



Company Name BEENOS Inc.
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Notice Regarding Share Consolidation, Abolishment of Share Unit, Partial Amendment to the Articles of Incorporation, and Capital Stock Reduction

Tokyo, Japan – June, 26 2025 – BEENOS Inc. has announced that the Company resolved to convene an Extraordinary General Meeting of Shareholders scheduled for July 28, 2025 (the “Extraordinary General Meeting”) and to submit proposals concerning a share consolidation, the abolishment of the provision on the number of shares constituting one unit, a partial amendment to the Articles of Incorporation, and a reduction of capital stock, as outlined below in its Board of Directors meeting held today,.

Please be advised that the Company’s common shares (the “Company Shares”) are expected to fall under the delisting criteria of the Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”) in connection with the implementation of these procedures. As a result, the Company Shares are scheduled to be designated as securities under supervision (confirmation) from July 28, 2025, through August 27, 2025, and will be delisted as of August 28, 2025. Following delisting, the Company Shares will no longer be tradable on the Tokyo Stock Exchange.

We kindly ask shareholders to take note of this important matter.

I . Share Consolidation

1 . Purpose and Reason for the Share Consolidation

As announced in the press release dated March 21, 2025, titled “Statement of Opinion in Support of the Commencement of the Tender Offer for the Company’s Share Certificates, etc. by LY Corporation and Recommendation to Tender” (hereinafter, the “Opinion Press Release”), LY Corporation (hereinafter, the “Tender Offeror”) conducted a tender offer for the Company’s common shares (hereinafter, the “Company Shares”) and stock acquisition rights (Note 1) (collectively, the “Company Share Certificates, etc.”) as part of a series of transactions (hereinafter, the “Transaction”) aimed at making the Company a wholly owned subsidiary of the Tender Offeror.

Note 1: “Share Options” will collectively refer to Share Options ① through ⑥ mentioned below:

- ① 11th Share Options issued based on the resolution of the Company’s Board of Directors on March 15, 2018 (exercise period: April 1, 2020 to March 14, 2028): JPY 226,300 per share option
- ② 12th Share Options issued based on the resolution of the Company’s Board of Directors on February 6, 2020 (exercise period: February 25, 2020 to February 24, 2030): JPY 292,900 per share option
- ③ 13th Share Options issued based on the resolution of the Company’s Board of Directors on February 6, 2020 (exercise period: February 7, 2022 to February 6, 2030): JPY 292,900 per share option
- ④ 14th Share Options issued based on the resolution of the Company’s Board of Directors on May 27, 2021 (exercise period: May 28, 2023 to May 27, 2031): JPY 27,000 per share option
- ⑤ 15th Share Options issued based on the resolution of the Company’s Board of Directors on August 4, 2022 (exercise period: August 5, 2024 to August 4, 2032): JPY 14,740 per share option

⑥ 16th Share Options issued based on the resolution of the Company's Board of Directors on June 20, 2024 (exercise period: July 8, 2024 to July 7, 2034): JPY 166,100 per share option

As announced in the press release dated May 8, 2025, titled "Notice Regarding the Results of the Tender Offer for the Company's Share Certificates, etc. by LY Corporation and Changes in the Parent Company and the Largest Principal Shareholder," the Tender Offeror conducted the Tender Offer from March 24, 2025, to May 7, 2025 (the "Tender Offer Period"). As a result, as of May 14, 2025, the commencement date of settlement for the Tender Offer, the Tender Offeror came to hold 11,335,722 shares of the Company's Share Certificates, etc., representing an ownership ratio of voting rights (*2) of 84.32%.

(*2) The "ownership ratio of voting rights" is calculated by (i) starting with the total number of issued shares as of December 31, 2024 (13,608,995 shares), as stated in the Company's Consolidated Financial Results for 1Q FY2025 announced on February 12, 2025; (ii) adding the number of shares underlying the remaining exercisable stock acquisition rights as of the same date—28,200 shares for the 11th series (282 units), 238,800 shares for the 12th series (2,388 units), 113,600 shares for the 13th series (1,136 units), 25,900 shares for the 14th series (259 units), 18,310 shares for the 15th series (1,831 units), and 136,000 shares for the 16th series (1,360 units)—resulting in a total of 14,169,805 shares; and (iii) deducting the 752,462 treasury shares held by the Company as of the same date. The number of 134,443 voting rights corresponding to the resulting share total (13,444,343 shares) is used as the denominator for this calculation. The figure is rounded to the nearest third decimal place.

As announced in the Opinion Press Release, the Company received a preliminary proposal on August 23, 2024, from a third party other than the Tender Offeror (hereinafter, the "Preceding Proposer") regarding a transaction to make the Company a wholly owned subsidiary of the Preceding Proposer (the "Preceding Proposed Transaction"). In late August 2024, in order to evaluate this proposal, the Company appointed Nishimura & Asahi, Attorneys-at-Law (hereinafter, "Nishimura & Asahi"), as an independent legal advisor unaffiliated with either the Preceding Proposer or the Company.

Subsequently, in early September 2024, the Company received from the Preceding Proposer a non-binding letter of intent regarding the Preceding Proposed Transaction (the "Preceding Proposal"). To carefully deliberate on this matter, eliminate arbitrariness in the Board of Directors' decision-making process, and ensure fairness, the Company resolved at its Board meeting held on September 9, 2024, to establish a special committee (the "Special Committee") composed of three independent outside directors—Mr. Naofumi Nishi, Ms. Haruka Osawa (attorney), and Mr. Yasukazu Joho—each independent from both the Preceding Proposer and the Company. (For details on the formation, deliberations, and conclusions of the Special Committee, please refer to "3. Basis, etc., for the Cash to Be Delivered to Shareholders Due to Treatment of Fractional Shares Resulting from the Share Consolidation," section "(3) Measures to Ensure the Fairness of the Transaction and to Avoid Conflicts of Interest," item "⑤ Establishment of an Independent Special Committee and Receipt of a Written Report from the Committee.")

On the same day, the Company also appointed Daiwa Securities Co. Ltd. ("Daiwa Securities") as a financial advisor and third-party valuation firm independent of both the Preceding Proposer and the Company for the purpose of reviewing the Preceding Proposed Transaction.

Furthermore, as noted in item "⑤ Establishment of an Independent Special Committee and Receipt of a Written Report from the Committee" under section "(3) Measures to Ensure the Fairness of the Transaction and to Avoid Conflicts of Interest" in "3. Basis, etc., for the Cash to Be Delivered to Shareholders Due to Treatment of Fractional Shares Resulting from the Share Consolidation," on October 10, 2024, the Special Committee, after considering independence, expertise, and track record, appointed Plutus Consulting Co., Ltd. ("Plutus Consulting") as an independent third-party valuation firm unaffiliated with the Tender Offeror, the Preceding Proposer, the Company, or the tendering shareholders.

Subsequently, on September 10, 2024, the Company informed the Preceding Proposer that it had established the necessary internal framework to review the Preceding Proposal and would commence evaluation of its contents.

After the Company began considering the Preceding Proposal, the Tender Offeror approached the Company on September 27, 2024, to request a meeting. On October 10, 2024, during a meeting with the Tender Offeror, the Company received a verbal inquiry regarding a potential acquisition of the Company's shares. In response, the Company explained that it was already engaged in discussions with another party concerning a transaction to make the Company a wholly owned subsidiary and requested that the Tender Offeror submit a written letter of intent if it wished to be considered in the ongoing evaluation process.

On October 16, 2024, the Company received a letter of intent from the Tender Offeror outlining the proposed transaction (the "Tender Offeror Proposal"). In response, on the same day, the Special Committee—after consulting with Nishimura & Asahi and Daiwa Securities and taking into consideration the "Guidelines on Corporate Takeovers—Toward Enhancing Corporate Value and Securing Shareholders' Interests," published by the Ministry of Economy, Trade and Industry on August 31, 2023—requested that the Board of Directors formally resolve to expand the scope of its mandate. This request was based on the facts that: (i) the Tender Offeror Proposal had not been included in the Special Committee's initial purview; and (ii) the Preceding Proposal and the Tender Offeror Proposal were mutually exclusive, necessitating a comprehensive and comparative review.

As a result, at its meeting held on October 24, 2024, the Board of Directors resolved to amend the Special Committee's mandate—initially established to review the Preceding Proposal—to also include evaluation of the Tender Offeror Proposal. Furthermore, the revised mandate authorized the Special Committee to review any additional third-party proposals submitted in competition with the Preceding Proposal or the Tender Offeror Proposal. (For more information, refer to "3. Basis, etc., for the Cash to Be Delivered to Shareholders Due to Treatment of Fractional Shares Resulting from the Share Consolidation," section "(3) Measures to Ensure the Fairness of the Transaction and to Avoid Conflicts of Interest," item "⑤ Establishment of an Independent Special Committee and Receipt of a Written Report from the Committee.")

Following the Board's decision, the Company reviewed the composition of its evaluation framework and confirmed that Nishimura & Asahi, Daiwa Securities, and Plutus Consulting were each independent of the Tender Offeror and the tendering shareholders. Accordingly, the Company concluded that the objectivity and integrity of the evaluation framework remained intact.

After establishing the necessary internal structure, the Company proceeded to engage in multiple rounds of discussions and negotiations with both the Preceding Proposer and the Tender Offeror concerning the potential execution of their respective proposals. These discussions were conducted in accordance with the negotiation policy, strategic direction, and key instructions previously confirmed by the Special Committee. Throughout the process, the Company received continuous support from Daiwa Securities, which provided financial advisory services and fair value analyses of the Company's shares, as well as from Nishimura & Asahi, which offered legal counsel aimed at ensuring procedural fairness in the transaction.

On October 24, 2024, the Company requested that both the Preceding Proposer and the Tender Offeror submit their respective letters of intent—stating their highest possible acquisition prices and other key terms—by November 11, 2024.

As a result, on November 11, 2024, the Special Committee received a legally binding final proposal from the Preceding Proposer, while the Company received a non-binding letter of intent from the Tender Offeror. In comparing the two proposals, the Company conducted a detailed review of offer prices, the

binding nature of the proposals, and other relevant conditions. Determining that further evaluation was necessary from the standpoint of maximizing corporate value and protecting shareholder interests, the Company elected to continue discussions with both parties. Accordingly, on November 12, 2024, it requested that each party revise their proposals to include a higher tender price and submit a legally binding letter of intent by December 2, 2024.

Subsequently, on December 2, 2024, the Company received legally binding final letters of intent from both parties—the “Final Preceding Proposal” and the “Final Tender Offeror Proposal.” After conducting a thorough review of both proposals, the Company evaluated not only the proposed purchase prices but also each party’s financing capabilities and the overall feasibility of executing the proposed transactions.

The Tender Offeror’s proposal, which included a price of ¥4,000 per share and tender offer prices of ¥226,300 for each 11th series stock acquisition right, ¥292,900 for each 12th and 13th series stock acquisition right, ¥27,000 for each 14th series stock acquisition right, ¥14,740 for each 15th series stock acquisition right, and ¥166,100 for each 16th series stock acquisition right, was ultimately deemed superior in terms of price competitiveness, certainty of execution, and its contribution to mid- to long-term corporate value.

Accordingly, the Company notified the Tender Offeror that it had been selected as the preferred candidate to acquire the Company’s shares and stock acquisition rights, and that negotiations would continue on that basis. At the same time, the Company informed the Preceding Proposer that it would discontinue further consideration of their proposal.

The appropriateness of the public tender offer price of ¥4,000 per share was confirmed through Daiwa Securities’ analysis, in conjunction with valuation assessments conducted by both Daiwa and Plutus Consulting. Based on the opinion of the Special Committee and the outcome of the Company’s comprehensive review, the Company determined the offer price to be reasonable and resolved to proceed with the Tender Offeror under the proposed terms.

Subsequently, the Tender Offeror engaged in parallel negotiations with the Selling Shareholder regarding the terms of the Share Purchase Agreement, including the tender offer price of ¥4,000. The Company monitored the progress of these negotiations and, on December 19, 2024, received notice from the Tender Offeror that it had reached an agreement with the Selling Shareholder on the Share Purchase Agreement, including the offer price of ¥4,000. Accordingly, the Company also reached an agreement with the Tender Offeror on the same tender offer price of ¥4,000. Throughout this review and negotiation process, the Special Committee received reports from the Company, Nishimura & Asahi, and Daiwa Securities as appropriate and provided confirmation or approval as necessary. Specifically, the Company presented a four-year business plan covering fiscal years ending September 2025 through September 2028 to both the Preceding Proposer and the Tender Offeror. The Special Committee reviewed and confirmed the reasonableness of the business plan’s content, key assumptions, and development process, which served as the basis for the valuations performed by Daiwa Securities and Plutus Consulting. Furthermore, Daiwa Securities conducted all negotiations with both the Preceding Proposer and the Tender Offeror in accordance with a negotiation strategy determined in advance through deliberation by the Special Committee. Each time either party presented a pricing proposal, the financial advisor promptly reported to the Special Committee, which then provided opinions, instructions, or requests regarding the negotiation strategy. These were followed accordingly. On December 19, 2024, the Special Committee submitted a formal recommendation to the Company’s Board of Directors. The recommendation included: (i) that it would be reasonable for the Board to express its opinion in favor of the tender offer and to recommend that shareholders and stock acquisition rights holders tender their holdings, and (ii) that the proposed transaction would not be detrimental to the interests of the Company’s general shareholders. (For a summary of the Special Committee’s recommendation, please refer to “3. Basis for the Estimated Amount of Cash to Be Delivered through the Treatment of Fractional

Shares Arising from the Share Consolidation” under “(3) Measures to Ensure the Fairness of the Transaction and to Avoid Conflicts of Interest.”) Taking into consideration legal advice from Nishimura & Asahi and the valuation report dated December 18, 2024, from Daiwa Securities (hereinafter referred to as the “Daiwa Valuation Report”), the Company carefully deliberated the matter. In doing so, the Company gave the utmost respect to the Special Committee’s recommendation dated December 19, 2024, and conducted a thorough review of whether the transaction—including the proposed offer price of ¥4,000—was reasonable and whether it would contribute to enhancing corporate value.

As a result of the foregoing process, the Company resolved at its Board of Directors meeting held on December 19, 2024, that taking the Company private and making it a wholly owned subsidiary of the Tender Offeror through the Transaction would contribute to enhancing the corporate value of the Company and its group. Specifically, as stated in the press release dated March 21, 2025, titled “Notice Regarding Expression of Opinion in Support of the Scheduled Commencement of the Tender Offer for the Company’s Share Certificates, etc. by LINE Yahoo Corporation and Recommendation to Tender,” under “3. Contents, Grounds, and Reasons for the Opinion on the Tender Offer,” section “(2) Grounds and Reasons for the Opinion on the Tender Offer,” subsection “② Background, Purpose, and Decision-Making Process Leading to the Tender Offer and Post-Tender Management Policy,” the Tender Offeror conveyed its intention to pursue initiatives including (i) expanding the availability of products for overseas markets and (ii) leveraging the data and expertise of both companies to strengthen marketing efforts. The Company believes that the implementation of these initiatives will enable it to offer more favorable fees to domestic corporate and individual sellers listing high-demand products overseas, thereby encouraging increased platform usage by such sellers. This, in turn, is expected to drive overseas user growth and further expand the Company’s user base, contributing to the development of its global commerce business and addressing key challenges currently facing the Company.

Furthermore, becoming a wholly owned subsidiary of the Tender Offeror will allow for the unrestricted use of each company’s assets. The integration of the Tender Offeror’s customer base and purchasing data with the Company’s customer base, operational expertise, and data is expected to accelerate the development of new business initiatives. The Company determined that such collaboration would promote long-term growth and enhance its corporate value. In addition, by working with the Tender Offeror Group to integrate media and payment services, the Company anticipates improved service convenience, stronger customer acquisition through joint promotional activities, and cost reductions through joint procurement of system infrastructure and enhanced cybersecurity—factors that are expected to contribute positively to the corporate value of both groups.

The Company also examined the potential disadvantages of becoming a private company, including the inability to raise capital through equity financing in public markets and a possible decline in recognition or attractiveness in recruitment. However, given the Company’s financial condition as of December 19, 2024, there is no immediate need for equity financing, and future funding requirements can be met through relationships with financial institutions within the Tender Offeror Group. With respect to recruitment, the Company already enjoys a recognized presence within the industry and expects to mitigate visibility concerns through collaborative recruitment efforts with the Tender Offeror. Accordingly, the Company concluded that delisting would not result in any significant disadvantages.

In assessing potential dis-synergies arising from the Transaction, the Company recognized that services competing with those of the Tender Offeror may become hesitant to engage in business with the Company. However, discussions with the Tender Offeror included potential countermeasures such as the implementation of data firewalls. The Company remains committed to fair treatment of the Tender Offeror and its competitors and believes that, given the continued growth potential of its cross-border e-commerce business, this risk can be absorbed. Other than the potential dis-synergies associated with becoming a wholly owned subsidiary, the Company identified no further risks stemming from the

Transaction.

Lastly, with regard to the tender offer price, the Company determined that the proposed price was reasonable and fair, providing general shareholders with a favorable opportunity to tender their shares and stock acquisition rights. This conclusion was based on (a) the negotiation process and agreement details described above, (b) third-party valuation reports obtained during the process, and (c) the views of the Special Committee, which confirmed that the price appropriately reflects the value to be received by shareholders.

(a) The tender offer price exceeds the upper limit of the valuation range calculated using the market price method and also surpasses the upper limit of the valuation range derived through the discounted cash flow (DCF) method, as presented in the stock valuation report prepared by Daiwa Securities. This report is referenced under “3. Basis, etc. of the Amount of Money Expected to Be Delivered to Shareholders through the Treatment of Fractions Resulting from the Share Consolidation,” subsection “(3) Measures to Ensure the Fairness of the Transaction and to Avoid Conflicts of Interest,” item “② Obtaining a Stock Valuation Report from an Independent Third-Party Valuation Institution.”

(b) The Special Committee, established independently within the Company, submitted a recommendation dated December 19, 2024, stating that the terms of the Transaction, including the tender offer price, are reasonable. This is detailed in the same section cited above, under item “⑤ Establishment of an Independent Special Committee and Receipt of Its Recommendation.”

(c) The tender offer price was determined following extensive negotiations with the Tender Offeror, conducted with the substantial involvement of the Special Committee—an entity independent from the Tender Offeror, the Preceding Proposer, the Company, and the Selling Shareholder. Furthermore, adequate measures were taken to ensure the fairness of the Tender Offer, as described in the aforementioned section.

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The tender offer price includes a premium of 18.69% over the closing price of ¥3,370 on December 18, 2024 (the business day prior to the announcement of the tender offer); 14.88% over the one-month simple average closing price of ¥3,482; 30.46% over the three-month average of ¥3,066; and 44.35% over the six-month average of ¥2,771—each based on trading on the Tokyo Stock Exchange Prime Market.

Although these premiums fall below the average and median levels observed in similar precedent cases following the Ministry of Economy, Trade and Industry’s release of the Fair M&A Guidelines on June 28,

2019—including 45 tender offers resulting in delisting (excluding self-tender offers, discount tender offers, and MBOs)—they are nonetheless deemed reasonable in light of the Company’s specific circumstances.

Specifically, the average premium levels in those precedent cases were 54.44% (one-day), 55.45% (one-month), 58.36% (three-month), and 58.86% (six-month), while the median levels were 44.58%, 41.51%, 45.81%, and 52.95%, respectively. While the offer price in this case is below these averages and medians, the Company believes that direct comparisons are not necessarily appropriate due to the unusual movement in its share price prior to the announcement. From a longer-term perspective, premiums in the 30–40% range—seen most frequently in both the three-month and six-month categories (10 cases each)—suggest the offer price includes a rational and fair premium for shareholders.

Furthermore, the market price of the Company’s shares from approximately one month prior to the announcement through the announcement date may have been temporarily affected by market speculation and may not fully reflect the Company’s fundamental value, for the following reasons:

- I. The highest closing price during the one-month period before December 18, 2024, was ¥3,690—exceeding the Company’s highest closing price over the prior three years (excluding that one-month period), which was ¥3,370.
- II. Following the filing of a large shareholding report by a new major shareholder on November 15, 2024, the Company’s share price rose steadily. Concurrently, speculative discussions anticipating a potential tender offer and delisting circulated online. Given the unusual nature of the price movement and its departure from historical trends, it is difficult to attribute the increase to rational valuation factors alone. Thus, the possibility of speculative buying in anticipation of a tender offer cannot be ruled out.

The tender offer price for the stock acquisition rights was calculated by multiplying the difference between the tender offer price and the exercise price of each right by the number of shares underlying each respective stock acquisition right. Based on this calculation, the Company believes that the tender offer presents a reasonable opportunity for holders of its stock acquisition rights to sell.

Accordingly, at the Board of Directors meeting held on December 19, 2024, the Company resolved to express its opinion in support of the tender offer and to recommend that shareholders and stock acquisition rights holders tender their shares and rights, respectively.

At the same meeting, the Board also resolved that upon commencement of the tender offer, the Special Committee would be asked to reconfirm whether there had been any material changes to its opinion dated December 19, 2024. If any changes were identified, the Committee would submit an updated opinion to the Board; if no changes had occurred, it would confirm that the original opinion remained valid. Based on this reconfirmation, the Board would reissue its opinion on the tender offer at the time of its commencement.

Subsequently, on February 17, 2025, the Tender Offeror completed all required procedures and received the necessary clearances under Japanese competition law. A prior notification regarding the share acquisition was submitted to the Taiwan Fair Trade Commission on February 7, 2025 (local time), and accepted the same day. On March 18, 2025, the Tender Offeror informed the Company that the Taiwan Fair Trade Commission had issued a decision on March 14, 2025 (local time), determining that the acquisition raised no antitrust concerns. Formal clearance was granted on March 17, 2025 (local time). The Tender Offeror further informed the Company that all other preconditions for launching the tender offer had been satisfied and that the tender offer would commence on March 24, 2025. No preconditions were waived. The Special Committee was also notified of this development.

In response, the Special Committee convened its 22nd meeting on March 21, 2025, to determine whether any material developments since December 19, 2024, warranted a revision of its previous opinion. After reviewing the facts, the Committee concluded that no such changes had occurred and that

there were no grounds to alter its prior assessment. It accordingly issued a reaffirmation of its opinion to the Board on the same day.

Taking into consideration this additional opinion, and after reevaluating the transaction in light of any subsequent developments in the Company's business and external environment, the Board of Directors concluded that the rationale and objectives of the transaction remained valid and unchanged. Therefore, at its meeting held on March 21, 2025, the Board reaffirmed its support for the tender offer and again recommended that shareholders and holders of stock acquisition rights tender their respective holdings.

For details on this Board resolution, please refer to Section 3, "Basis for the Amount of Cash to Be Delivered to Shareholders Due to the Disposal of Fractional Shares in Connection with the Share Consolidation," subsection (3), item ⑥, "Approval by Disinterested Directors (Including Audit and Supervisory Committee Members)."

Although the tender offer was successfully completed, the Tender Offeror's voting rights ratio did not reach the 90% threshold. In accordance with the policy previously announced in the Company's opinion statement and upon the request of the Tender Offeror, the Company resolved at its Board of Directors meeting held today, to implement a share consolidation aimed at making the Tender Offeror the sole shareholder and delisting the Company.

As outlined in Section 2, "Outline of the Share Consolidation," the proposed consolidation will convert 2,800,000 shares into one share. A resolution to approve the share consolidation will be submitted at an extraordinary general meeting of shareholders. As a result, all shares held by shareholders other than the Tender Offeror are expected to be converted into fractional shares of less than one whole share.

2. Summary of the Share Consolidation

(1) Schedule of the Share Consolidation

① Public Notice Date for Record Date of Extraordinary Shareholders Meeting	May 16, 2025
② Record Date for Extraordinary Shareholders Meeting	May 31, 2025
③ Board of Directors Resolution Date	June 26, 2025
④ Date of Extraordinary Shareholders Meeting	July 28, 2025 (Scheduled)
⑤ Designation Date as Securities to Be Delisted	July 28, 2025 (Scheduled)
⑥ Final Trading Date of Company Shares	August 27, 2025 (Scheduled)
⑦ Delisting Date of Company Shares	August 28, 2025 (Scheduled)
⑧ Effective Date of Share Consolidation	September 1, 2025 (Scheduled)

(2) Details of the Share Consolidation

- ① Type of Shares to Be Consolidated
Common Stock

- ② Consolidation Ratio
2,800,000 shares of the Company's common stock will be consolidated into one share.

- ③ Decrease in Total Number of Issued Shares
13,006,639 shares

Note: At the meeting of its Board of Directors held today, the Company resolved to cancel, effective as of September 1, 2025, all treasury shares held by the Company immediately prior to the effective time of

the share consolidation—excluding shares acquired in connection with the exercise of dissenting shareholders’ rights pursuant to Article 182-4, Paragraph 1 of the Companies Act—after deducting any treasury shares sold by the Company pursuant to the right to demand purchase under Article 194 of the Companies Act.

Accordingly, from the 612,262 treasury shares held by the Company as of May 31, 2025, 9,910 shares scheduled to be transferred in connection with the exercise of stock acquisition rights by employees and others before the delisting date have been deducted. As a result, 602,352 treasury shares will be excluded from the total number of issued shares as of the effective date of the share consolidation.

④ Total Number of Issued Shares Before the Effective Date
13,006,643 shares

⑤ Total Number of Issued Shares After the Effective Date
4 shares

⑥ Total Number of Authorized Shares on the Effective Date
16 shares

⑦ Treatment of Fractions Less Than One Share and Expected Cash Proceeds

(i) Legal Basis and Reason for the Treatment

As noted in “1. Purpose and Reasons for the Share Consolidation,” following the Share Consolidation, all shareholders other than the Tender Offeror are expected to hold less than one full share. These fractional shares (with fractions resulting from aggregation rounded down) will be aggregated and sold. Proceeds from the sale will be distributed to shareholders in proportion to their respective fractional holdings.

Given that the Company’s shares are scheduled for delisting as of August 28, 2025, and will no longer be traded on a public market, it is unlikely that buyers for these shares would be found through an auction process. Therefore, pursuant to Article 234, Paragraph 2 of the Companies Act, as applied *mutatis mutandis* under Article 235, Paragraph 2, the Company intends to sell the fractional shares to the Tender Offeror—subject to court approval.

If court approval is obtained, the sale price will be set such that the proceeds delivered to shareholders reflect the number of shares held multiplied by ¥4,000 per share (equivalent to the Tender Offer price), based on the shareholder register as of August 31, 2025, the day prior to the effective date of the Share Consolidation. Please note that the actual distribution amount may differ slightly due to court decision outcomes or rounding adjustments.

(ii) Expected Purchaser of the Fractional Shares

LINE Yahoo Corporation

(iii) Funding Method and Adequacy

The Tender Offeror plans to fund the purchase entirely through its own resources. As of March 31, 2025, its consolidated cash and cash equivalents totaled approximately ¥1.043 trillion, equivalent to roughly 6.5 months of liquidity. After allocating approximately ¥50 billion for the Tender Offer, the expected remaining liquidity will be about ¥993.9 billion.

The Company has confirmed this funding capacity with the Tender Offeror, who has stated that there are no current or anticipated events that would hinder payment. The Company thus considers the funding method appropriate.

(iv) Expected Timing of Sale and Distribution to Shareholders

After the Share Consolidation becomes effective, the Company plans to file a petition with the court in early October 2025 for approval to sell the total fractional shares to the Tender Offeror.

While the timing of the court's decision may vary, the sale is expected to be completed by late November 2025. Following the sale and necessary preparations, cash distributions to shareholders are scheduled for early January to early February 2026.

The Company believes this timeline reasonably reflects the steps needed to complete the share sale and subsequent distribution of proceeds.

3. Basis for the Cash Amount Expected to Be Delivered to Shareholders as a Result of the Share Consolidation's Fractional Share Treatment

(1) Basis and Reasoning Behind the Expected Cash Amount to Be Delivered to Shareholders

① Matters Considered to Avoid Harming the Interests of Shareholders Other Than the Parent Company (if any):

The Company is not a subsidiary of the Tender Offeror, and the Tender Offer does not fall under the category of a tender offer by a controlling shareholder. In addition, no members of the Company's management team are expected to directly or indirectly invest in the Tender Offeror, and the transaction, including the Tender Offer, does not constitute a so-called management buyout (MBO).

However, as the Tender Offer forms part of a series of transactions intended to make the Company a wholly owned subsidiary of the Tender Offeror, both parties have implemented measures to ensure the fairness of the transaction, including the Tender Offer. These measures were taken to ensure the appropriateness of the Tender Offer Price, eliminate arbitrariness in the decision-making process, and prevent conflicts of interest.

② Method for Handling Shares Less Than One Unit and Reasonableness of the Cash Amount Expected to Be Delivered to Shareholders Through Such Handling

The amount of cash expected to be delivered to shareholders through the fractional share treatment is, as noted in "2. Outline of Share Consolidation," subsection "(2) Details of Share Consolidation," item "(vii) Method for Handling Shares Less Than One Unit and the Cash Amount Expected to Be Delivered to Shareholders Through Such Handling," to be calculated by multiplying the number of shares held by shareholders recorded in the final shareholder register as of August 31, 2025 (the day before the effective date of the share consolidation), by the Tender Offer Price of ¥4,000 per share.

The Tender Offer Price of ¥4,000 is considered reasonable for the following reasons:

(a) As described in "(3) Measures to Ensure the Fairness of the Transaction and to Avoid Conflicts of Interest," item "(ii) Obtaining a Share Valuation Report from an Independent Third-Party Appraiser," the share valuation report (prepared by Daiwa Securities) shows that the Tender Offer Price exceeds the upper limit of the valuation range under the market price method and also exceeds the upper limit under the discounted cash flow method (DCF method).

(b) The Tender Offer Price represents premiums of 18.69% over the closing price of ¥3,370 on the Tokyo Stock Exchange Prime Market on December 18, 2024 (the business day before the Tender Offer was announced), 14.88% over the one-month average closing price of ¥3,482, 30.46% over the three-month average of ¥3,066, and 44.35% over the six-month average of ¥2,771. While these premium levels are not necessarily higher than the average premiums in comparable cases—where the Ministry of Economy, Trade and Industry's "Fair M&A Guidelines" (published June 28, 2019) show that among 45 comparable privatization cases (excluding share buybacks, discounted tender offers, and MBOs), the average premiums were 54.4% (1-day), 55.4% (1-month), 58.4% (3-month), and 58.9% (6-month)—and

the median premiums were 44.6%, 41.5%, 45.8%, and 53.0% respectively, it is nonetheless deemed appropriate to consider a longer time horizon given that the Company's stock was experiencing an upward trend. In fact, the most frequent premium range for both 3-month and 6-month averages was 30–40%, appearing in 10 cases, indicating that the Tender Offer Price includes a reasonable premium relative to historical averages.

(c) As stated in “(3) Measures to Ensure the Fairness of the Transaction and Avoid Conflicts of Interest, etc. — (v) Establishment of a Special Committee and Receipt of Its Report,” the independent special committee concluded that the terms of the transaction, including the Tender Offer Price, were reasonable.

(d) As described throughout the same section, appropriate measures were taken to ensure the fairness of the Tender Offer, including active involvement of the special committee independent from the Tender Offeror, the initial proposal party, the Company, and the tendering shareholders. The final Tender Offer Price was determined after thorough negotiations, which supports the view that the price is reasonable for shareholders.

Based on these considerations, the Company's Board of Directors determined that the terms and conditions of the Tender Offer, including the Tender Offer Price, are appropriate and that the Tender Offer provides a fair opportunity for shareholders to sell their shares.

Moreover, after expressing its support for the Tender Offer and recommending that shareholders tender their shares at the December 19, 2024 board meeting, the Company confirmed—at the time of its board resolution today to convene an extraordinary general meeting—that no material changes had occurred in the conditions underpinning the calculation of the Tender Offer Price.

Accordingly, the Company has concluded that the amount of cash expected to be delivered to shareholders through the fractional share treatment is appropriate.

③ Significant Disposal of Assets, Assumption of Major Liabilities, or Other Events Materially Affecting the Company's Financial Position After the End of the Most Recent Fiscal Year

(i) The Tender Offer

As described in “1. Purpose and Reason for the Share Consolidation,” the Tender Offeror conducted the Tender Offer during the period from March 24, 2025, to May 7, 2025. As a result, as of May 14, 2025, the settlement commencement date of the Tender Offer, the Tender Offeror came to hold 11,335,722 shares of the Company's stock, etc.

(ii) Non-Distribution of Year-End Dividend

As announced in the press release titled “Notice Regarding Non-Payment of Surplus Dividend” dated December 19, 2024, the Company resolved at the Board of Directors meeting held on the same date not to distribute a year-end dividend for the fiscal year ended September 2025. Please refer to the aforementioned release for further details.

(iii) Cancellation of Treasury Shares

At the meeting of its Board of Directors held today, the Company resolved to cancel, effective as of September 1, 2025, all treasury shares held by the Company immediately prior to the effective time of the share consolidation, excluding those to be acquired in connection with the purchase of shares from dissenting shareholders pursuant to Article 182-4, Paragraph 1 of the Companies Act, and after deducting the number of treasury shares sold by the Company pursuant to the right to demand purchase under Article 194 of the Companies Act. This cancellation of treasury shares is conditional upon the approval, as originally proposed, of the share consolidation agenda item at the upcoming Extraordinary General Meeting of Shareholders.

(2) Expected Delisting of Shares

① Delisting

As stated in “1. Purpose and Reason for the Share Consolidation,” the Company plans to implement the Share Consolidation, subject to approval at the Extraordinary General Meeting of Shareholders. As a result, the Tender Offeror will become the sole shareholder of the Company. Consequently, pursuant to the delisting criteria of the Tokyo Stock Exchange, the Company’s shares are expected to be delisted following the prescribed procedures. The shares will be designated as securities to be delisted from July 28, 2025, through August 27, 2025, and are expected to be delisted on August 28, 2025. After delisting, the Company’s shares will no longer be tradable on the Tokyo Stock Exchange.

② Purpose of the Delisting

As noted in “1. Purpose and Reason for the Share Consolidation,” the Company has determined that taking the Company private through the Transaction will contribute to enhancing its corporate value.

③ Impact on Minority Shareholders and the Company’s View

As described in “(3) Measures to Ensure the Fairness of the Transaction and to Avoid Conflicts of Interest,” under item “③ Establishment of an Independent Special Committee by the Company and Receipt of Its Opinion (Advisory Report),” the Company consulted with the Special Committee regarding whether the Transaction would be detrimental to the Company’s minority shareholders. The Company received an advisory report stating that the Transaction is not considered disadvantageous to the Company’s minority shareholders.

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

The Tender Offeror and the Company have determined that the Tender Offer, including the overall Transaction, does not constitute a so-called management buyout (MBO). However, as the purpose of the Tender Offer includes making the Company a wholly owned subsidiary of the Tender Offeror, both parties have implemented the following measures to ensure the fairness of the Transaction, including the Tender Offer, and to eliminate arbitrariness in the decision-making process and avoid conflicts of interest, particularly with respect to ensuring the fairness of the Tender Offer Price.

The descriptions of measures taken by the Tender Offeror are based on explanations received from the Tender Offeror.

① Obtaining a Share Valuation Report from an Independent Third-Party Valuation Institution by the Tender Offeror

To ensure the fairness of the Tender Offer Price, the Tender Offeror retained Mizuho Securities Co., Ltd. as a financial advisor and third-party valuation institution independent of the Tender Offeror, the Initial Proposer, the Company, and the shareholders participating in the Tender Offer, and requested a valuation of the Company’s shares. The Tender Offeror obtained a share valuation report (the “Share Valuation Report (Mizuho Securities)”) dated December 18, 2024, and referred to it in determining the Tender Offer Price.

Mizuho Securities, after reviewing the Company’s financial condition and the market price trends of the Company’s shares, deemed it appropriate to adopt a multi-faceted valuation approach. As a result, it applied both the Market Price Method and the Discounted Cash Flow (DCF) Method to evaluate the value of the Company’s shares. However, the Tender Offeror did not obtain a fairness opinion on the Tender Offer Price from Mizuho Securities, based on a comprehensive consideration of the elements described in “(6) Measures to Ensure the Fairness of the Transaction and to Avoid Conflicts of Interest” in the press

release expressing support and recommendation to apply to the tender offer, and the belief that sufficient consideration was given to the interests of the Company's minority shareholders.

The valuation methods adopted and the respective per-share valuation ranges in the Share Valuation Report (Mizuho Securities) are as follows:

Market Price Method: ¥2,711 to ¥3,482

DCF Method: ¥3,805 to ¥4,934

Under the Market Price Method, the valuation date was set as December 18, 2024 (the business day preceding the announcement of the Tender Offer). The per-share valuation range was calculated based on the Company's closing price of ¥3,370 on the Tokyo Stock Exchange Prime Market on that date, the simple average of the closing prices over the past one month of ¥3,482, the past three months of ¥3,066, and the past six months of ¥2,711, resulting in a per-share value range of ¥2,711 to ¥3,482.

Under the DCF method, the valuation was based on the business plan of the Company for the fiscal years ending September 2024 through September 2028, as provided by the Company. This plan was adjusted by the Tender Offeror to reflect recent business performance trends, the results of due diligence conducted by the Tender Offeror from late October to late November 2024, publicly available information, and the anticipated synergies expected to be realized through the execution of the Transaction. Based on the adjusted future earnings projections of the Company, the free cash flows expected to be generated from the fiscal year ending September 2025 onwards were discounted to present value using an appropriate discount rate to estimate the Company's corporate and equity value. As a result, the per-share equity value of the Company was calculated to range from ¥3,805 to ¥4,934. The business plan underlying this DCF valuation assumes the implementation of the Transaction and reflects the anticipated synergy effects thereof.

The business plan includes fiscal years with substantial expected fluctuations in earnings. Specifically, in the fiscal year ending September 2025, a temporary decline in operating profit is expected due to increased promotional expenses and costs aimed at the early realization of synergies. Conversely, in the fiscal year ending September 2026, a significant year-on-year increase in operating profit is anticipated due to projected growth in distribution and the realization of synergies. Regarding free cash flow, the Company expects a temporary decline in the fiscal year ending September 2025 due to the aforementioned decline in operating profit and capital expenditures associated with the relocation of its headquarters. However, in the fiscal year ending September 2026, free cash flow is expected to increase significantly year-on-year due to the elimination of these one-time factors and the realization of synergies.

In determining the final Tender Offer Price of ¥4,000, the Tender Offeror comprehensively considered the valuation results in the Share Valuation Report (Mizuho Securities), the results of due diligence conducted from late October to late November 2024, market trends in the Company's share price, the likelihood of the Company's Board of Directors expressing support for the Tender Offer, and the expected response from shareholders. The final decision was made at the Tender Offeror's Board of Directors meeting held on December 19, 2024.

The Tender Offer Price of ¥4,000 represents a premium of 18.69% over the Company's closing share price of ¥3,370 on the Tokyo Stock Exchange Prime Market on the business day immediately prior to the announcement, 14.88% over the one-month simple average of ¥3,482, 30.46% over the three-month simple average of ¥3,066, and 44.35% over the six-month simple average of ¥2,771. Additionally, compared to the Company's closing share price of ¥3,985 on March 19, 2025 (the business day immediately preceding the announcement of the commencement of the Tender Offer), the Tender Offer Price represents a premium of 0.38%.

As of December 19, 2024, all outstanding stock acquisition rights of the Company had exercise prices lower than the Tender Offer Price of ¥4,000 per share (Series 11: ¥1,737, Series 12 and 13: ¥1,071, Series 14: ¥3,730, Series 15: ¥2,526, Series 16: ¥2,339), and all were exercisable under their respective conditions. The Tender Offeror therefore determined that the purchase price for each stock acquisition right would be calculated as the difference between the Tender Offer Price of ¥4,000 and the exercise price per share for each respective series, multiplied by the number of shares each right entitles the holder to acquire. (e.g., Series 11: ¥2,263, Series 12 and 13: ¥2,929, Series 14: ¥270, Series 15: ¥1,474, Series 16: ¥1,661). As this calculation method was used to determine the repurchase prices for the stock acquisition rights, the Tender Offeror did not obtain a separate valuation or fairness opinion from a third-party institution.

Note: Mizuho Securities, in preparing the Share Valuation Report, relied on the information provided by the Company and the Tender Offeror as well as publicly available information, assuming such information to be accurate and complete and that no undisclosed material facts would affect the analysis. Mizuho Securities did not independently verify the accuracy of the information. Regarding financial forecasts, the Company's management prepared the forecasts based on their best judgment at the time, and the Tender Offeror's management reviewed and approved their use in the valuation. Mizuho Securities did not perform independent appraisals or assessments of the Company's assets or liabilities, including off-balance-sheet or contingent liabilities, nor did it request third-party appraisals. The valuation reflects information available as of December 18, 2024.

② Obtaining a Share Valuation Report from an Independent Third-Party Valuation Institution by the Company

The Company engaged Daiwa Securities Co. Ltd., an independent third-party valuation institution with no affiliations to the Tender Offeror, the prior proposer, the Company, or any of the shareholders tendering shares in the Tender Offer, to evaluate the equity value of the Company's shares. On December 18, 2024, the Company received a share valuation report (the "Share Valuation Report (Daiwa Securities)") from Daiwa Securities.

After considering the appropriate valuation approaches for the Tender Offer, Daiwa Securities concluded that, based on the premise of the Company as a going concern, a multifaceted evaluation of the Company's equity value would be appropriate. Given that the Company's shares are listed on the Tokyo Stock Exchange Prime Market, Daiwa Securities employed both the Market Price Method and the Discounted Cash Flow (DCF) Method to assess the equity value of the shares.

The per-share value ranges calculated using each method are as follows:

Market Price Method: ¥2,771 to ¥3,482

DCF Method: ¥2,908 to ¥3,755

Under the Market Price Method, using December 18, 2024 as the valuation reference date, Daiwa Securities determined a value range of ¥2,771 to ¥3,482 per share. This was based on the Company's closing share price on the Tokyo Stock Exchange Prime Market on the reference date (¥3,370), the one-month average closing price (¥3,482), the three-month average (¥3,066), and the six-month average (¥2,771).

Under the DCF Method, Daiwa Securities analyzed the Company's corporate and equity value by discounting to present value the free cash flows expected to be generated from the fiscal year ending September 2025 through the fiscal year ending September 2028. This analysis was based on the four-year business plan prepared by the Company (the "Business Plan"), which included revenue and investment projections, as well as publicly available information.

It should be noted that the DCF valuation excluded the Company's incubation business, as cash flow

projections for this segment would depend heavily on the timing and pricing of individual asset sales, which are highly influenced by external market conditions and therefore difficult to estimate. Instead, the value of this segment was assessed separately for each investment and added to the Company's total equity value. Additionally, the Business Plan did not include any fiscal years with substantial projected increases or decreases in earnings or free cash flows compared to the previous year. Moreover, the valuation did not reflect any potential synergies from the Transaction, as such effects could not be specifically quantified at the time of valuation.

Regarding stock acquisition rights (SARs), the purchase price for each right was calculated based on the Tender Offer Price by multiplying the difference between the Tender Offer Price and the exercise price of each SAR by the number of shares each SAR entitles the holder to acquire. Given that the SAR purchase price was derived directly from the Tender Offer Price, the Company did not obtain a separate third-party valuation report for the SARs.

Although all SARs are subject to the Company Board of Directors' approval for transfer, the Company plans to issue a blanket resolution at the commencement of the Tender Offer to approve transfers. This resolution would permit SAR holders to transfer their SARs to the Tender Offeror by tendering them in the Tender Offer—but only for SARs actually tendered and contingent upon the successful completion of the Tender Offer.

③ Obtaining a Share Valuation Report and Fairness Opinion from an Independent Third-Party Valuation Institution by the Special Committee

In the course of examining the matters entrusted to it, the Special Committee engaged Plutus Consulting Co., Ltd., an independent third-party valuation institution unaffiliated with the Tender Offeror, the prior proposer, the Company, or any tendering shareholders, to assess the value of the Company's shares and to provide a fairness opinion regarding the financial fairness of the transaction terms, including the Tender Offer Price, from the perspective of the Company's minority shareholders. On December 18, 2024, the Special Committee received both a share valuation report (the "Share Valuation Report (Plutus Consulting)") and a fairness opinion.

Plutus Consulting has no relationships of interest with the Tender Offeror, the prior proposer, the Company, or the shareholders participating in the Tender Offer, and has no material interest in the Tender Offer or the related transaction. Compensation for its services was paid in the form of a fixed fee, with no success fee or other contingent remuneration based on the completion of the transaction.

Plutus Consulting reviewed various valuation methods and concluded that, based on the assumption that the Company would continue as a going concern, a multifaceted analysis of the Company's equity value would be appropriate. Given the listing of the Company's shares on the Tokyo Stock Exchange Prime Market, Plutus Consulting adopted both the Market Price Method and the Discounted Cash Flow (DCF) Method in its assessment. The valuation ranges per share derived from these methods were as follows:

Market Price Method: ¥2,771 to ¥3,482

DCF Method: ¥3,469 to ¥4,752

Under the Market Price Method, the valuation was based on the Company's closing share price of ¥3,370 on December 18, 2024 (the reference date), as well as the simple average closing prices for the one-month, three-month, and six-month periods prior to that date, which were ¥3,482, ¥3,066, and ¥2,771, respectively. This resulted in a per-share valuation range of ¥2,771 to ¥3,482.

Under the DCF Method, Plutus Consulting based its analysis on the Company's business plan covering the four fiscal years ending September 2025 through September 2028. The analysis discounted the free cash

flows expected to be generated from fiscal year 2025 onward to present value using an appropriate discount rate, thereby estimating the Company's enterprise value and equity value. This resulted in a per-share valuation range of ¥3,469 to ¥4,752.

The business plan used for the DCF analysis excluded the Company's incubation business, as the financial projections for this segment would be significantly affected by the timing and pricing of individual asset sales, which are subject to external market factors and difficult to forecast. Instead, the value of the incubation business was assessed separately on an individual investment basis and added to the overall equity value. Furthermore, the business plan did not include any fiscal years in which material fluctuations in earnings or free cash flows were projected compared to previous years. Additionally, the business plan did not factor in any synergies expected from the execution of the transaction, as such synergies could not be specifically quantified at the time of the valuation.

(*Note) In conducting its valuation of the Company's shares, Plutus Consulting principally relied on information provided by the Company and publicly available data, under the assumption that all such materials and information were accurate and complete. Plutus Consulting did not independently verify the accuracy or completeness of this information. Furthermore, it did not independently evaluate or appraise the Company's assets or liabilities (including off-balance-sheet items or other contingent liabilities), nor did it request third-party valuations or appraisals. Regarding financial forecasts, Plutus Consulting assumed that the projections were reasonably prepared based on the best estimates and judgment of the Company's management as of the valuation date. However, Plutus Consulting conducted multiple interviews concerning the Company's business plan, which served as the basis for its valuation, and analyzed and reviewed the plan's contents. In addition, as noted in "⑤ Establishment of an Independent Special Committee by the Company and Receipt of the Special Committee's Report" below, the Special Committee confirmed the reasonableness of the business plan, including its underlying assumptions, content, and preparation process.

The Company has not obtained a valuation report from an independent third-party valuation institution regarding the purchase price of the stock acquisition rights, as the purchase price for each such right is calculated based on the difference between the Tender Offer Price and the exercise price of each stock acquisition right, multiplied by the number of Company shares underlying each right.

While the transfer of these stock acquisition rights requires the approval of the Company's Board of Directors, the Company plans to adopt a resolution at the commencement of the Tender Offer to grant blanket approval—subject to the successful completion of the Tender Offer—for the transfer of only those stock acquisition rights actually tendered in the Tender Offer by the respective holders.

On December 18, 2024, the Special Committee obtained a fairness opinion from Plutus Consulting stating that the Tender Offer Price of ¥4,000 per share is fair to the Company's general shareholders from a financial point of view (*Note). This fairness opinion is based on a valuation of the Company's shares using its four-year business plan covering the fiscal years ending September 2025 through September 2028 and concludes that the Tender Offer Price of ¥4,000 per share is financially fair to the Company's general shareholders.

This fairness opinion was issued following disclosures and explanations provided by the Company regarding the current status and future outlook of the Company Group's businesses. It also reflects the outcome of Plutus Consulting's valuation of the Company's shares, its discussions with the Company concerning the background, objectives, and specific details of the Tender Offer, and its review of the Company Group's business environment as well as macroeconomic, market, and financial conditions, within the scope deemed necessary. The opinion was also subject to internal review by a committee within

Plutus Consulting that was independent of the engagement team.

(Note) In preparing and issuing the Fairness Opinion and conducting the underlying valuation of the Company's shares, Plutus Consulting relied on information and materials provided by, or discussed with, the Company, as well as publicly available information, on the assumption that all such information and materials were accurate and complete and that there were no undisclosed facts that could materially affect the valuation. Plutus Consulting did not independently verify the accuracy or completeness of such information, nor was it obligated to do so.

The forecasts and related materials used in the valuation were prepared by the Company's management based on their best judgment and available information at the time. However, Plutus Consulting does not guarantee the achievability of such forecasts, nor does it express any view regarding the assumptions or analyses underlying them.

Plutus Consulting did not conduct any independent evaluation or appraisal of the assets or liabilities (including off-balance-sheet or contingent liabilities) of the Company or its affiliates, nor did it receive any such evaluations or appraisals from third-party institutions. Accordingly, it also did not assess the creditworthiness of the Company or its affiliates.

Plutus Consulting is not a legal, accounting, or tax expert and does not provide views or assume any responsibility regarding legal, accounting, or tax matters related to the Tender Offer.

The Fairness Opinion was issued solely to support the deliberations of the Special Committee in formulating its recommendations to the Company. It expresses a financial opinion only on the fairness, from a financial point of view, of the Tender Offer Price to the general shareholders of the Company. It does not address the relative merits of the Tender Offer compared to other possible transactions, the benefits that may be derived from implementing the Tender Offer, or whether the Tender Offer should be accepted or pursued.

The Fairness Opinion reflects Plutus Consulting's view, as of the issuance date, regarding the financial fairness of the Tender Offer Price to the general shareholders of the Company, based on the financial and capital market conditions, economic environment, and other factors then in effect, as well as the information available at that time. Plutus Consulting is under no obligation to revise, update, or supplement the Fairness Opinion in the event of subsequent changes. The opinion should not be interpreted as addressing any matters beyond those expressly stated or covering facts or events arising after the issuance date.

Plutus Consulting does not solicit investment in the Company and is not authorized to do so. The Fairness Opinion is limited to stating that the Tender Offer Price is not unfair and is financially fair to the general shareholders. It does not constitute a recommendation or advice regarding whether shareholders should tender their shares or take any other action with respect to the Tender Offer. It is not addressed to, nor intended for, holders of other Company securities, creditors, or other stakeholders. Plutus Consulting assumes no responsibility to shareholders or third parties who rely on the Fairness Opinion. The Fairness Opinion was provided solely for reference in the decision-making process of the Company's Board of Directors and the Special Committee concerning the Tender Offer Price, and no other party is entitled to rely on it.

The Special Committee has determined that, from the date of the Board of Directors meeting held on December 19, 2024, up to March 21, 2025, there have been no significant changes in the business environment surrounding the Company or in its medium- to long-term business outlook that would materially affect the assumptions underlying the Share Valuation Report (Plutus Consulting) or the Fairness Opinion. Based on advice received from Daiwa Securities and Nishimura & Asahi, the Special Committee believes that both the Share Valuation Report and the Fairness Opinion remain valid.

④ Legal Advice from an Independent Law Firm

To ensure the fairness and appropriateness of the decision-making process of the Company's Board of Directors, the Company appointed Nishimura & Asahi as its legal advisor. Nishimura & Asahi is independent from the Tender Offeror, the Initial Proposer, the Company, and the Tendering Shareholders, and provided legal advice regarding procedures, methodologies, and other legal considerations relevant to the Board's deliberations concerning the Tender Offer.

Nishimura & Asahi has confirmed that it is not a related party of the Tender Offeror, the Initial Proposer, the Company, or any of the Tendering Shareholders, and holds no material interest in the Tender Offer or the associated transactions. Additionally, Nishimura & Asahi's compensation structure does not include any success fees contingent upon the completion of the transaction.

⑤ Establishment of an Independent Special Committee and Receipt of Its Recommendation

(i) Background of Establishment

As stated in "1. Purpose and Reason for the Share Consolidation," the Company, in order to ensure a thorough and fair decision-making process regarding the Proposed Transaction and to eliminate arbitrariness, resolved at the Board of Directors meeting held on September 9, 2024, to establish a Special Committee. This committee consists of three outside directors—Mr. Naofumi Nishi, Ms. Haruka Osawa, and Mr. Yasukazu Joho—who are independent from both the Proposed Bidder and the Company. Mr. Nishi was appointed Chair of the Special Committee upon mutual agreement among the members.

The Board of Directors consulted the Special Committee for its opinion on the following matters, which form the basis for determining the Company's position on the Proposed Transaction:

- (i) The reasonableness of the purpose of the Proposed Transaction (including whether it contributes to enhancing the Company's corporate value);
- (ii) The fairness and appropriateness of the terms and conditions of the Proposed Transaction;
- (iii) The fairness of the procedures related to the Proposed Transaction;
- (iv) Whether the Proposed Transaction would be detrimental to minority shareholders; and
- (v) The appropriateness of the Board expressing its support for the Proposed Transaction and recommending that shareholders and stock acquisition right holders tender their securities in the Tender Offer.

The Board resolved to give maximum respect to the Special Committee's judgment when determining whether to support the Tender Offer. If the Special Committee found the Proposed Transaction to be inappropriate, the Board would not express support.

The Board also granted the Special Committee the following authorities: (i) To appoint or approve (including retroactively) the Company's financial advisors, third-party valuation institutions, legal advisors, and other professionals ("Advisors") and to seek advice from them as deemed necessary; (ii) To select its own Advisors at the Company's expense; (iii) To request attendance and explanations at meetings from directors, employees, or other relevant individuals; and (iv) To be actively involved in transaction negotiations, including confirming policies in advance, receiving reports, offering input at key stages, and issuing instructions or requests, with the Company expected to cooperate in ensuring such involvement.

Thereafter, as stated in "1. Purpose and Reason for the Share Consolidation," the Company resolved to expand the scope of matters referred to the Special Committee in the event that, in addition to the Proposal by the Tender Offeror, the Company were to receive the Initial Proposal and a competing proposal from a third party (hereinafter referred to as the "Competing Proposal"). The following items were added as matters for consultation with the Special Committee regarding the Proposed Transaction and any such Competing Proposal:

- (I) The rationality of the purpose of the Proposed Transaction and the Competing Proposal (including whether either would contribute to enhancing the Company’s corporate value);
- (II) The fairness and appropriateness of the terms and conditions of the Proposed Transaction and the Competing Proposal;
- (III) The fairness of the procedures related to the Proposed Transaction and the Competing Proposal;
- (IV) Whether the Proposed Transaction or the Competing Proposal would be detrimental to minority shareholders; and
- (V) Whether the Board of Directors should express its support for the Proposed Transaction or the Competing Proposal, and whether it should recommend that shareholders and holders of stock acquisition rights tender their securities in the corresponding tender offer (collectively, the “Consultation Matters”).

Additionally, at the Board of Directors meeting held on December 19, 2024, the Company resolved that, upon commencement of the Tender Offer, the Board would consult the Special Committee to determine whether there had been any changes to the opinion expressed in the Committee’s recommendation dated December 19, 2024. If no changes had occurred, the Committee would reconfirm its original opinion; otherwise, it would provide a revised opinion. Based on this updated opinion, the Company’s Board of Directors would again express its position on the Tender Offer at the time of its commencement.

In connection with this resolution, the Company reviewed its advisory structure and confirmed that no issues existed, as Nishimura & Asahi, Daiwa Securities, and Plutus Consulting were all independent of the Tender Offeror and the tendering shareholders.

Furthermore, of the Special Committee members, Mr. Naofumi Nishi and Ms. Haruka Osawa completed their terms as outside directors at the conclusion of the Company’s 25th Annual General Meeting of Shareholders held on December 20, 2024. However, as both individuals were reappointed as outside directors at the same shareholders meeting, they continued to serve as members of the Special Committee.

Each member of the Special Committee receives fixed compensation for their duties, regardless of the Committee’s opinion. No success-based fees contingent upon the completion of the Proposed Transaction are included. However, in the event that total committee meeting hours exceed 20 hours, additional compensation may be considered.

(ii) Review Process

In the course of preparing its recommendation on the Consultation Matters, the Special Committee convened a total of 21 times between October 2, 2024, and December 18, 2024. All three members attended each meeting, with the cumulative meeting time totaling approximately 16 hours. These meetings were utilized to receive reports, exchange information, deliberate, and reach decisions. In addition to these formal meetings, the Committee also communicated through email and other channels between sessions to ensure a comprehensive and diligent review of the Consultation Matters.

At its October 2, 2024 meeting, the Special Committee confirmed that Daiwa Securities, the Company’s third-party valuation advisor and financial advisor, and Nishimura & Asahi, the Company’s legal advisor, were both independent and sufficiently qualified to provide professional advice. Accordingly, the Committee formally approved the engagement of these firms for advisory support. Additionally, in the exercise of its authority to appoint independent advisors, the Committee resolved on October 10, 2024, to engage Plutus Consulting—an independent third-party valuation advisor unaffiliated with both the Tender Offeror and the Company—after confirming its independence, expertise, and professional track record.

Following this decision, the Company again reviewed its advisory framework and reconfirmed that Nishimura & Asahi, Daiwa Securities, and Plutus Consulting were each independent from the Tender

Offeror and tendering shareholders, and thus concluded there were no issues with the advisory structure.

The Special Committee subsequently received legal advice from Nishimura & Asahi regarding various aspects of the Proposed Transaction, including measures to ensure fairness and to mitigate conflicts of interest. This advice was provided based on the firm's independent position and legal expertise. The Committee also submitted a set of questions to the Tender Offeror and conducted a direct Q&A session, during which the Tender Offeror provided explanations on the background and objectives of the Proposed Transaction, post-transaction management policies, governance structure, and key procedural and contractual terms.

Following this series of thorough deliberations and analysis, the Special Committee unanimously issued a written recommendation to the Company's Board of Directors dated December 19, 2024, expressing its views on the Consultation Matters.

(iii) Judgment Summary

Based on the foregoing review process and taking into consideration the legal advice received from Nishimura & Asahi, financial analysis provided by Plutus Consulting, and the contents of the stock valuation report and fairness opinion dated December 18, 2024, submitted by Plutus Consulting, the Special Committee conducted a careful and thorough examination of the Consultation Matters. As a result, the Committee submitted a written recommendation dated December 19, 2024.

(a) Contents of the Recommendation

- I. The purpose of the Proposed Transaction is deemed to contribute to the enhancement of the Company's corporate value and is considered justifiable and reasonable.
- II. The procedural fairness of the Proposed Transaction has been ensured, and it is recognized that appropriate steps have been taken through fair processes to safeguard the interests of the Company's shareholders.
- III. Even in comparison with the terms of the Preceding Transaction Proposal, the terms of the Proposed Transaction—including the Tender Offer Price—are considered fair and reasonable.
- IV. The Proposed Transaction is not deemed to be detrimental to the Company's minority shareholders.
- V. It is considered appropriate for the Board of Directors to express its support for the Tender Offer and to recommend that the Company's shareholders tender their shares in response to the Offer.

(b) Reasoning Behind the Recommendation

I. Rationale for the Proposed Transaction

The Committee recognizes that the Proposed Transaction is likely to enhance the Company's corporate value and considers its purpose to be reasonable for the following reasons:

A) The Company's recognition of key management challenges is reasonable, including the following points:

- The Company's Global Commerce business has steadily expanded by acquiring overseas customers interested in Japanese products, primarily through collaboration with major domestic platforms and over 6,000 e-commerce sites. However, further expansion of domestic partnerships appears to be reaching its limit.
- Despite strong overseas demand for Japanese content-related merchandise—the Company's core commerce offering—the business has not fully captured this demand due to language barriers and related constraints.
- Given the fast-paced changes in the internet industry, the Company must continue to

- develop or acquire new businesses to maintain long-term group profitability.
 - The Company currently lacks a formal framework for employee training and career development aimed at enhancing workforce capabilities.
- B) Furthermore, the Committee found no issues in the Company's explanation—substantiated by a Q&A session—regarding the synergies and value-enhancing effects expected from the transaction. Specific points of value included:
- Proposed initiatives by the Tender Offeror, such as expanding product offerings aimed at foreign markets, conducting joint marketing efforts targeting overseas consumers, and collaborating on anti-fraud measures, are expected to contribute positively to the Company's value.
 - Post-transaction integration of engineering capabilities in data security and infrastructure between the Tender Offeror's group and the Company's group is anticipated to foster human resource development.
 - The Tender Offeror has maintained a business relationship with the Company since its founding and is currently its largest and most profitable customer, laying a strong foundation for future synergies.
 - While the transaction may pose risks such as competitors hesitating to transact with the Company, these potential dis-synergies are considered manageable in light of the expected growth of the cross-border e-commerce segment.
- C) The Committee judged the Company's views on synergy effects to be reasonable and found no material issues with the assessment process. Accordingly, it concluded that the Proposed Transaction would contribute to the Company's mid- to long-term corporate value enhancement.

II. Fairness of the Procedures Related to the Transaction

The Special Committee has concluded that appropriate procedures consistent with the key fairness assurance principles outlined in the Fair M&A Guidelines have been implemented in connection with the Transaction. The process is free from unreasonable elements, and it is therefore determined that procedural fairness has been ensured.

- A) First, regarding the structure and functioning of the Special Committee, the Company established an independent committee in accordance with the primary recommendations of the Fair M&A Guidelines, and this committee functioned effectively. Specifically:
- The Special Committee was engaged from the early stages of formulating the transaction terms.
 - All members of the Special Committee who deliberated and voted on the Transaction were independent from the Company and all parties involved, with no concerns regarding their qualifications.
 - Independent outside directors played a substantive role in the establishment of the Committee, including decisions related to its authority, responsibilities, member selection, and compensation.
 - The Special Committee was substantively involved in the negotiation process with both the Initial Proposer and the Tender Offeror regarding transaction terms.
 - The Committee had access to professional advice from Company-appointed advisors possessing high levels of expertise and independence, whose appointments were approved by the Committee. Additionally, the Committee independently retained a third-party valuation firm to obtain a professional assessment of corporate value, thereby ensuring

timely and appropriate access to expert insight.

- The Committee was provided with important information, including non-public materials, and its deliberations were based on this information.
- Committee members received fixed compensation appropriate to their responsibilities; no incentive-based fees that could compromise their independence were included.
- The Company's Board of Directors was structured to appropriately understand and give due respect to the determinations of the Special Committee, consistent with its intended role.

B) Second, the Company's Board of Directors and the Special Committee obtained independent expert advice during the review process in line with the recommendations of the Fair M&A Guidelines:

- From the early stages, the Company appointed Nishimura & Asahi as an independent legal advisor and received legal guidance throughout the process.
- Both the Board and the Special Committee received a stock valuation report and fairness opinion from a third-party valuation firm, with no material concerns regarding its independence.

C) Third, regarding market checking and competitive fairness:

- The Company confirmed acquisition interest from multiple parties and carried out a bidding process involving several potential acquirers, reflecting a proactive market check.
- The period between the announcement and the commencement of the Tender Offer was longer than the standard 30-business-day period, allowing sufficient time for potential counteroffers. In addition, the tender offer agreement provides mechanisms for engagement with competing proposals and permits the withdrawal of the Board's recommendation, fostering a competitive bidding environment.
- There were no material disparities in the scope or nature of information disclosed to the Initial Proposer and the Tender Offeror, demonstrating compliance with Fair M&A Guidelines regarding information fairness.

D) Fourth, the Company plans to appropriately disclose information relevant to the procedural fairness of the Transaction to general shareholders, including the existence of the Special Committee, the share valuation report, and other pertinent details, in accordance with recommendations under the Fair M&A Guidelines.

E) Fifth, with respect to the squeeze-out procedures contemplated in connection with the Transaction, no mechanisms have been adopted that would deprive dissenting shareholders of their rights to demand a share purchase or seek a price determination. Furthermore, it is expected that appropriate disclosure will be made regarding (i) the planned implementation of the squeeze-out process following the successful completion of the Tender Offer and (ii) the fact that the amount to be paid to shareholders who do not tender their shares will be equivalent to the Tender Offer Price multiplied by the number of shares held. These considerations help ensure that undue pressure is not placed on general shareholders and further support the procedural fairness of the Transaction.

III. Fairness and Reasonableness of the Transaction Terms

The Special Committee has determined that the terms of the Transaction are fair and reasonable, based on the following factors demonstrating that the Company's corporate value has been appropriately evaluated.

A) Negotiation Process of the Transaction Terms

- The terms of the Transaction were determined through a competitive bidding process

conducted by the Company. During this process, at the request of the Special Committee, multiple rounds of negotiations were held between the Company and the Tender Offeror. These negotiations resulted in meaningful concessions from the Tender Offeror and culminated in a final agreement.

- The negotiation process is considered fair, conducted between independent parties, and structured to ensure that the terms were aligned with the objective of enhancing corporate value while avoiding any disadvantage to minority shareholders.

B) Valuation Results by the Company-Selected Third-Party Valuation Firm

- Daiwa Securities, acting as the third-party valuation firm appointed by the Company, assessed the per-share value of the Company's shares as ranging from ¥2,771 to ¥3,482 under the Market Price Method, and from ¥2,908 to ¥3,755 under the DCF Method.
- The Special Committee received explanations from Daiwa Securities regarding the applied valuation methodologies and conducted a Q&A session. No specific concerns were identified with respect to the methods, process, or outcomes of the valuation.

C) Valuation Results by the Special Committee-Selected Third-Party Valuation Firm

- Plutus Consulting, independently appointed by the Special Committee as its third-party valuation firm, calculated a per-share value range of ¥2,771 to ¥3,482 under the Market Price Method, and ¥3,469 to ¥4,752 under the DCF Method.
- On December 18, 2024, the Special Committee obtained a fairness opinion from Plutus Consulting stating that the Tender Offer Price is financially fair to the Company's general shareholders. The procedures followed and the contents of the fairness opinion presented no material concerns, and thus support the appropriateness of the Tender Offer Price.
- The Special Committee also received detailed briefings from Plutus Consulting on its valuation methodologies and processes and conducted a Q&A session, during which no material issues were identified.

D) Appropriateness of Other Transaction Terms

- The squeeze-out procedure anticipated following the Tender Offer does not involve any mechanism that would deprive dissenting shareholders of their statutory rights to seek appraisal or demand share repurchase. It is expected to be disclosed that: (i) a squeeze-out will be implemented upon the successful completion of the Tender Offer; and (ii) shareholders who do not tender their shares will receive a cash payment equal to the Tender Offer Price multiplied by the number of shares held.
- These provisions ensure that shareholders who do not participate in the Tender Offer are not placed at a disadvantage, and the terms of the squeeze-out procedure are therefore considered to be fair and reasonable. Additionally, the Special Committee did not identify any other terms of the Transaction that would raise concerns regarding fairness or reasonableness.

IV. Determination That the Transaction Is Not Detrimental to Minority Shareholders

- As detailed above, the objectives of the Transaction are deemed reasonable, the procedures conducted in connection with the Transaction are fair, and the terms of the Transaction have been evaluated as fair and appropriate. Accordingly, the Special Committee has determined that the implementation of the Transaction is not detrimental to the Company's minority shareholders.

V. Opinion on the Appropriateness of the Board of Directors Expressing Support for the

Transaction and Recommending Shareholders and Stock Option Holders to Tender Their Shares

- In light of the expectation that the Transaction will contribute to the enhancement of the Company's corporate value, the reasonableness of its purpose, the fairness and appropriateness of its terms, and the integrity of the procedures leading to the Transaction, the Special Committee considers it appropriate for the Company's Board of Directors to express its support for the Tender Offer. Furthermore, the Special Committee deems it appropriate for the Board to recommend that the Company's shareholders and holders of stock acquisition rights tender their securities in the Tender Offer.
- It should be noted, however, that a period exists between the public announcement and the commencement of the Tender Offer, during which market conditions may change—such as an increase in the market price of the Company's shares relative to the Tender Offer Price—potentially warranting a reassessment. Therefore, the above opinion with respect to item V of the Consultation Matters is provided based on the circumstances as of the date of the opinion letter, December 19, 2024.

Subsequently, on February 7, 2025, the Tender Offeror completed all necessary procedures and received all required clearances under Japan's competition laws. On the same day (local time), a pre-merger notification was submitted to and accepted by the Taiwan Fair Trade Commission. On March 18, 2025, the Company received confirmation from the Tender Offeror that the Taiwan Fair Trade Commission had issued a written decision, dated March 14, 2025 (local time), indicating no concerns regarding competitive restrictions. The Tender Offeror received this decision on March 17, 2025 (local time), thereby completing all procedures required under Taiwan's competition regulations. The Company was subsequently informed by the Tender Offeror that all conditions precedent to the commencement of the Tender Offer had been satisfied, and that the Tender Offer was scheduled to commence on March 24, 2025. This update was also reported to the Special Committee.

Thereafter, at its 22nd meeting held on March 21, 2025, the Special Committee assessed whether any material changes or developments had occurred since December 19, 2024 to March 21, 2025, that could affect its evaluation of the Transaction. Upon review, the Committee found no grounds for revising its previous opinion and therefore submitted an additional opinion letter to the Board of Directors on March 21, 2025, reaffirming its original recommendation.

⑥ Approval by Directors Without Conflicts of Interest (Including Audit and Supervisory Committee Members)

The Company's Board of Directors carefully deliberated and reviewed the Transaction based on legal advice from Nishimura & Asahi, financial advice from Daiwa Securities, the share valuation report prepared by Daiwa Securities, the valuation report and fairness opinion submitted to the Special Committee by Plutus Consulting, the results of multiple rounds of discussions with the Tender Offeror, and related materials. The Board fully respected the contents of the Special Committee's recommendation dated December 19, 2024, and considered the matter from the perspectives of enhancing the Company's corporate value and ensuring the appropriateness of the transaction terms.

As described in "1. Purpose and Reason for the Share Consolidation," the Board determined that the value-enhancement initiatives proposed by the Tender Offeror—namely, (i) expanding the Company's product offerings for overseas markets and (ii) leveraging the data and expertise of both parties in marketing—would contribute to the Company's long-term corporate value. Furthermore, the Tender Offer Price was deemed appropriate based on the aforementioned legal and financial analyses. The purchase price for the stock acquisition rights was also considered reasonable, as it was calculated by multiplying the number of shares underlying each right by the difference between the Tender Offer Price and the exercise

price of the rights.

Accordingly, the Board determined that the Tender Offer provides shareholders with a reasonable opportunity to sell their shares. At its meeting held on December 19, 2024, all participating directors, including members of the Audit and Supervisory Committee, unanimously resolved to express support for the Tender Offer and to recommend that shareholders and holders of stock acquisition rights tender their shares and rights in the offer.

At the same meeting, the Board also resolved to consult the Special Committee again upon commencement of the Tender Offer to verify whether there had been any changes to its recommendation of December 19, 2024. If the Committee's opinion remained unchanged, the Board would reaffirm its original position; if the Committee revised its recommendation, the Board would consider updating its opinion accordingly.

All eight directors, including Audit and Supervisory Committee members, participated in and unanimously approved this resolution. None of the directors had any material interest in the Tender Offer or the related transactions.

On February 17, 2025, the Tender Offeror completed all necessary procedures under Japanese competition law. Additionally, a pre-merger notification regarding the share acquisition was submitted to the Taiwan Fair Trade Commission on February 7, 2025 (local time) and was accepted on the same day. On March 18, 2025, the Company was informed by the Tender Offeror that the Commission had issued a letter dated March 14, 2025 (local time), stating that the proposed transaction raised no competitive concerns. The Tender Offeror received this letter on March 17, 2025 (local time), thereby completing all regulatory procedures required under Taiwan's competition laws. The Tender Offeror subsequently informed the Company that, as all preconditions to the Tender Offer had been satisfied and none had been waived, the Tender Offer was scheduled to commence on March 24, 2025. This update was also reported to the Special Committee.

At its 22nd meeting held on March 21, 2025, the Special Committee reviewed recent developments and confirmed that no significant events occurred between December 19, 2024 and March 21, 2025, that would warrant a revision of its prior opinion. Accordingly, the Committee submitted a supplemental opinion to the Board reaffirming its original recommendation.

Taking this reaffirmation into account, the Company re-examined its business and surrounding environment and concluded that no factors had arisen to undermine the rationale or significance of the Transaction. The Board therefore confirmed that its opinion, as expressed in the resolution adopted on December 19, 2024, remained valid.

As a result, at the Board meeting held on March 21, 2025, the Company again resolved to express support for the Tender Offer and to recommend that shareholders and holders of stock acquisition rights tender their securities in the offer. This resolution was unanimously approved by all eight directors (including Audit and Supervisory Committee members) in attendance, none of whom had any material interest in the Transaction.

⑦ Ensuring Opportunities for Competing Acquisition Proposals (Market Check)

The Tender Offeror and the Company have not entered into any agreements that unreasonably restrict the Company from engaging with alternative acquirers (hereinafter, "Competing Bidders"). The Tender Offeror has set the tender offer period at 30 business days—10 business days longer than the statutory minimum of 20 business days. This extended period is intended to provide potential Competing Bidders with sufficient time to thoroughly evaluate and consider submitting a counterproposal. As a result, the environment allows for competing tender offers to be made, thereby contributing to the fairness of the Tender Offer.

⑧ Measures to Ensure Sufficient Time for Shareholders and Stock Acquisition Right Holders to Make an Informed Decision

The Tender Offeror has set the tender offer period at 30 business days, which exceeds the statutory minimum of 20 business days. This extended period is intended to ensure that shareholders and stock acquisition right holders have ample time and opportunity to appropriately assess whether to tender their shares or rights in the Tender Offer, thereby facilitating informed decision-making.

4. Future Outlook

As described in “(2) Expected Delisting” under “3. Basis for the Amount of Cash to Be Delivered to Shareholders Due to Share Consolidation in Lieu of Fractional Shares,” the Company’s shares are expected to be delisted as a result of the share consolidation.

5. Matters Concerning Transactions with Controlling Shareholders

(1) Applicability of Transactions with Controlling Shareholders and Conformity with Policies for the Protection of Minority Shareholders

As of May 14, 2025—the settlement commencement date of the Tender Offer—the Tender Offeror will become the Company’s parent company. Accordingly, the share consolidation constitutes a transaction with a controlling shareholder. Although the Company has not established specific “Guidelines on Measures to Protect Minority Shareholders When Engaging in Transactions with Controlling Shareholders” in its Corporate Governance Report, it maintains a general policy of ensuring fairness. This includes, where appropriate, seeking legal or third-party expert advice and conducting careful deliberations at the Board of Directors to ensure that such transactions do not harm the interests of minority shareholders.

In resolving to implement the share consolidation, the Company’s Board of Directors, as detailed in “(3) Measures to Ensure the Fairness of the Transaction and Avoid Conflicts of Interest” under “3. Basis for the Amount of Cash to Be Delivered to Shareholders Due to Share Consolidation in Lieu of Fractional Shares,” thoroughly examined the valuation report provided by Daiwa Securities, legal advice from Nishimura & Asahi regarding relevant procedures and decision-making processes, and the recommendation submitted by the Special Committee. The Company believes these actions are consistent with its policy and represent appropriate measures to safeguard the interests of minority shareholders.

(2) Measures to Ensure Fairness and Avoid Conflicts of Interest

Please refer to “(3) Measures to Ensure the Fairness of the Transaction and Avoid Conflicts of Interest” under “3. Basis for the Amount of Cash to Be Delivered to Shareholders Due to Share Consolidation in Lieu of Fractional Shares.”

(3) Summary of Opinions Obtained from Disinterested Parties Stating that the Transaction Is Not Detrimental to Minority Shareholders

On December 19, 2024 and March 21, 2025, the Company received a recommendation from the Special Committee stating that the transaction is not detrimental to minority shareholders. This recommendation also confirmed that the share consolidation to be implemented following the successful completion of the Tender Offer would likewise not be detrimental to minority shareholders. Accordingly, the Company has not obtained a separate opinion from additional disinterested parties. For further information, please refer to “③ Establishment of an Independent Special Committee and Receipt of Its Recommendation” under “(3) Measures to Ensure the Fairness of the Transaction and Avoid Conflicts of Interest” in Section 3.

II. Abolition of Provisions on Share Units

1. Reason for Abolition

Following the effectiveness of the share consolidation, the total number of the Company's issued shares will be reduced to 4. As a result, the concept of a "share unit" will become unnecessary, and the related provisions in the Articles of Incorporation will be abolished accordingly.

2. Scheduled Date of Abolition

September 1, 2025

3. Conditions for Abolition

This abolition is conditional upon approval of the relevant proposals at the Extraordinary General Meeting of Shareholders—specifically, the proposal regarding the share consolidation and the proposal for partial amendments to the Articles of Incorporation concerning the abolition of share unit provisions (see "III. Partial Amendment to the Articles of Incorporation" below)—and the subsequent effectiveness of the share consolidation.

III. Partial Amendment to the Articles of Incorporation

1. Purpose of the Amendments

- (1) If Proposal No. 1, "Share Consolidation," is approved and adopted as originally proposed and the share consolidation becomes effective, the total number of authorized shares of the Company will be reduced to 16 shares in accordance with Article 182, Paragraph 2 of the Companies Act. To reflect this change, Article 5 of the Articles of Incorporation will be amended, conditional upon the effectiveness of the share consolidation. In conjunction with the anticipated delisting of the Company's shares, Article 6, which will become unnecessary, will be deleted, and the article numbers will be renumbered accordingly.
- (2) If Proposal No. 1 is approved and the share consolidation takes effect, the total number of issued shares will be reduced to 4. As a result, the provision specifying the number of shares per unit (currently one unit equals 100 shares) will no longer be necessary. Accordingly, Articles 7, 8, and 9 of the Articles of Incorporation, which pertain to share units, will be deleted. Subsequent articles will be renumbered accordingly.
- (3) If Proposal No. 1 is approved and the share consolidation takes effect, the Tender Offeror will become the sole shareholder of the Company. Consequently, the provision on the record date for the Annual General Meeting of Shareholders will no longer be necessary. Therefore, Article 12 of the Articles of Incorporation will be deleted, and subsequent articles will be renumbered accordingly.
- (4) If Proposal No. 1, "Share Consolidation," is approved and adopted as originally proposed and the share consolidation becomes effective, the Company's shares will be delisted. Consequently, the provision allowing for virtual-only shareholder meetings under the "Act for Partial Revision of the Industrial Competitiveness Enhancement Act and Other Acts" (Act No. 70 of 2021) will become unnecessary. Therefore, conditional upon the effectiveness of the share consolidation, the proviso in Article 13 of the Articles of Incorporation will be deleted.
- (5) If Proposal No. 1, "Share Consolidation," is approved and adopted as originally proposed and the share consolidation becomes effective, the Company's shares will be delisted and the Tender Offeror will become the sole shareholder holding one or more shares. Accordingly, the provision concerning the electronic provision system for shareholder meeting materials will no longer be required. Therefore, conditional upon the effectiveness of the share consolidation, Article 18 of the Articles of Incorporation will be deleted, and the article numbers will be renumbered accordingly.

2. Details of the Amendments

The proposed amendments to the Articles of Incorporation are as follows.

(Underlined sections indicate proposed changes.)

Current Articles of Incorporation	Proposed Amendments
(Total Number of Authorized Shares)	(Total Number of Authorized Shares)
Article 5: The total number of authorized shares of the Company shall be 45,000,000.	Article 5: The total number of authorized shares of the Company shall be <u>16</u> .
<u>(Acquisition of Treasury Shares)</u>	
<u>Article 6: The Company may, by resolution of the Board of Directors, acquire its own shares through market transactions and other means.</u>	(Deleted)
<u>(Number of Shares Constituting One Unit)</u>	
<u>Article 7: The number of shares constituting one unit of the Company shall be 100.</u>	(Deleted)
<u>(Rights of Shareholders Holding Less Than One Unit)</u>	
<u>Article 8: Shareholders holding less than one unit shall not be entitled to exercise any rights other than the following:</u> <u>(1) Rights set forth in each item of Article 189, Paragraph 2 of the Companies Act;</u> <u>(2) The right to demand acquisition of shares with put option rights;</u> <u>(3) The right to receive allotments of offered shares or offered share acquisition rights;</u> <u>(4) The right to make the demand set forth in the following Article.</u>	(Deleted)
<u>(Additional Purchase of Less-Than-One-Unit Shares)</u>	
<u>Article 9: Shareholders may request the Company to sell such number of shares as would, when combined with the number of less-than-one-unit shares held, constitute one full unit, in accordance with the Share Handling Regulations.</u>	(Deleted)
Articles <u>10 ~ 11</u> (Omitted)	Articles <u>6 ~ 7</u> (Unchanged, renumbered)
<u>(Record Date)</u>	
<u>Article 12: Shareholders recorded in the final shareholder registry as of September 30 each year and holding voting rights shall be entitled to exercise those rights at the Annual General Meeting of Shareholders for the relevant fiscal year. Notwithstanding the foregoing, the Company may, by Board resolution and prior public notice, designate a separate record date to determine shareholders or registered pledgees eligible to exercise rights.</u>	(Deleted)
(Timing and Convening of Shareholders Meetings)	(Timing and Convening of Shareholders Meetings)
<u>Article 13: The Annual General Meeting of Shareholders shall be convened in December each year, and Extraordinary General Meetings shall be convened as necessary. The Company may hold shareholders meetings without designating a physical location (i.e., virtual-only shareholders meetings).</u>	<u>Article 8: The Annual General Meeting of Shareholders shall be convened in December each year, and Extraordinary General Meetings shall be convened as necessary.</u> <u>(Provision regarding virtual-only meetings deleted.)</u>
Articles <u>14 ~ 17</u> (Omitted)	Articles <u>9 ~ 12</u> (Unchanged, renumbered)

<u>(Electronic Provision Measures)</u>	
<u>Article 18: (1) When convening a shareholders meeting, the Company shall provide information included in reference documents for the shareholders meeting and other materials electronically.</u> <u>(2) Among the items subject to electronic provision, the Company may exclude all or part of the information designated by Ministry of Justice ordinance from the written documents to be delivered to shareholders who have requested paper delivery by the record date for voting rights.</u>	(Deleted)
Articles <u>19~43</u> (Omitted)	Articles <u>13~37</u> (Unchanged, renumbered)

3. Effective Date of the Amendment

The scheduled effective date of the amendment to the Articles of Incorporation is September 1, 2025.

4. Conditions for the Amendment to the Articles of Incorporation

This amendment is conditional upon the approval of the proposal regarding the share consolidation as originally proposed at the upcoming Extraordinary General Meeting of Shareholders, and upon the effectiveness of such share consolidation.

IV. Reduction of Stated Capital

1. Reason for the Capital Reduction

The Company plans to reduce its stated capital as part of its financial strategy to support future growth initiatives. The aim of the reduction is to enhance financial soundness by increasing flexibility and agility in capital policy, while also ensuring eligibility for appropriate tax treatment. This proposal is based on Article 447, Paragraph 1 of the Companies Act. The reduction will not affect the total number of issued shares or the Company's net assets, and it will have no impact on shareholders' holdings or the net asset value per share.

2. Details of the Capital Reduction

(1) Amount of Capital to Be Reduced

The Company will reduce its stated capital by 2,878,547,604 yen from the current capital amount of 3,178,547,604 yen, resulting in a new capital amount of 300,000,000 yen.

(2) Method of Capital Reduction

Pursuant to Article 447, Paragraph 1 of the Companies Act, the Company will reduce its stated capital as described above and transfer the entire reduced amount to "Other Capital Surplus."

3. Schedule for the Capital Reduction

(1) Board of Directors Resolution	June 26, 2025
(2) Extraordinary General Meeting of Shareholders	July 28, 2025 (Scheduled)
(3) Public Notice to Creditors	July 29, 2025 (Scheduled)
(4) Deadline for Creditors to File Objections	August 29, 2025 (Scheduled)
(5) Effective Date of Capital Reduction	September 5, 2025 (Scheduled)

4. Future Outlook

This capital reduction will have no impact on the Company's business performance.

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