general shareholders, the Company has complied with the procedures stipulated in "Compliance Matters Related to MBO, etc." as defined in Article 441 of the Securities Listing Regulations (Tokyo Stock Exchange).

(2) Compliance with Guidelines on Measures to Protect Minority Shareholders in Transactions with Controlling Shareholders

As of the settlement commencement date of this tender offer (April 15, 2026), the tender offeror will qualify as the parent company of the Company, and the transaction related to this share consolidation will fall under transactions with controlling shareholders. Although the Company has not established "Guidelines on Measures to Protect Minority Shareholders in Transactions with Controlling Shareholders" in its Corporate Governance Report disclosed on October 31, 2025, the Company has adopted measures to ensure the fairness of the transaction content and conditions, such as obtaining advice from experts or third-party valuation institutions without conflicts of interest with the controlling shareholder when

necessary, and making decisions after careful deliberation at the Director meeting to ensure that the interests of minority shareholders are not harmed.

Regarding this transaction, including this tender offer, the Company has implemented the measures described in "3. Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" under "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest," and these measures are deemed to be in compliance with the aforementioned policy.

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

Please refer to "3. Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" under "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest."

(4) Opinions Obtained from the Special Committee Regarding the Fairness of the Transaction for General Shareholders

As stated in "3. Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest" under "(3) Measures to Ensure the Fairness of the Transaction and Measures to Avoid Conflicts of Interest," in the section "④ Establishment of an Independent Special Committee and Acquisition of a Report," the Company has received a report from the Special Committee stating that the resolution passed at the Company Director meeting to execute this transaction is fair to the general shareholders of the Company (for the contents of the report, please refer to Appendix 1 of the press release on the expression of opinion). Since this report pertains to this transaction, including the share consolidation, the Company has not obtained new opinions from parties without conflicts of interest with the controlling shareholder when executing the share consolidation.

IV. Abolition of the Unit Share System

1. Reason for abolition

If the reverse stock split takes effect, the total number of issued shares of the Company will become 5 shares, eliminating the need to define the number of unit shares.

2. Schedule for abolition

June 22, 2026

3. Conditions for abolition

The abolition is conditional upon the approval and resolution of the proposal related to the reverse stock split and the partial amendment to the Articles of Incorporation regarding the abolition of the unit share system (refer to "V. Partial Amendment to the Articles of Incorporation") at the Extraordinary General Meeting of Shareholders, and the effectiveness of the reverse stock split.

V. Partial Amendment to the Articles of Incorporation

1. Purpose of amendment to the Articles of Incorporation

(1) If Proposal 1 is approved and resolved as proposed and the reverse stock split takes effect, the total number of authorized Company Shares will be reduced to 20 shares in accordance with Article 182, Paragraph 2 of the Companies Act. To clarify this point, Article 5 (Total Number of Authorized Shares) of the Articles of Incorporation will be amended, conditional upon the effectiveness of the reverse stock split.

(2) If Proposal 1 is approved and resolved as proposed and the reverse stock split takes effect, the total

number of issued Company Shares will become 5 shares, eliminating the need to define the number of unit shares. Therefore, conditional upon the effectiveness of the reverse stock split, Article 6 (Number of Unit Shares) and Article 7 (Rights of Shares Less Than One Unit) of the Articles of Incorporation will be deleted in their entirety to abolish the current provision stipulating that one unit of the Company’s stock consists of 100 shares, and the numbering of articles will be adjusted accordingly. Additionally, the portion of Article 9 (Regulations on Handling of Shares) related to the purchase of shares less than one unit will be deleted.

- (3) If Proposal 1 is approved and resolved as proposed and the reverse stock split takes effect, the shareholders of the Company will consist solely of the tender offeror and Yuzawa, and the Company Shares will be delisted following the implementation of the reverse stock split. Consequently, the provisions regarding the record date for the Ordinary General Meeting of Shareholders will lose their necessity. Therefore, conditional upon the effectiveness of the reverse stock split, Article 11 (Record Date for Ordinary General Meeting of Shareholders) of the Articles of Incorporation will be deleted in its entirety, and the numbering of articles will be adjusted accordingly.
- (4) If Proposal 1 is approved and resolved as proposed and the reverse stock split takes effect, the shareholders of the Company will consist solely of the tender offeror and Yuzawa, and the Company Shares will be delisted following the implementation of the reverse stock split. Consequently, the provisions regarding the electronic provision system for shareholder meeting materials will lose their necessity. Therefore, conditional upon the effectiveness of the reverse stock split, Article 13 (Electronic Provision Measures, etc.) of the Articles of Incorporation will be deleted in its entirety, and the numbering of articles will be adjusted accordingly.

2. Details of amendment to the Articles of Incorporation

The details of the amendment are as follows. The effectiveness of the amendment to the Articles of Incorporation related to this proposal is conditional upon the approval and resolution of Proposal 1 “Reverse stock split” as proposed and the effectiveness of the reverse stock split, which is scheduled to take effect on June 22, 2026.

(Underlined portions indicate changes.)

Current Articles of Incorporation	Proposed Amendment
Articles 1 to 4 (text omitted)	Articles 1 to 4 (unchanged)
Article 5 (Total Number of Authorized Shares) The total number of authorized shares of the Company shall be <u>66 million</u> shares.	Article 5 (Total Number of Authorized Shares) The total number of authorized shares of the Company shall be <u>20</u> shares.
<u>Article 6 (Number of Unit Shares)</u> <u>The number of shares constituting one unit of the Company’s stock shall be 100 shares.</u>	(Deleted)
<u>Article 7 (Rights of Shares Less Than One Unit)</u> <u>Shareholders of the Company may not exercise rights other than those listed below with respect to shares less than one unit they hold:</u> <u>(1) Rights listed in each item of Article 189, Paragraph 2 of the Companies Act.</u> <u>(2) The right to make a demand under the provisions of Article 166, Paragraph 1 of the Companies Act.</u> <u>(3) The right to receive an allotment of subscription shares or subscription share options.</u>	(Deleted)
Article <u>8</u> (Text omitted)	Article <u>6</u> (Unchanged)

Article <u>9</u> (Regulations on Handling of Shares) Matters concerning the entry or recording in the shareholder register and the share option register of the Company, <u>the purchase of shares less than one unit</u> , and other handling of shares or share options, as well as fees and procedures for exercising shareholder rights, shall be governed by the regulations on handling of shares established by the Board of Directors, in addition to laws and the Articles of Incorporation.	Article <u>7</u> (Regulations on Handling of Shares) Matters concerning the entry or recording in the shareholder register and the share option register of the Company, and other handling of shares or share options, as well as fees and procedures for exercising shareholder rights, shall be governed by the regulations on handling of shares established by the Board of Directors, in addition to laws and the Articles of Incorporation.
Article <u>10</u> (Text omitted)	Article <u>8</u> (Unchanged)
Article <u>11</u> (Record Date for Ordinary General Meeting of Shareholders) <u>The record date for voting rights at the Company's annual General Meeting of Shareholders shall be March 31 of each year.</u>	(Deleted)
Article <u>12</u> (Text omitted)	Article <u>9</u> (Unchanged)
Article <u>13</u> (Electronic Provision Measures, etc.) <u>The Company shall take electronic provision measures regarding the information contained in reference documents for the General Meeting of Shareholders when convening the General Meeting of Shareholders.</u> <u>2. The Company may omit from the documents delivered to shareholders who have requested delivery in writing by the record date for voting rights, all or part of the matters specified by the Ministry of Justice Ordinance among the matters subject to electronic provision measures.</u>	(Deleted)
Articles <u>14</u> to <u>38</u> (Text omitted)	Articles <u>10</u> to <u>34</u> (Unchanged)
Supplementary Provisions (Text omitted)	Supplementary Provisions (Unchanged)

3. Schedule for Amendment

June 22, 2026

4. Conditions for Amendment to the Articles of Incorporation

The amendment is conditional upon the approval and resolution of the proposal related to the reverse stock split at the Extraordinary General Meeting of Shareholders and the effectiveness of the reverse stock split.

End