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July 29, 2026
To whom it may concern:

Company name: Future Corporation
Representative: Tomohiko Taniguchi, President
(Securities code No. 4722 TSE Prime)
Contact: Financial & Accounting Group
Yasukazu Matsushita, Executive Officer
(TEL +81-3-5740-5724)

Notice Regarding Implementation of MBO and Recommendation for Tender

Future Corporation (the “**Company**”) hereby announces that at its board of directors meeting held today, it resolved, as described below, to express its opinion in support of the tender offer (the “**Tender Offer**”) for common shares of the Company (the “**Company Shares**”) to be conducted by Key West Network LLC (the “**Tender Offeror**”) as part of a management buyout (MBO) (Note), and to recommend that shareholders of the Company tender their shares in the Tender Offer.

The above resolution of the board of directors was made on the premise that the Tender Offeror intends to become the sole registered shareholder of the Company and take the Company Shares private as a result of the Tender Offer and a series of subsequent procedures, and that the Company Shares are expected to be delisted.

(Note) A management buyout (MBO) generally refers to a tender offer where the tender offeror is an officer of the target company or a tender offer where the tender offeror conducts the tender offer at the request of the officers of the target company and the tender offeror shares its benefits with the officers of the target company.

1. Outline of the Tender Offeror

(1)	Name	Key West Network LLC	
(2)	Location	3206, 17-1 Daikanyama-cho, Shibuya-ku, Tokyo	
(3)	Title and Name of Representative	Representative member: DANA POINT Corporation PTE. LTD. Person acting in a representative capacity for the representative member: Yasufumi Kanemaru	
(4)	Details of Business	Leasing and management of real estate, and holding, management, etc. of securities	
(5)	Stated Capital	55,000,000 yen	
(6)	Date of Incorporation	February 2, 2000	
(7)	Major Shareholder and Their Shareholding Ratio	DANA POINT Corporation PTE. LTD.	100.00%
(8)	Relationship between Company and Tender Offeror		
	Capital Relationship	As of today, the Tender Offeror owns 30,187,000 Company Shares (ownership ratio (Note): 34.02%). Mr. Yasufumi Kanemaru (“**Mr.**	

		Kanemaru"), who is the person acting in a representative capacity for the managing member of the Tender Offeror, owns 11,117,400 Company Shares (ownership ratio: 12.53%).
	Personnel Relationship	As of today, Mr. Kanemaru, who serves as Representative Director and Chairman of the Company, concurrently serves as the person acting in a representative capacity for DANA POINT Corporation PTE. LTD., which is the managing member of the Tender Offeror.
	Business Relationship	N/A
	Status as Related Party	Mr. Kanemaru, who serves as Representative Director and Chairman of the Company, owns all voting rights of the Tender Offeror; therefore, the Tender Offeror constitutes a related party of the Company.

(Note) "Ownership ratio" refers to the ratio of the number of shares owned to the number of shares (88,734,566 shares) (the "**Reference Number of Shares**") obtained by deducting from the total number of issued shares of the Company as of June 30, 2026 (95,328,000 shares), as stated in "Consolidated Financial Results for the Six Months Ended June 30, 2026 [Japanese GAAP]" released by the Company today (the "**Company's Financial Results**"), the number of treasury shares held by the Company as of the same day (6,593,434 shares), as stated in the Company's Financial Results, and the figure has been rounded up or down to the nearest two decimal places; hereinafter the same applies to the ownership ratios.

2. Outline of the Tender Offer

Purpose of tender offer	Privatization (management buyout (MBO))
Purchase period of tender offer	From July 30, 2026 (Thursday) to September 10, 2026 (Thursday) (30 business days)
Purchase price of tender offer	2,451 yen per share of common stock
Maximum number of shares to be purchased	-
Minimum number of shares to be purchased	23,376,700 shares (Note)
Opinion of the Company	To express an opinion in favor of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer

(Note) The ownership ratio of share certificates, etc. (meaning the ownership percentage of share certificates, etc. set forth in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the "**Act**"), plus the ownership percentage of share certificates, etc. held by specially related parties set forth in Article 27-2, Paragraph 1, Item (1) of the Act) after the tender offer if the Tender Offeror purchases the minimum number of shares to be purchased will be 66.63% (rounded up or down to the nearest two decimal places). In addition, the ownership ratio of share certificates, etc. has been calculated using, as the denominator, the number of voting rights pertaining to the Reference Number of Shares (887,345 voting rights). Furthermore, if the ownership ratio of share certificates, etc. after the purchase, etc. based on the minimum number of shares to be purchased is calculated using, as the denominator, the total number of voting rights of all shareholders as of December 31, 2025 (886,359 voting rights) as stated in the Annual Securities Report for the 37th fiscal term submitted by the Company on March 25, 2026 (the "**Company Annual Securities Report**"), such ratio would be 66.70% (rounded up or down to the nearest two decimal places). As the number of shares constituting less than one unit held by the Company as of today has not yet been determined and, accordingly, the total number of voting rights of all shareholders as of today is unknown, the total number of voting rights of all shareholders as of December 31, 2025 constitutes the most recent figure that can be confirmed from documents publicly disclosed or filed by the Company. Therefore, the total number of voting rights of all shareholders (886,359 voting rights) as stated in the Company Annual Securities Report has been used as the denominator for the above calculation.

3. Substance of, and Grounds and Reasons for, the Company's Opinion on the Tender Offer

(1) Details of Opinion

The Company resolved, at its board of directors meeting held today, to express its opinion in support of the Tender Offer and to recommend that shareholders of the Company tender their shares in the Tender Offer based on the grounds and reasons stated in "(2) Grounds and Reasons for Opinion" below.

The above resolution of the board of directors was adopted by the method stated in "(VII) Approval of All Disinterested Directors (including Audit and Supervisory Committee Members) of the Company" in "(3) Measures to Ensure Fairness of the Tender Offer" below.

(2) Grounds and Reasons for Opinion

The descriptions regarding the Tender Offeror among the grounds and reasons for the opinion on the Tender Offer are based on the explanations provided by the Tender Offeror.

(I) Outline of the Tender Offer

The Tender Offeror is a *godo kaisha* that was initially established as a *yugen kaisha* on February 2, 2000 by Mr. Kanemaru, who is the Representative Director and Chairman and the second largest shareholder of the Company (number of shares owned: 11,117,400 shares; ownership ratio: 12.53%), for the main purpose of engaging in asset management services and other services, and was reorganized into its current form on May 17, 2017. While the Tender Offeror's Articles of Incorporation provides that all of the matters that should be determined by consent of all the members of, or consent of a majority of the members of the Tender Offeror as prescribed in the Companies Act and other laws and regulations may be determined by consent of a majority of the managing members, DANA POINT Corporation PTE. LTD., which is an asset management company in which Mr. Kanemaru holds all of its equity interests, is the sole managing member of the Tender Offeror, and therefore, Mr. Kanemaru substantively controls the Tender Offeror. As of today, the Tender Offeror holds 30,187,000 shares (ownership ratio: 34.02%) of the Company Shares listed on the Prime Market of the Tokyo Stock Exchange, Inc. (the "**TSE**"), and is the largest major shareholder of the Company. If the Tender Offer is successfully completed, the Tender Offeror intends to change its legal form from a *godo kaisha* to a stock company before the commencement date of the settlement of the Tender Offer. Following such organizational restructuring, DANA POINT Corporation PTE. LTD. is expected to become the sole shareholder of the Tender Offeror holding voting rights, and Mr. Kanemaru will continue to substantively control the decision-making of the Tender Offeror even after the organizational restructuring.

The Tender Offeror has decided to implement the Tender Offer as part of a series of transactions for the purpose of acquiring all of the Company Shares (including shares of the Company's restricted stock that are granted to the Company's directors (excluding directors who are also audit and supervisory committee members) and employees, and directors and employees of the Company's subsidiaries as restricted stock compensation (the "**Restricted Shares**"), but excluding the Company Shares held by the Tender Offeror, the treasury shares held by the Company and the Shares Agreed Not to Be Tendered (as defined below) in order to take the Company Shares private (the "**Transactions**").

The Transactions constitute a management buyout (MBO), and Mr. Kanemaru intends to continue to manage the Company after the Transactions in his current capacity as Representative Director and Chairman of the Company in order to enhance the corporate value of the Company Group (as defined in "(II) Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer" below) over the mid- to long-term. As of today, the Tender Offeror has not reached any agreement concerning the appointment of officers after the Transactions with other officers of the Company. The Tender Offeror plans to determine the particulars of the management structure after the Transactions, including the composition of the Company's officers through discussions with the Company after the Transactions.

In implementing the Tender Offer, the Tender Offeror has entered into the Agreement on Tender Offer dated July 29, 2026 (the "**Agreement**") with Mr. Kanemaru (number of shares owned: 11,117,400 shares; ownership ratio: 12.53%), which provides that (i) Mr. Kanemaru shall tender 5,558,700 shares (ownership ratio: 6.26%; the "**Shares Agreed to Be Tendered**") out of 11,117,400 Company Shares that he holds and shall not tender the remaining 5,558,700 shares (ownership ratio: 6.26%; the "**Shares Agreed Not to Be Tendered**") in response to the Tender Offer; (ii) subject to the successful completion of the Tender Offer, Mr. Kanemaru shall transfer all of the Shares Agreed Not to Be Tendered into trust to the Tender Offeror where Mr. Kanemaru is the sole settlor and beneficiary and the Tender Offeror is the trustee (the "**Trust Transfer**"; and the trust created by such transfer into trust, the "**Trust**"); and (iii) the voting rights attached to the Company Shares constituting the trust assets of the Trust (i.e., the Shares Agreed Not to Be Tendered) (including, if the Squeeze-Out Procedures (as defined below) are implemented through the Share Consolidation (as defined below), the voting rights attached to all of the Shares Agreed Not to Be Tendered at the shareholders' meeting of the Company to approve the Share Consolidation) shall be exercised by the Tender Offeror. The Trust Transfer was adopted on the premise that the group tax consolidation system, with the Company as the parent company thereunder, will continue after the implementation of the Transactions, for such reasons as (i) ensuring consistency with the asset management policies of Mr. Kanemaru and his asset management company, and (ii) avoiding the possibility that any shareholder (other than the Tender Offeror) holding a number of Company Shares equal to or greater than the Shares Agreed Not to Be Tendered may remain a shareholder of the Company as of the effective date of the Share Consolidation (commonly referred to as the interloper risk), thereby ensuring the completion of the Squeeze-Out Procedures, and enabling the Tender Offeror to become the sole registered shareholder of the Company. The Trust Transfer will be conducted between Mr. Kanemaru and the Tender Offeror, who have continued to have a relationship as formal specially related parties as set forth in Article 27-2, Paragraph 7, Item (1) of the Act for one year or more before the execution date of the Agreement, and constitutes a "purchase, etc. excluded from application" as set forth in the proviso of Article 27-2, Paragraph 1 of the Act and therefore, the Tender Offeror does not believe that the Trust Transfer raises any issues in relation to the regulations on uniformity of tender offer price (Article 27-2, Paragraph 3 of the Act). For details, please refer to "(6) Important Agreements relating to the Tender Offer" below.

In the Tender Offer, the Tender Offeror has set the minimum number of shares to be purchased at 23,376,700 shares (ownership ratio: 26.34%), and if the total number of share certificates, etc. tendered in response to the Tender Offer (the "**Tendered Share Certificates, Etc.**") is less than the minimum number of shares to be purchased (23,376,700 shares), the Tender Offeror will not purchase any of the Tendered Share Certificates, Etc. On the other hand, as described above, given that the purpose of the Tender Offer is to acquire all of the Company Shares (including the Restricted Shares, but excluding the Company Shares held by the Tender Offeror, the treasury shares held by the Company and the Shares Agreed Not to Be Tendered) and there is no maximum number of shares to be purchased in the Tender Offer, if the total number of the Tendered Share Certificates, Etc. meets or exceeds the minimum number of shares to be purchased (23,376,700 shares), the Tender Offeror will purchase all of the Tendered Share Certificates, Etc.

Since the Tender Offeror intends to take the Company Shares private through the Transactions, and a special resolution at the shareholders' meeting as set forth in Article 309, Paragraph 2 of the Companies Act is required for carrying out the procedures for the consolidation of the Company Shares (the "**Share Consolidation**") as set out in "(4) Policy for Organizational Restructuring, Etc. after the Tender Offer" below, in order to ensure the implementation of the Squeeze-Out Procedures, such minimum number of shares to be purchased (23,376,700 shares) has been set to satisfy such requirement with the sum of (i) the number of voting rights (including voting rights represented by the Shares Agreed Not to be Tendered held by the Tender Offeror as trust assets under the Trust) represented by the number of shares held by the Tender Offeror after the successful completion of the Tender Offer and (ii) the number of voting rights represented by the number of shares held by directors of the Company that are Restricted Shares being at least two-thirds of the total number of voting rights of all shareholders of the Company. Specifically, the minimum number of shares to be purchased is the number of shares (23,376,700 shares) that is obtained by multiplying (i) the number of voting rights (233,767 voting rights) that is equal to (x) the number of voting rights (887,345 voting rights) represented by the Reference Number of Shares multiplied by two-thirds (591,564 voting rights; rounded up to the nearest whole number), minus (y) the number of voting rights (301,870 voting rights) represented by the Company Shares (30,187,000 shares) held by the Tender Offeror as of today, the number of voting rights (55,587 voting rights) represented by the Shares Agreed Not to be Tendered (5,558,700 shares) and the number of voting rights (340 voting rights) represented by the Restricted Shares (excluding shares for which the transfer restriction has been lifted) (34,084 shares) (Note 1) held by the Company's directors, by (ii) 100 shares, which is the share unit number of the Company.

If the Tender Offeror is not able to acquire all of the Company Shares (including the Restricted Shares, but excluding the Company Shares held by the Tender Offeror, the treasury shares held by the Company and the Shares Agreed Not to Be Tendered), after the successful completion of the Tender Offer, the Tender Offeror intends to carry out a series of procedures (the "**Squeeze-Out Procedures**") for making the Tender Offeror the sole registered shareholder of the Company and taking the Company Shares private as set out in "(4) Policy for Organizational Restructuring, Etc. after the Tender Offer" below.

(Note 1) The Restricted Shares for which transfer restrictions have not been lifted cannot be tendered in the Tender Offer because such Restricted Shares are subject to transfer restrictions. However, at the Company's board of directors meeting held today, because all of the directors who participated in the resolution exercised their voting rights in favor of expressing an opinion in favor of the Tender Offer, if the Tender Offer is successfully completed, the directors of the Company who hold the Restricted Shares expect to approve the proposals relating to the Squeeze-Out Procedures at the shareholders' meeting of the Company to approve the Share Consolidation implemented as part of the Squeeze-Out Procedures. Therefore, in considering the minimum number of shares to be purchased, the number of voting rights represented by the Restricted Shares held by the Company's directors who participated in the above resolution is deducted.

The Tender Offeror intends to cover funds required for the Transactions including the Tender Offer by loan (the "**Loan**") from Sumitomo Mitsui Banking Corporation ("**SMBC**"), and subject to the successful completion of the Tender Offer, the Tender Offeror intends to obtain the Loan by the business day immediately preceding the commencement date of the settlement of the Tender Offer. The details of the loan terms for the Loan will be determined in the loan agreement relating to the Loan following separate discussions with SMBC, but it is anticipated that the Company Shares will be pledged as collateral in the loan agreement relating to the Loan. In addition, the Tender Offeror believes that the financial covenants and other restrictions to be included in the agreements relating to the Loan are of a generally customary nature and would not unduly restrict the continuation of the Company's ordinary course of business operations.

The Company resolved at its board of directors meeting held on July 29, 2026 to express its opinion in favor of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer. For the details of decision-making process of the Company, please refer to "(VII) Approval of All Disinterested Directors (including Audit and Supervisory Committee Members) of the Company" in "(3) Measures to Ensure Fairness of the Tender Offer" below.

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

The Company has received the following explanations from the Tender Offeror regarding the background, purpose, and decision-making process leading to the Tender Offeror's decision to conduct the Tender Offer.

The Company was established in November 1989 in Kagoshima City, Kagoshima Prefecture as Future System Consulting Corp., with its primary business being IT consulting services utilizing open systems (Note 2). The Company Shares were registered as an over-the-counter issue with the Japan Securities Dealers Association in June 1999 and were listed on the First Section of the TSE in June 2002. In January 2007, the Company changed its trade name to Future Architect Inc., and in April 2016, transitioned to a holding company structure through an incorporation-type company split under which its IT consulting business was succeeded to by newly established Future Architect Inc., while simultaneously changing its trade name to the current Future Corporation. Thereafter, following the restructuring of market divisions of the TSE in April 2022, the Company Shares are, as of today, listed on the Prime Market of the TSE.

(Note 2) "Open systems" refers to information systems that are built by flexibly combining products from different manufacturers based on published standard technical specifications, without being dependent on the proprietary specifications of specific hardware or software.

As of today, the corporate group of the Company consists of the Company, 20 consolidated subsidiaries, and 4 equity-method affiliates, for a total of 24 entities (collectively, the "**Company Group**").

The business activities of the Company Group are as follows.

(A) IT Consulting & Services Segment

In the IT Consulting & Services Segment, the Company Group provides services aimed at resolving management issues faced by its clients by sharing such issues from a management perspective, understanding the essence of the clients' businesses, and building information systems utilizing advanced IT with practical and advanced technical capabilities. In addition, the basic policies and management strategies of this segment are as follows.

(I) "Three-pronged" perspective

Rather than merely seeking to achieve short-term functional improvements through IT, the Company Group aims to contribute to the reform of its clients' businesses by leveraging the latest IT while taking into account three areas—business strategy, business process reform, and system reform. To this end, the Company Group strives to provide its clients with solutions that consider not only present but also future matters, as well as the optimization of the overall business rather than partial improvements.

(II) "Neutral" positioning

By specializing in open systems, the Company Group maintains a neutral position that is not dependent on hardware vendors or software vendors, and pursues optimal solutions without being constrained by conventional concepts or product limitations. Through this approach, the Company Group seeks to maximize the interests of its clients while acting from a position akin to that of an external CIO (Note 3) who works closely alongside its clients.

(Note 3) "CIO" stands for Chief Information Officer and refers to the person responsible for overseeing a company's information systems.

(III) Provision of integrated services without distinction between upstream and downstream phases

The Company Group provides integrated services covering all phases, from the consulting phase through system design, application software development, selection and procurement of hardware and software products, and system implementation to the maintenance and operation phase. Rather than limiting the results of consulting to the presentation of concepts, the Company Group seeks to materialize such concepts in the form of systems, make them available for actual use by its clients, and lead them to operational outcomes, thereby enhancing the future value of its clients.

(IV) Grand design based on scientific system structure analysis and components enabling real-time data processing

In many companies, conventional IT systems have become black boxes, and the absence of specifications and manuals makes it difficult to improve such systems. As a result, it is said that in some cases, these systems not only fail to respond to changes in business environments but also tend to incur high and persistent operation costs to maintain the current status. To address these issues, the Company Group utilizes a methodology for scientifically analyzing large-scale existing systems (Future Formula) to renew and reconstruct such systems, while at the same time providing IT systems based on its proprietary components that enable real-time processing of data, such as sales and profit information on a per-item basis. Going forward, the Company Group will continue to support its clients' business innovation by delivering high-quality and high-speed services.

(B) Business Innovation Segment

In the Business Innovation Segment, the Company Group operates businesses that create innovation in business by providing proprietary services utilizing IT technologies. Leveraging the IT expertise and know-how it has accumulated to date, the Company Group seeks to create innovation by providing innovative businesses and proprietary services while integrating its capabilities with the service operation know-how of web-based companies and the content creation capabilities of publishing and media companies.

Mr. Kanemaru, the Representative Director and Chairman of the Company, has consistently pursued the philosophy of "transforming management through technology." Guided by this philosophy, he has sought to utilize IT not merely as a tool for improving efficiency, but as a means of transforming management, while striving to address the fundamental issues facing customer companies. As a result, Mr. Kanemaru believes that the Company Group has established an innovative consulting style that thoroughly considers the ideal form of its customers' businesses as their partner and proposes, develops and operates optimal systems for realizing that vision by making full use of the latest technology, thereby achieving a unique evolution within Japan's IT services industry.

On the other hand, Mr. Kanemaru believes that the business environment surrounding the Company Group is at an unprecedented turning point. With the rapid advancement of AI technologies, particularly generative AI, the very nature of IT consulting and systems development is being fundamentally redefined, and Mr. Kanemaru believes that AI is no longer merely a tool for improving productivity, but is becoming a technology that transforms management itself by affecting business process design, decision-making, systems architecture and even the allocation of roles among personnel. In addition, as a result of these technological innovations, the needs of customer companies have rapidly become more sophisticated, shifting from improving the efficiency of individual business operations to redesigning business processes and business models across the enterprise as a whole. As a result, the level of difficulty and complexity of the solutions required has increased dramatically. Mr. Kanemaru believes that these changes not only represent a medium- to long-term trend, but also that any delay in responding to them could impair the Company Group's future competitiveness. Accordingly, he believes that the Company Group is now at a critical juncture for making important decisions to achieve its sustainable growth. In particular, Mr. Kanemaru believes that, because the sources of competitive advantage, such as AI talent (Note 4) and data infrastructure, are cumulative in nature, delays in the timing of investment could create an irrecoverable gap in terms of competitiveness in the future. In addition, he believes that the current environment presents an extremely rare opportunity in which demand for multiple digital transformation (DX) initiatives is emerging simultaneously, and that whether the Company Group is able to participate in the design of customers' core systems and data infrastructure will have a significant impact on its competitive position over the long term.

In light of these circumstances, Mr. Kanemaru believes that it would be difficult for the Company Group to achieve sustainable growth solely through initiatives that are an extension of its existing efforts. Specifically, he believes that the Company Group will be able to achieve further enhancement of its corporate value by implementing the following initiatives.

(Note 4) "AI talent" refers to personnel engaged in AI-related operations, including both technical specialists who possess specialized knowledge and skills relating to AI technologies, including generative AI, and are responsible for their research, development and implementation into systems, and consultants who effectively utilize AI technologies to resolve clients' management issues and lead the application of such technologies to operations and business transformation.

(i) Management execution from a medium- to long-term perspective

Mr. Kanemaru recognizes that, in the IT and digital fields, where technological innovation and increasingly sophisticated customer needs are advancing rapidly, management from a long-term perspective is essential for establishing a sustainable competitive advantage over the medium to long term without being influenced by short-term business performance or stock market evaluations. Based on this recognition, after the Company goes private, Mr. Kanemaru intends to make bold and ongoing investments in research and development relating to advanced technologies, including AI, investments in human capital aimed at securing and developing highly skilled personnel, particularly AI talent and project managers and upstream personnel, and strategic investments in mergers and acquisitions and alliances that complement and accelerate the strengths of the Company Group.

(ii) Optimization of management resources

Mr. Kanemaru recognizes that, rather than allocating management resources across a broad range of areas, concentrating them on those areas that constitute the source of the Company Group's competitive advantage will lead to the optimization of management resources. Accordingly, he intends to position such areas as operations understanding, architecture design, customer relationship development and human resource development, all of which are becoming increasingly important in the AI era, as the highest priority areas and to allocate management resources to them on a priority basis. Specifically, Mr. Kanemaru intends to further deepen the Company Group's involvement in formulating concepts and designing overall solutions based on customers' management and business issues, while strengthening its account management structure for key customers and promoting the establishment of business relationships spanning multiple years and multiple business areas. At the same time, he intends to make investments in the development of AI talent, as well as personnel responsible for project management and upstream processes, through training linked to actual projects in order to improve project quality and customer satisfaction. Through these initiatives, Mr. Kanemaru believes that the Company Group will be able to increase the revenue per customer and extend the duration of customer relationships, thereby achieving both top-line growth and enhanced profitability across the Company Group as a whole.

(iii) Succession and strengthening of the corporate culture and human capital foundation

Mr. Kanemaru recognizes that the Company Group's corporate philosophy of "strategically utilizing technology to transform management," together with the human capital foundation it has cultivated over the years, constitutes the core of its ability to create sustainable value. After the Company goes private, Mr. Kanemaru contemplates establishing and enhancing performance evaluation and compensation systems that appropriately recognize medium- to long-term achievements and willingness to take on new challenges, as well as talent management infrastructure and mechanisms for knowledge sharing and review, in order to preserve and strengthen that corporate culture and human capital foundation. Specifically, Mr. Kanemaru is considering the introduction of performance evaluation metrics that are not overly focused on short-term business performance, the flexible design of long-term incentive programs, and the establishment of infrastructure to enable visualization of the skills, experience and career aspirations of personnel. Through these initiatives, Mr. Kanemaru intends to ensure that the Company Group's corporate culture is successfully passed on to the next generation, while promoting the retention and development of personnel and enhancing the competitiveness of the organization as a whole.

(iv) Expansion of capabilities through strategic mergers and acquisitions and alliances

Mr. Kanemaru regards investments in and alliances with companies that have specific areas of application for AI-driven business transformation and the creation of new value in particular industries and business fields and have implemented such applications to address management challenges, as well as companies that possess highly skilled personnel and capabilities in such areas as AI, data and architecture design, as an important pillar of the Company Group's growth strategy after the Company goes private. The objective of these investments and alliances is not to pursue expansion in scale or revenue growth, but rather to fundamentally strengthen the value provided by the Company Group. Through these initiatives, Mr. Kanemaru intends to achieve "high-quality growth" that fundamentally enhances the competitiveness of the Company Group as a whole, rather than simply increasing personnel or growing revenue.

(v) Expansion of growth opportunities for employees and development of an environment in which personnel can better realize their potential

Mr. Kanemaru believes that, as a result of taking the Company Shares private through the Transactions, employees will be provided with more challenging opportunities that contribute to their professional growth than ever before. Specifically, he expects that employees will have expanded opportunities to engage on a continuing basis in highly challenging initiatives requiring a medium- to long-term perspective, including the acquisition of AI capabilities encompassing AI-driven development and design and the implementation of AI agents, opportunities to assume more advanced roles beyond the traditional scope of IT consulting and systems development, and opportunities for greater involvement in customers' core systems and data infrastructure. In addition, through participation in large-scale and complex projects spanning multiple years, employees are expected to develop into professionals who possess a combination of a management perspective, business understanding and technical expertise. Mr. Kanemaru believes that these initiatives will enhance employees' professional expertise and market value, thereby strengthening the Company Group's human capital and contributing to its sustainable growth.

On the other hand, Mr. Kanemaru believes that, so long as the Company remains listed, it will be required to conduct management with due regard to its shareholders and to take into consideration the need to secure and distribute short-term profits. As a result, he believes that the Company's listing is highly likely to constitute a structural constraint on the implementation of medium- to long-term initiatives, such as upfront investments and fundamental structural reforms, that may adversely affect short-term cash flow or earnings. Mr. Kanemaru also believes that, although the initiatives described in (i) through (v) above are necessary to enable the Company Group to maintain a sustainable competitive advantage in the future, they will not necessarily contribute to earnings immediately and will require a considerable amount of time and involve significant risks before producing results. Accordingly, he believes that it would be difficult to obtain the full support of the Company's shareholders for the implementation of such initiatives while asking them to bear those risks. In addition, from the perspective of maximizing the Company Group's corporate value over the medium- to long- term, Mr. Kanemaru believes that, in order to prevail against the increasingly intense competition arising from the rapidly and irreversibly changing business environment, it is essential to establish a structure capable of implementing fundamental and agile decision-making with flexibility and speed, while avoiding constraints associated with being a listed company, including the need to maintain quarterly financial performance and the prolonged and increasingly complex decision-making processes required to take into account the interests of a large number of public shareholders.

Furthermore, Mr. Kanemaru believes that, due to such factors as the strengthening of regulation of capital markets in recent years, the scope of additional and ongoing information required to be disclosed to stakeholders through annual securities reports, corporate governance reports and other disclosure documents is increasing year by year, and as the human and financial costs required to maintain the Company's listing as a listed company have been increasing, it cannot be ruled out that these costs may become a significant burden on the management of the Company Group. Since its listing on the TSE in 2002, the Company Group has enjoyed various advantages as a listed company, including enhanced name recognition that has enabled it to attract excellent personnel and increased social credibility. On the other hand, in light of the Company Group's current financial condition, in which the funds necessary for its business activities can be sufficiently secured through borrowings from financial institutions, Mr. Kanemaru believes that there is currently not a significant need for the Company Group to raise substantial funds through equity financing. In addition, given that the Company Group has already established its social credibility and brand recognition through its business activities, Mr. Kanemaru believes that both the necessity of maintaining the Company's listing and the advantages that can be enjoyed by maintaining such listing have relatively diminished.

Based on the above beliefs, Mr. Kanemaru began initial consideration of taking the Company Shares private around November 2025. Thereafter, on April 2, 2026, Mr. Kanemaru made an initial oral approach to Mr. Tomohiko Taniguchi, Representative Director and President of the Company, and Mr. Yohei Saito, Director and Vice President of the Company, indicating his intention to commence consideration and discussions regarding the implementation of a management buyout (MBO), and Mr. Tomohiko Taniguchi and Mr. Yohei Saito responded that the Company would consider its response to such approach. Thereafter, on April 2, 2026, in proceeding with the detailed consideration of the Transactions, Mr. Kanemaru selected Mori Hamada & Matsumoto ("**Mori Hamada**") as his legal advisor, and on May 1, 2026, selected SMBC Nikko Securities Inc. ("**SMBC Nikko Securities**") as its financial advisor.
In addition to the oral proposal made on April 2, 2026, on April 28, 2026, Mr. Kanemaru presented to the Company a non-legally binding letter of intent (the "**Initial Letter of Intent Dated April 28, 2026**") to propose to take the Company Shares private through the Tender Offer and the Squeeze-Out Procedures, and submitted to the Company a proposal to conduct due diligence, and on April 28, 2026, the Company notified its intention to develop a review structure for discussions regarding the Transactions. Mr. Kanemaru began specifically examining the Transactions from April 28, 2026.
On May 15, 2026, Mr. Kanemaru received from the Special Committee (as defined below) written questions addressed to the Tender Offeror regarding matters such as the evaluation of the Company Group and its business environment, the purpose of, and reasons for, going private (delisting), the management structure and management policy after the Transactions, and the structure and schedule of the Transactions. The Tender Offeror sent a response on May 26, 2026, and the Special Committee conducted interviews and held question-and-answer sessions with Mr. Kanemaru on June 5, 2026.

In addition, Mr. Kanemaru conducted due diligence with respect to the Company from mid-May 2026 to late June 2026, and proceeded with more concrete examination of the terms and conditions of the Transactions. As a result of the due diligence with respect to the Company, by comprehensively considering the Company's financial condition, business plan, business environment surrounding the Company, and trends in the market price of the Company Shares, Mr. Kanemaru proceeded with the examination of the purchase price per Company Share in the Tender Offer (the "**Tender Offer Price**"). On June 29, 2026, Mr. Kanemaru submitted a written price proposal to the Company with the Tender Offer Price set at 1,950 yen, on the premise that the Company will pay neither an interim dividend nor a year-end dividend for the fiscal year ending December 31, 2026, (the proposed Tender Offer Price of 1,950 yen represented a premium of 30.00% (rounded to the second decimal place; the same applies for the calculations of the premiums on the share prices below) on 1,500 yen, the closing price of the Company Shares on June 26, 2026, which is the business day immediately preceding the date of the proposal, 28.63% on 1,516 yen, the simple average closing price (rounded to the nearest yen; the same applies for the calculations of the simple average closing prices below) for the one-month period ending on that date, 24.12% on 1,571 yen, the simple average closing price for the three-month period ending on that date, and 15.52% on 1,688 yen, the simple average closing price for the six-month period ending on that date of the Company Shares respectively on the Prime Market of the TSE). In response, the Tender Offeror received a request from the Special Committee to reconsider a substantial increase in the Tender Offer Price, on the grounds that the Tender Offer Price fell substantially short of a level that would justify further discussions as a price sufficient for the Company's minority shareholders.

Then, on July 3, 2026, the Tender Offeror submitted a written price proposal to the Company with the Tender Offer Price set at 2,080 yen, on the premise that the Company will pay neither an interim dividend nor a year-end dividend for the fiscal year ending December 31, 2026, (the proposed Tender Offer Price of 2,080 yen represented a premium of 30.90% on 1,589 yen, the closing price of the Company Shares on July 2, 2026, which is the business day immediately preceding the date of the proposal, 38.11% on 1,506 yen, the simple average closing price for the one-month period ending on that date, 32.65% on 1,568 yen, the simple average closing price for the three-month period ending on that date, and 23.88% on 1,679 yen, the simple average closing price for the six-month period ending on that date of the Company Shares respectively on the Prime Market of the TSE). In response, on July 7, the Special Committee requested that the Tender Offeror reconsider a substantial increase in the Tender Offer Price, on the grounds that, in light of the premium levels generally observed in comparable transactions, the market price levels of the Company Shares, including recent trading prices, and the intrinsic value of the Company, the Tender Offer Price still fell substantially short of a level that would justify further discussions as a price sufficient from the perspective of protecting the interests of the Company's minority shareholders. Thereafter, on July 13, 2026, the Tender Offeror submitted a written price proposal to the Company stating that, from the perspective of giving consideration to the interests of the general shareholders who have supported the Company's growth as the Tender Offeror, the Tender Offeror revised certain preconditions of its previous price proposals, and on the premise that the Company will pay an interim dividend for the fiscal year ending December 2026 (a dividend of 24 yen per share, which is the amount announced by the Company as its dividend forecast) and will not pay a year-end dividend (the same assumption applies to the Tender Offeror's proposals regarding the Tender Offer Price throughout this paragraph.), the Tender Offer Price would be 2,206 yen (the proposed Tender Offer Price of 2,206 yen represented a premium of 27.51% on 1,730 yen, the closing price of the Company Shares on July 10, 2026, which is the business day immediately preceding the date of the proposal, 42.14% on 1,552 yen, the simple average closing price for the one-month period ending on that date, 40.06% on 1,575 yen, the simple average closing price for the three-month period ending on that date, 32.33% on 1,667 yen, the simple average closing price for the six-month period ending on that date of the Company Shares respectively on the Prime Market of the TSE). In response, on July 16, 2026, the Special Committee requested the Tender Offeror reconsider a substantial increase in the Tender Offer Price, on the grounds that, in light of the premium levels generally observed in comparable transactions, the market price levels of the Company Shares, including recent trading prices, and the intrinsic value of the Company, the Tender Offer Price still cannot be said to be at a sufficient level from the perspective of protecting the Company's minority shareholders. Thereafter, on July 21, 2026, the Tender Offeror submitted a written price proposal stating that the Tender Offer Price would be 2,300 yen (the proposed Tender Offer Price of 2,300 yen represented a premium of 1.05% on 2,276 yen, the closing price of the Company Shares on July 21, 2026, which was the date of the proposal, 32.95% on 1,730 yen, the simple average closing price for the one-month period ending on that date, 42.24% on 1,617 yen, the simple average closing price for the three-month period ending on that date, and 37.64% on 1,671 yen, the simple average closing price for the six-month period ending on that date of the Company Shares respectively on the Prime Market of the TSE). In response to this, on July 23, 2026, the Tender Offeror received a request from the Special Committee to reconsider an increase in the Tender Offer Price from the perspective of ensuring the interests of minority shareholders to the maximum extent possible. Thereafter, on July 24, 2026, the Tender Offeror submitted a written price proposal stating that the Tender Offer Price would be 2,392 yen (the proposed Tender Offer Price of 2,392 yen represented a premium of 8.24% on 2,210 yen, the closing price of the Company Shares on the Prime Market of the TSE on July 24, 2026, which was the date of the proposal, 30.21% on 1,837 yen, the simple average closing price for the one-month period ending on that date, 45.41% on 1,645 yen, the simple average closing price for the three-month period ending on that date, and 42.47% on 1,679 yen, the simple average closing price for the six-month period ending on that date of the Company Shares respectively on the Prime Market of the TSE). In response, on July 26, 2026, the Tender Offeror received a response from the Special Committee that the Tender Offer Price was considered to be a price that appropriately took into consideration the interests of minority shareholders and that, provided that there would be no material changes in market or economic conditions and that the Tender Offer Price would not fall below the market price of the Company Shares as of July 28, 2026, the Special Committee would accept a Tender Offer Price of 2,392 yen. On July 28, 2026, the Tender Offeror received a request from the Special Committee to increase the Tender Offer Price based on the fact that the market share price on and after July 27, 2026 temporarily exceeded 2,392 yen. Thereafter, on July 28, 2026, after engaging in sincere discussions based on the trends in the market of the Company Shares and the request from the Special Committee, the Tender Offeror presented a final proposal to set the Tender Offer Price at 2,451 yen (the proposed Tender Offer Price of 2,451 yen represented a premium of 4.74% on 2,340 yen, the closing price of the Company Shares on the Prime Market of the TSE on July 28, 2026, which was the date of the proposal, 27.59% on 1,921 yen, the simple average closing price for the one-month period ending on that date, 46.85% on 1,669 yen, the simple average closing price for the three-month period ending on that date, and 45.55% on 1,684 yen, the simple average closing price for the six-month period ending on that date of the Company Shares respectively on the Prime Market of the TSE). In response, on the same date, the Tender Offeror received a response from the Special Committee that it would accept a Tender Offer Price of 2,451 yen, as the Special Committee determined that such price was a price that gave due consideration to the interests of the Company's minority shareholders.

(III) Management Policy After the Tender Offer

The Transactions constitute a management buyout (MBO), and Mr. Kanemaru intends to continue to manage the Company after the Tender Offer in his current capacity as Representative Director and Chairman of the Company, and intends to promote the management measures as set out in "(II) Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer" above.

As of today, the Tender Offeror has not reached any agreement concerning the appointment or treatment of officers after the Transactions with other directors (including audit and supervisory committee members) of the Company. The Tender Offeror plans to determine the particulars of the management structure after the Transactions, including the composition of the Company's officers through discussions with the Company after the Transactions, but intends to maintain the current management system in principle. In addition, the Tender Offeror intends to maintain the current employment conditions of employees of the Company after the Transactions in principle.

(IV) Process and Reasons for the Company's Decision to Support the Tender Offer

(i) Background to Establishment of Framework for Consideration

As described in "(II) Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer" above, on April 2, 2026, the Company received an initial oral approach from Mr. Kanemaru to Mr. Tomohiko Taniguchi, the Representative Director and President of the Company, and Mr. Yohei Saito, Director and Vice President of the Company, indicating his intention to commence consideration and discussions regarding implementation of a management buyout (MBO). In response, since the transaction proposed by him constituted a management buyout (MBO) and structural conflicts of interest and information asymmetry issues would arise, in order to address such issues and ensure the fairness of the Transactions, on April 7, 2026, the Company appointed Nakamura, Tsunoda & Matsumoto as its legal advisor and on April 9, 2026, PLUTUS CONSULTING Co., Ltd. ("**Plutus Consulting**") as its financial advisor and third-party appraiser, each of whom is independent from the Tender Offeror and Mr. Kanemaru (the "**Tender Offerors**"), as well as from the Company.

In addition, in order to ensure the fairness of the Transactions, the Company, with the advice of Nakamura, Tsunoda & Matsumoto, commenced the establishment of a framework to consider, negotiate, and make decisions on the Transactions from a position independent from the Tender Offerors, and from the perspectives of enhancing the Company's corporate value and the Company's general shareholders. Specifically, from mid- to late April 2026, the Company informed each outside director that (i) the Company was informed that Mr. Kanemaru intended to propose a management buyout (MBO), and (ii) provided explanations regarding matters to be noted in considering such a management buyout (MBO). Following discussions among all outside directors, candidates for members of a special committee were selected. Upon receipt of the Initial Letter of Intent Dated April 28, 2026 from Mr. Kanemaru, the Company established, by a resolution at its board of directors meeting held on the same date, the special committee for the purpose of considering the proposal for the Transactions (the "**Special Committee**"; for details on the composition of the members and specific activities of the Special Committee, please refer to "(III) Establishment of an Independent Special Committee and Obtainment of a Report from an Independent Special Committee by the Company" in "(3) Measures to Ensure Fairness of the Tender Offer" below). As with the case described in "(VII) Approval of All Disinterested Directors (including Audit and Supervisory Committee Members) of the Company" in "(3) Measures to Ensure Fairness of the Tender Offer" below, Mr. Kanemaru, who is the proposer of the Transactions and also serves as the person acting in a representative capacity for the managing member of the Tender Offeror, did not participate in the deliberations on, or the resolution of, the above board of directors meeting.

In addition, as described in "(III) Establishment of an Independent Special Committee and Obtainment of a Report from an Independent Special Committee by the Company" in "(3) Measures to Ensure Fairness of the Tender Offer" below, the Company obtained the approval of the Special Committee regarding the appointment of Plutus Consulting, as the Company's financial advisor and third-party appraiser, and Nakamura, Tsunoda & Matsumoto, as the Company's legal advisor, after confirming that there were no issues with respect to their independence from the Tender Offerors, the Company, and success or failure of the Transactions, as well as their expertise and track record.

In addition, the Company established an internal framework composed solely of officers and employees who are recognized as independent from the Tender Offerors to consider, negotiate, and make decisions on the Transactions from a position independent from the Tender Offerors, as described in "(VI) Establishment of an Independent Review Structure at the Company" in "(3) Measures to Ensure Fairness of the Tender Offer" below, and obtained the approval of the Special Committee that such framework for consideration had no issues from the perspectives of independence and fairness.

Furthermore, on May 20, 2026, the Special Committee decided to appoint Frontier Management Inc. ("**Frontier Management**") as its own financial advisor and third-party appraiser, and Nishimura & Asahi (Gaikokuho Kyodo Jigyo) ("**Nishimura & Asahi**") as its own legal advisor, each of whom is independent from the Tender Offerors, the Company, and success or failure of the Transactions.

(ii) Process of Consideration and Negotiations

Under the framework described above, taking into account the overview of the Tender Offer (including the objectives of the Transactions), the impact of the Transactions on the Company, the management policy after the Transactions, and recent trends in the market price of the Company Shares, the Company carefully discussed and considered its negotiation policy from the perspective of giving consideration to the interests of the Company's general shareholders, while receiving advice from Plutus Consulting and Nakamura, Tsunoda & Matsumoto. Furthermore, following the establishment of the Special Committee pursuant to a resolution of the extraordinary board of directors meeting held on April 28, 2026, the Special Committee held discussions and negotiations with the Tender Offeror regarding the implementation of the Transactions on six occasions during the period from late June to late July 2026.

Specifically, first, on May 15, 2026, the Special Committee sent a written questionnaire to the Tender Offeror regarding its assessment of the Company Group and its business environment, the purpose and reasons for implementing the privatization (delisting) of the Company, the management structure and management policy after the Transactions, the structure and schedule of the Transactions, etc. On May 26, 2026, the Special Committee received written responses from the Tender Offeror, and on June 5, 2026, the Special Committee conducted an interview with Mr. Kanemaru and held a question-and-answer session, and considered these matters.

Thereafter, on June 29, 2026, the Company received from the Tender Offeror a written price proposal with the Tender Offer Price set at 1,950 yen (this price represented a premium of 30.00% on 1,500 yen, the closing price of the Company Shares on June 26, 2026, which is the business day immediately preceding the date of the proposal, 28.63% on 1,516 yen, the simple average closing price for the one-month period ending on that date, 24.12% on 1,571 yen, the simple average closing price for the three-month period ending on that date; and 15.52% on 1,688 yen, the simple average closing price for the six-month period ending on that date of the Company Shares respectively on the Prime Market of the TSE). In response to this, the Special Committee, on July 1, 2026, approached the Tender Offeror to indicate that the Tender Offer Price fell substantially short of a level that would justify further discussions as a price sufficient for the Company's minority shareholders, and that the Company wished to request the Tender Offeror to reconsider a substantial increase in the Tender Offer Price.

In addition, on July 3, 2026, the Company and the Special Committee received from the Tender Offeror, a written price proposal with the Tender Offer Price set at 2,080 yen (this price represented a premium of 30.90% on 1,589 yen, the closing price of the Company Shares on July 2, 2026, which is the business day immediately preceding the date of the proposal, 38.11% on 1,506 yen, the simple average closing price for the one-month period ending on that date, 32.65% on 1,568 yen, the simple average closing price for the three-month period ending on that date, 23.88% on 1,679 yen, the simple average closing price for the six-month period ending on that date of the Company Shares respectively on the Prime Market of the TSE). In response, on July 7, 2026, the Special Committee approached the Tender Offeror to indicate that the Tender Offer Price still falls substantially short of a level that would justify further discussions as a price sufficient from the perspective of protecting the Company's minority shareholders, and that the Company wished to request the Tender Offeror to reconsider a substantial increase in the Tender Offer Price.

Thereafter, on July 13, 2026, the Company and the Special Committee received from the Tender Offeror, a revised proposal stating that although the previous price proposals were based on the premise that interim and year-end dividends would not be paid, the premise would be changed, and that on the premise that the Company will pay an interim dividend for the fiscal year ending December 2026 (a dividend of 24 yen per share, which is the amount announced by the Company as its dividend forecast) and will not pay a year-end dividend, the Tender Offer Price would be 2,206 yen (this price represented a premium of 27.51% on 1,730 yen, the closing price of the Company Shares on July 10, 2026, which is the business day immediately preceding the date of the proposal, 42.14% on 1,552 yen, the simple average closing price for the one-month period ending on that date, 40.06% on 1,575 yen, the simple average closing price for the three-month period ending on that date, 32.33% on 1,667 yen, the simple average closing price for the six-month period ending on that date of the Company Shares respectively on the Prime Market of the TSE). In response, on July 16, 2026, the Special Committee approached the Tender Offeror to indicate that the Tender Offer Price still cannot be said to be at a sufficient level from the perspective of protecting the Company's minority shareholders, and that the Company wished to request the Tender Offeror to reconsider a substantial increase in the Tender Offer Price.

Thereafter, on July 21, 2026, the Company and the Special Committee received from the Tender Offeror, a revised proposal stating that the Tender Offer Price would be 2,300 yen (this price represented a premium of 1.05% on 2,276 yen, the closing price of the Company Shares on July 21, 2026, which is the date of the proposal, 32.95% on 1,730 yen, the simple average closing price for the one-month period ending on that date, 42.24% on 1,617 yen, the simple average closing price for the three-month period ending on that date, 37.64% on 1,671 yen, the simple average closing price for the six-month period ending on that date of the Company Shares respectively on the Prime Market of the TSE). In response, on July 23, 2026, the Special Committee approached the Tender Offeror to indicate that the Company wished to request the Tender Offeror to reconsider an increase in the Tender Offer Price from the perspective of ensuring the interests of minority shareholders to the maximum extent possible.

Thereafter, on July 24, 2026, the Company and the Special Committee received from the Tender Offeror, a revised proposal stating that the Tender Offer Price would be 2,392 yen (this price represented a premium of 8.24% on 2,210 yen, the closing price of the Company Shares on July 24, 2026, which is the date of the proposal, 30.21% on 1,837 yen, the simple average closing price for the one-month period ending on that date, 45.41% on 1,645 yen, the simple average closing price for the three-month period ending on that date, 42.47% on 1,679 yen, the simple average closing price for the six-month period ending on that date of the Company Shares respectively on the Prime Market of the TSE). In response, on July 26, 2026, the Special Committee informed the Tender Offeror that, in light of, among other things, the premium levels over the average share price during a certain historical period in comparable transactions and the Company's intrinsic value, the Special Committee determined that the Tender Offer Price was a price that gave due consideration to the interests of the Company's minority shareholders. Accordingly, on July 28, 2026, the Special Committee responded that it would accept the Tender Offer Price of 2,392 yen, subject to the condition that, as of July 28, 2026, there would be no material changes in market or economic conditions, etc. and that the Tender Offer Price would not fall below the market price of the Company Shares.

However, since the market price of the Company Shares further increased on and after July 27, 2026, on July 28, 2026, the Special Committee requested that the Tender Offeror increase the Tender Offer Price based on the fact that the market price of the Company Shares on and after July 27, 2026 temporarily exceeded 2,392 yen.

Thereafter, on the same date, the Company and the Special Committee received from the Tender Offeror a final proposal to set the Tender Offer Price at 2,451 yen (the proposed Tender Offer Price of 2,451 yen represented a premium of 4.74% on 2,340 yen, the closing price of the Company Shares on the Prime Market of the TSE on July 28, 2026, which was the date of the proposal, 27.59% on 1,921 yen, the simple average closing price for the one-month period ending on that date, 46.85% on 1,669 yen, the simple average closing price for the three-month period ending on that date, and 45.55% on 1,684 yen, the simple average closing price for the six-month period ending on that date of the Company Shares respectively on the Prime Market of the TSE). In response, on the same date, since the Special Committee determined that the proposed price was a price that gave due consideration to the interests of the Company's minority shareholders, the Special Committee responded that it would accept a Tender Offer Price of 2,451 yen.

(iii) Details of Decision

Based on the background above, the Company received necessary legal advice from Nakamura, Tsunoda & Matsumoto, its legal advisor, regarding the method and process of the Company's board of directors' decision-making, including the procedures related to the Transactions, and other points to be noted, and received from the Special Committee a report dated July 29, 2026 (the "**Report**") (for details of the Report, please refer to Attachment 1; and for details of the specific activities, etc. of the Special Committee, please refer to "(III) Establishment of an Independent Special Committee and Obtainment of a Report from an Independent Special Committee by the Company" in "(3) Measures to Ensure Fairness of the Tender Offer" below).

In addition, the Company received from Plutus Consulting submission of a share valuation report regarding the Company Shares dated July 28, 2026 (the "**Share Valuation Report (Plutus Consulting)**") (for an overview of the Share Valuation Report (Plutus Consulting), please refer to "(I) Obtainment by the Company of a Share Valuation Report from an Independent Third-Party Appraiser" in "(3) Measures to Ensure Fairness of the Tender Offer" below).

Furthermore, the Special Committee also received from Frontier Management submission of a share valuation report regarding the Company Shares dated July 28, 2026 (the "**Share Valuation Report**

(Frontier Management)") and a fairness opinion stating that the Tender Offer Price of 2,451 yen per share is considered fair, from a financial point of view, to the Company's general shareholders (the "**Fairness Opinion (Frontier Management)**") (for an overview of the Share Valuation Report (Frontier Management) and the Fairness Opinion (Frontier Management), please refer to "(IV) Obtainment by the Special Committee of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Appraiser" in "(3) Measures to Ensure Fairness of the Tender Offer" below).

Based on the foregoing, the Company carefully discussed and considered whether the Transactions, including the Tender Offer, would contribute to the enhancement of the Company's corporate value and whether the terms and conditions of the Transactions, including the Tender Offer Price, are fair, while taking into account the legal advice received from Nakamura, Tsunoda & Matsumoto, the financial advice received from Plutus Consulting and the details of the Share Valuation Report (Plutus Consulting) obtained from the same company, and the details of the Share Valuation Report (Frontier Management) and the Fairness Opinion (Frontier Management) submitted through the Special Committee, and while respecting to the maximum extent possible the decisions of the Special Committee presented in the Report.

As a result, the Company has determined that, in light of the matters described below, the measures contemplated by the Tender Offeror, as set forth in "(II) Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer" above are reasonable, and that privatizing the Company Shares through the Transactions would contribute to the enhancement of the Company's corporate value.

(i) Management execution from a medium- to long-term perspective

Amid the rapid changes in the business environment of the IT and digital domains driven by AI, the Company recognizes that merely conducting investments in research and development and human capital within the scope that enables achievement of short-term performance targets entails a risk of falling into a competitive disadvantage over the medium to long term. Accordingly, the Company believes that, by privatizing the Company and thereby avoiding being influenced by short-term business performance or stock market evaluations, it will be possible to establish a medium- to long-term competitive advantage through the bold and continuous execution of initiatives, including investments in research and development relating to advanced technologies, including AI, promotion of structural reforms to reconstruct the Company's design and development processes into AI-native ones (designed on the premise of AI utilization), and investments in human capital aimed at securing and developing highly skilled personnel, particularly AI talent , project leaders, and upstream personnel. The Company believes that executing management from such a medium- to long-term perspective would contribute to the enhancement of the corporate value of the Company Group.

(ii) Optimization of management resources

The Company recognizes the need to thoroughly promote internal structural reforms, including initiatives aimed at tripling productivity through the use of AI and reconstructing the Company's design and development processes into AI-native ones in areas where the Company has strengths, such as the modernization of legacy systems, and to execute such reforms swiftly. In addition, the Company recognizes the importance of expanding its medium- to long-term partnership clients (the establishment of business relationships with key clients spanning multiple years and multiple business areas) by prioritizing the allocation of management resources to areas that will serve as sources of competitive advantage in the AI era, such as AI architecture design, deepening relationships with clients, further enhancement of business understanding, and the development of personnel to execute these initiatives. However, the Company recognizes that such initiatives require a certain level of upfront investment and time for realization, and cannot rule out the possibility that they may have an adverse impact on its shareholders in the short term. The Company believes that privatizing the Company Shares through the Transactions offers advantages in that it will enable the Company, from the perspective of enhancing corporate value over the medium to long term, to make bold upfront investments in internal structural reforms and optimize management resources, thereby enabling the implementation of the initiatives described above.

(iii) Succession and strengthening of the corporate culture and human capital foundation

The Company recognizes that, in order to overcome the significant changes in the business environment driven by generative AI and to maintain and enhance its competitiveness, it is essential to attract and retain highly skilled personnel. To this end, the Company believes that it is necessary to strengthen its human capital foundation through measures such as the introduction of evaluation and compensation systems that appropriately recognize medium- to long-term achievements and willingness to take on new challenges, as well as the acquisition of personnel with advanced technological expertise through industry-academia collaboration, including joint AI research with universities. The Company believes that privatizing the Company Shares through the Transactions offers advantages in that it will enable the Company to create an environment in which bold initiatives to ensure the succession and strengthening of corporate culture and human capital foundation can be implemented without undue concern about short-term stock market reactions.

(iv) Expansion of capabilities through strategic mergers and acquisitions and alliances

The Company recognizes that there is room to expand its capabilities through strategic mergers and acquisitions, including investments in, alliances with, or acquisitions of companies, such as those with AI engineers and AI consultants and AI startups, in areas where the Company Group will be responsible for business transformation of clients through the utilization of AI and in pursuing the acquisition of AI use cases, thereby fundamentally strengthening the value provided by the Company Group. The Company believes that there are advantages in that it will be able to expand its capabilities to achieve high-quality growth that fundamentally enhances the competitiveness of the Company Group as a whole, without undue concern about short-term stock market reactions arising from the costs associated with strategic mergers and acquisitions.

(v) Expansion of growth opportunities for employees and development of an environment in which personnel can better realize their potential

The Company recognizes the importance of providing employees with challenging and growth-oriented opportunities in order to more rapidly develop project leaders capable of responding to new development processes driven by advancements in AI. Such opportunities include the development of top-tier AI engineers, support for the acquisition of doctoral degrees at universities, the acquisition of AI capabilities encompassing AI-driven development and design and the implementation of AI agents, the creation of opportunities for employees to assume more advanced roles beyond the traditional scope of IT consulting and systems development, and the creation of opportunities for greater involvement in clients' core systems and data infrastructure. Although these initiatives require a certain period of education and reskilling and cannot rule out the possibility that they may lead to a decline in profitability in the short term, the Company believes that there are advantages in that they will enable the Company to allocate resources boldly toward expanding employees' growth opportunities and enhancing an environment in which personnel can perform at their full potential.

(vi) Reduction of costs to maintain listing

In recent years, due to the strengthening of regulations related to capital markets, the scope of additional and ongoing information required to be disclosed to stakeholders through annual securities reports, corporate governance reports and other disclosure documents is increasing year by year, and as the human and financial costs required to maintain the Company's listing as a listed company have been increasing, it cannot be ruled out that these costs may become a significant burden on the management of the Company Group. The Company believes that the privatization would be advantageous in that the burden of human resources and financial costs related to maintaining the listing would be eliminated, thereby enabling the allocation of human resources and financial resources to measures aiming at establishing a medium- to long-term competitive advantage.

On the other hand, the Company has also considered the disadvantages of privatizing the Company Shares through the Transactions. In this regard, as the implementation of the Transactions is expected to result in the delisting of the Company, it is possible that such delisting may adversely affect the Company's ability to secure high-quality personnel and win business opportunities, which it has benefited from as a listed company through enhanced credibility and name recognition. However, the Company believes that it has been increasingly recognized as one of the few companies capable of building mission-critical core systems on an end-to-end basis, from grand design through requirements definition, to development, and implementing integrated reforms across management, business operations, and IT. In addition, the Company expects to effectively leverage the brand it has built over more than 20 years since its listing, and therefore believes that the impact on its ability to secure business opportunities and personnel will be limited. Furthermore, although the privatization of the Company Shares would limit the Company's ability to raise funds through equity financing in the capital markets and would result in a repayment burden associated with substantial borrowings, the Company expects that the areas in which it has strengths, such as the modernization of legacy systems, are unlikely to be replaced or eroded by AI in the near term. During this period, by further accelerating initiatives such as AI-driven development and establishing a medium- to long-term competitive advantage, the Company believes that it will be able to steadily generate cash flow to serve as a source of repayment, and therefore believes that the risks associated with financing can be mitigated. In addition to the foregoing, from a governance perspective, the privatization could give rise to financial concerns due to a loosening of investment discipline; however, the Company recognizes that while investments for structural reforms aiming at establishing a medium- to long-term competitive advantage will be executed with greater speed than ever before, the amount and timing of the investments will need to be subject to a more rigorous discipline, taking into account repayment of borrowings from financial institutions. In light of the above, among others, the Company believes that the financial governance will continue to be maintained. In addition, the Company assumes that the dissolution of existing capital relationships with shareholders (such as business partner shareholders) will not have any particular impact. Based on the above, the Company determined, at its board of directors meeting held today, that the advantages of privatizing the Company Shares outweigh the disadvantages, and that privatizing the Company Shares through the Transactions represents the best option for achieving an enhancement of the Company's corporate value.

Furthermore, in light of the following matters, the Company determined that the Tender Offer Price (2,451 yen) and other terms and conditions relating to the Tender Offer are fair to the Company's shareholders, and that the Tender Offer will provide the Company's shareholders with an opportunity to sell their shares in a reasonable manner.

(a) The Tender Offer Price (2,451 yen) exceeds the upper end of the valuation results of the share value of the Company Shares determined by Plutus Consulting under the market price method and the comparable company method, and is at a level that exceeds the median of the range of the valuation results determined by Plutus Consulting under the DCF method, as described in "(ii) Overview of Valuation" in "(I) Obtainment by the Company of a Share Valuation Report from an Independent Third-Party Appraiser" in "(3) Measures to Ensure Fairness of the Tender Offer" below ;
(b) The Tender Offer Price (2,451 yen) exceeds the upper end of the valuation results of the share value of the Company Shares determined by Frontier Management under the market price method and the comparable company method, and is at a level that falls within the range of the valuation results determined by Frontier Management under the DCF method, as described in "(ii) Overview of Valuation" in "(IV) Obtainment by the Special Committee of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Appraiser" in "(3) Measures to Ensure Fairness of the Tender Offer" below;
(c) The Tender Offer Price (2,451 yen), with the business day immediately preceding the date of announcement of the implementation of the Tender Offer, i.e., July 28, 2026, as the reference

date, includes a premium of 4.74% over the closing price of the Company Shares on the Prime Market of the TSE on the reference date of 2,340 yen, a premium of 27.59% over the simple average closing price of 1,921 yen for the past one-month period up to that date, a premium of 46.85% over the simple average closing price of 1,669 yen for the past three-month period, and a premium of 45.55% over the simple average closing price of 1,684 yen for the past six-month period, and with respect to such premium levels, when compared to (i) the premium levels in 173 cases (excluding transactions with a negative premium; the "**Comparable Transactions I**") in which the aggregate voting rights ownership ratio of the tender offeror and its specially related parties prior to the commencement of the tender offer was 45% or more and the purpose of the transaction was the acquisition of all shares (i.e., a going-private transaction), among tender offer transactions that were announced and successfully completed on or after June 28, 2019 and on or before May 31, 2026 (the average premiums over the closing price on the business day immediately preceding the announcement date and the simple average closing prices for the one-month, three-month, and six-month periods prior to the announcement date were 39.24%, 41.58%, 42.91%, and 43.56%, respectively, and the median premiums over the same prices were 38.02%, 40.04%, 39.36%, and 38.72%, respectively), and (ii) the premium levels in 16 cases in which, as is the case with the Company, the target company's PBR was at least 2.0x and the tender offeror's ownership ratio was 40% or more (excluding transactions with a negative premium, transactions the disclosed document of which mentioned speculative media reports, and transactions in which the tender offer was unsuccessful; the "**Comparable Transactions II**"), among tender offer transactions that were announced on or after June 28, 2019 and on or before May 31, 2026 that were conducted either as MBOs or by parent companies or other affiliates for the purpose of acquiring all shares of their listed subsidiaries or listed affiliates, the average premiums over the closing price on the business day immediately preceding the announcement date and the simple average closing prices for the one-month, three-month, and six-month periods prior to the announcement date were 31.44%, 31.31%, 33.59%, and 35.88%, respectively, and the median premiums over the same prices were 30.55%, 30.45%, 29.00%, and 32.63%, respectively), a certain level of premium over the closing price on the business day immediately preceding the date of announcement is secured, and such premium falls substantially short of the mean and median of the Comparable Transactions I and the Comparable Transactions II. However, given that the market price of the Company Shares has been subject to significant volatility in recent periods and the share price of the Company Shares is in a phase of sharp rise, it is considered appropriate, in considering premium levels, to also take into account longer-term means and medians so as to reduce the impact of sharp short-term fluctuations in the share price; and given that the premium rate over the simple average closing price for the most recent one-month period falls short of both the mean and median of the Comparable Transactions I and the Comparable Transactions II, yet a certain level has been secured even during a period in which the share price of the Company Shares had surged sharply in the approximately one-month period up to the present, the premium rate over the simple average closing price for the most recent three-month period is at a level that exceeds both the mean and median of the Comparable Transactions I and the Comparable Transactions II, and the premium rate over the simple average closing price for the most recent six-month period is at a level that exceeds the means and medians of the Comparable Transactions I and the Comparable Transactions II, it can be assessed that a considerable premium has been added in comparison with the simple average closing prices for the most recent one-month, three-month, and six-month periods;

(d) The Tender Offer Price (2,451 yen) exceeds 2,439 yen, which was the highest closing price of the Company Shares since its listing (the closing price on August 12, 2025), and from the perspective of providing the Company's general shareholders with a meaningful opportunity to recover their investment, it may be regarded as having reasonableness.

(e) As described in "(IV) Obtainment by the Special Committee of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Appraiser" in "(3) Measures to Ensure Fairness of the Tender Offer" below, Frontier Management submitted the Fairness Opinion (Frontier Management) to the effect that the Tender Offer Price (2,451 yen) is fair, from a financial point of view, to the Company's general shareholders;

(f) The measures to ensure the fairness of the Tender Offer described in "(3) Measures to Ensure Fairness of the Tender Offer" below have been taken, and the fairness of the procedures for the Transactions is considered to be ensured;

(g) With respect to the process of discussions and negotiations on the terms and conditions of the Transactions, it has been found that the above measures to ensure the fairness of the Tender Offer have been taken at the Company, the Special Committee has been substantively involved therein, and sincere negotiations have been conducted between the Tender Offeror and the Company; and

(h) As described in Attachment 1, the Report submitted by the Special Committee states that the terms and conditions of the Transactions, including the Tender Offer Price, are considered to be fair.

Based on the above, the Company resolved at the board of directors meeting held today to express its opinion in support of the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer. For the method of the resolution at the above board of directors meeting, please refer to "(VII) Approval of All Disinterested Directors (including Audit and Supervisory Committee Members) of the Company" in "(3) Measures to Ensure Fairness of the Tender Offer" below.

(3) Measures to Ensure Fairness of the Tender Offer

In light of, among others, the fact that the Tender Offer will be implemented as part of the Transactions constituting a management buyout (MBO) and that structural conflicts of interest issues would arise, from the perspectives of ensuring the fairness of the Tender Offer Price, eliminating arbitrariness in the decision-making process leading to the decision to implement the Tender Offer, and avoiding conflicts of interest, the Tender Offeror and the Company took the following measures in order to ensure the fairness of the Transactions, including the Tender Offer.

Since the Tender Offeror believes that setting a "majority of minority" minimum number of shares to be purchased in the Tender Offer may make the successful completion of the Tender Offer unstable and, rather, may not serve the interests of the Company's general shareholders who wish to tender their shares in the Tender Offer, the Tender Offeror has not set the "majority of minority" minimum number of shares to be purchased in the Tender Offer. However, given that the following measures have been implemented to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest, the Tender Offeror believes that sufficient consideration has been given to the interests of the Company's general shareholders.

In addition, among the descriptions below, descriptions of the measures, etc. that were taken by the Tender Offeror are based on explanations given by the Tender Offeror.

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

(i) Name of Appraiser and its Relationship with the Company and the Tender Offerors

In expressing the Company's opinion on the Tender Offer, in order to ensure the fairness of the Company's decision-making on the Tender Offer Price presented by the Tender Offerors, the Company requested that Plutus Consulting, which is its financial advisor and third-party appraiser independent of the Tender Offerors and the Company, calculate the share value of the Company Shares, and obtained the Share Valuation Report (Plutus Consulting) dated July 28, 2026.

Plutus Consulting does not constitute a related party of the Tender Offerors and the Company, and does not have any material interests that should be stated in connection with the Transactions, including the Tender Offer. The remuneration of Plutus Consulting in relation to the Transactions consists solely of a fixed fee payable regardless of whether the Transactions are successfully completed, and does not include any contingency fees subject to the announcement, successful completion, etc. of the Transactions.

(ii) Overview of Valuation

Plutus Consulting, after considering multiple valuation methods and examining which valuation methods should be adopted for the valuation of the Company Shares, and on the premise that the Company is a going concern, and on the basis that it is appropriate to evaluate the value of the Company Shares from multiple perspectives, conducted a valuation of the Company Shares by applying the following methods: the market price method, because the Company Shares are listed on the Prime Market of the TSE and have a market price; the comparable listed company method, because there are multiple listed companies comparable to the Company and it is possible to analogize the value of the Company Shares through comparison with similar companies; and the DCF method, in order to reflect the Company's financial performance and forecasts in the valuation. The Company obtained from Plutus Consulting the Share Valuation Report (Plutus Consulting) dated July 28, 2026. In addition, the Company determined that, giving consideration to the interest of the Company's general shareholders, since the Company has taken the various measures to ensure the fairness of the Tender Offer as described in "(3) Measures to Ensure Fairness of the Tender Offer," the acquisition of a fairness opinion is unnecessary, and the Company has not obtained a fairness opinion from Plutus Consulting.

The ranges of the per-share value of the Company Shares calculated based on the above methods are as follows:

Market price method: 1,669 yen – 2,340 yen
Comparable company method: 1,830 yen – 2,293 yen
DCF method: 2,003 yen – 2,686 yen

Under the market price method, by setting July 28, 2026 as the reference date, the range of the per-share value of the Company Shares was calculated to be 1,669 yen to 2,340 yen based on the closing price of the Company Shares on the Prime Market of the TSE on the reference date of 2,340 yen, the simple average closing price for the most recent one-month period of 1,921 yen, the simple average closing price for the most recent three-month period of 1,669 yen, and the simple average closing price for the most recent six-month period of 1,684 yen.

Under the comparable company method, TISI Inc., Nomura Research Institute, Ltd., BIPROGY Inc., DTS Corporation, NSD Co., Ltd., Computer Engineering & Consulting Ltd., and SIGMAXYZ Holdings Inc. were selected as comparable listed companies engaged in businesses similar to that of the Company, and the share value of the Company Shares was calculated using enterprise value-based EV/EBITA multiples and EV/EBITDA multiples, and the range of the per-share value of the Company Shares was calculated to be 1,830 yen to 2,293 yen.

Under the DCF method, the financial projections of the Company included in the business plan (the "**Business Plan**"), which Plutus Consulting used as the basis for the DCF method, were prepared by the Company taking into account its recent business performance and various initiatives for future growth in its IT Consulting & Services Segment and Business Innovation Segment, and cover the period from the fiscal year ending December 2026 to the fiscal year ending December 2029, which was determined as a period for which reasonable projections can be made. In light of the Business Plan prepared by the Company, based on various factors, including the revenue forecasts and investment plans set forth in the Business Plan, etc. covering the four fiscal years from the fiscal year ending December 2026 to the fiscal year ending December 2029, and publicly available information, Plutus Consulting analyzed and evaluated the corporate value and the share value of the Company by discounting the free cash flows expected to be generated by the Company from the third quarter of the fiscal year ending December 2026 onward to the present value at a certain discount rate, and calculated the range of the per-share value of the Company Shares to be 2,003 yen to 2,686 yen. The discount rate was the weighted average cost of capital (WACC), which was set at 8.03% to 9.30%. In calculating the going concern value, the perpetual growth method and the multiple method were adopted. Under the perpetual growth method, the perpetual growth rate was set to be in the range of 0% to 1%, and the going concern value was calculated to be in the range of 167,285 million yen to 219,632 million yen. The minimum perpetual growth ratio is based on the theoretically anticipated long-term economic environment, and the maximum perpetual growth ratio is based on inflation ratio, demographic trends, and other macroeconomic factors. Under the multiple method, EV/EBITA multiples and EV/EBITDA multiples were applied, and taking into account market levels of companies in the relevant industry, the EV/EBITA multiple was set at 7.0 to 9.1 times and the EV/EBITDA multiple was set at 6.4 to 7.5 times, and the going concern value was calculated to be in the range of 156,151 million yen to 207,236 million yen.

As non-business assets, excess cash and deposits (calculated by deducting operating cash and deposits estimated through comprehensive consideration of past cash flow performance and other factors from the Company’s cash and deposits) and investment securities held by the Company have been added. Furthermore, with respect to listed company shares, the tax effects assuming sale at market value have been taken into account.

The Business Plan used by Plutus Consulting for the DCF method does not include fiscal years in which significant increases or decreases in profits or free cash flow are expected.

The Business Plan was prepared by the Company’s management who does not have any interests with the Tender Offerors for the purpose of considering the appropriateness of the terms and conditions of the Transactions, primarily by taking into account past performance, recent revenue conditions, trends in the market of the industry to which the Company belongs, and the management environment surrounding the Company, such as the recent increase in personnel costs, and the Tender Offerors have never been involved in the process of its preparation.

Synergy effects expected to be realized through the implementation of the Transactions have not been incorporated into the following financial projections, as it is difficult to specifically estimate them at this time.

The financial projections used as the basis for the DCF method are as follows.

(Unit: million yen)

	Fiscal year ending December 2026 (Six months)	Fiscal year ending December 2027	Fiscal year ending December 2028	Fiscal year ending December 2029
Net sales	42,277	84,539	91,164	97,788
Operating profit	10,120	16,646	19,000	21,156
EBITDA	11,804	19,871	22,129	24,285
Free cash flow	4,019	11,297	12,183	13,659

(Note) In valuing the Company Shares, Plutus Consulting has, in principle, relied as-is on the information provided by the Company and publicly available information, and has assumed that such materials and information are accurate and complete, without independently verifying their accuracy and completeness. Furthermore, Plutus Consulting has not conducted any independent valuation or appraisal of the assets and liabilities of the Company and its affiliates (including off-balance-sheet assets and liabilities and other contingent liabilities), nor has it requested any appraisal or evaluation from any third-party institutions. In addition, with respect to the Company’s financial projections, Plutus Consulting has assumed that such projections have been reasonably prepared based on the best estimates and judgments currently available to the Company’s management. Notwithstanding the foregoing, Plutus Consulting conducted multiple question-and-answer sessions with the Company regarding the Business Plan used as the basis for the valuation, and confirmed the reasonableness of the Business Plan, including that it had been reasonably prepared based on the best estimates and judgments currently available to the Company’s management and did not contain any unreasonable aspects in light of the

Company's present circumstances. Furthermore, the Special Committee has confirmed the reasonableness of the contents of the Business Plan, its important assumptions, and the process of its preparation.

(II) Obtainment by the Company of Advice from an Independent Legal Advisor

In order to ensure the fairness and appropriateness of the Company's board of directors' decision-making on the Transactions, including the Tender Offer, the Company appointed Nakamura, Tsunoda & Matsumoto, which is independent of the Tender Offerors and the Company, as its legal advisor, and has received legal advice regarding the process and method of the Company's board of directors' decision-making on the Transactions, including the Tender Offer, and other points to be noted when making decisions regarding the Transactions, including the Tender Offer.

Nakamura, Tsunoda & Matsumoto does not constitute a related party of the Tender Offerors and the Company, and does not have any material interests in connection with the Transactions, including the Tender Offer. The remuneration of Nakamura, Tsunoda & Matsumoto will be calculated by multiplying the work hours by an hourly rate regardless of whether the Transactions are successfully completed, and does not include contingency fees subject to the announcement, successful completion, etc. of the Transactions. In addition, the Special Committee confirmed that there are no issues with the independence and expertise of Nakamura, Tsunoda & Matsumoto and approved the appointment of Nakamura, Tsunoda & Matsumoto as the Company's legal advisor.

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

(i) Background to the Establishment

As described in "(IV) Process and Reasons for the Company's Decision to Support the Tender Offer" in "(2) Grounds and Reasons for Opinion," in light of the fact that the Transactions will be implemented as part of a management buyout (MBO) and that the Transactions are a type of transaction involving issues of structural conflict of interest and information asymmetry, based on a resolution of the Company's board of directors at a meeting held on April 28, 2026, the Company established the Special Committee consisting of three members, namely, Mr. Akira Kawamoto (outside director (audit and supervisory committee member) of the Company and vice chairman of Aspirant Group Inc.), Ms. Miki Sakakibara (outside director (audit and supervisory committee member) of the Company and executive officer of Macnica Holdings, Inc.), and Ms. Yukiko Nishiura (outside director (audit and supervisory committee member) of the Company and representative of Nishiura CPA Office), who are independent of the Tender Offerors, the Company, and the success or failure of the Transactions, including the Tender Offer, for the purpose of eliminating arbitrariness in the Company's decision-making on the Transactions, including the Tender Offer, and ensuring the fairness, transparency, and objectivity of the decision-making process. In addition, with respect to the composition of the Special Committee, the Company selected the above three persons, taking into account the fact that all of the members qualify as independent directors/auditors as provided by the TSE, that Mr. Akira Kawamoto has abundant experience and deep knowledge in the corporate investment practice, that Ms. Miki Sakakibara has specialized expertise and extensive knowledge as an attorney, and that Ms. Yukiko Nishiura has specialized knowledge and abundant experience as a certified public accountant, from the perspective of forming the Special Committee with an appropriate number of members, in order to ensure a balance among knowledge, experience, and capabilities of the Special Committee as a whole and to ensure agility in convening the Special Committee meetings and to facilitate formation of a consensus on its opinion. The Company selected the above three persons as members of the Special Committee in its initial establishment, and there has been no change in the members of the Special Committee since then. In addition, Mr. Akira Kawamoto has been selected as the chairperson of the Special Committee by mutual election of the members of the Special Committee. Each member of the Special Committee will receive, as consideration for his or her duties, only remuneration payable regardless of the details of the report, and such remuneration does not include contingency fees subject to the announcement, successful completion, etc. of the Transactions. Based on the above resolution of the board of directors, the Company inquired with the Special Committee about the following matters: (i) considering the pros and cons of implementing the Transactions (whether the Company's board of directors should support the Tender Offer and whether it should recommend that the Company's shareholders tender their shares in the Tender Offer) and making recommendations to the Company's board of directors; and (ii) considering whether the Transactions are fair to the Company's general shareholders and stating an opinion to the Company's board of directors (in considering (i), the Special Committee is to consider the pros and cons of the Transactions from the perspective of whether it will contribute to the enhancement of the Company's corporate value and to consider and determine the fairness of the terms and conditions and the fairness of the procedures from the perspective of protecting the interests of the Company's general shareholders. In making its recommendations, the Special Committee may use appropriate expressions as necessary depending on the transaction form, laws and regulations, etc. relating to the Transactions.) ((i) and (ii), collectively, the "Inquired Matters").

In addition, in making the inquiry with the Special Committee, the Company's board of directors resolved that it would make decisions on the Transactions by respecting the details of the Special Committee's decisions to the maximum extent possible, and that, if the Special Committee determines that the terms and conditions of the Transactions are not appropriate, the Company's board of directors will not approve the Transactions. At the same time, based on the above resolution of the board of directors, the Company has granted the Special Committee: (a) the authority to negotiate the terms and conditions, etc. of the Transactions with the Tender Offerors and other persons (including indirect negotiations through the Company's officers and employees or the Advisors (as defined below)); (b) the authority to appoint, as necessary, experts such as the Special Committee's financial advisor, third-party appraiser, and legal advisor (the "**Advisors**") (in which case the costs will be borne by the Company), or to designate or approve (including ex-post facto approval) the Company's Advisors (if the Special Committee determines that it can rely on the Company's Advisors to provide expert advice, the Special Committee may request expert advice from the Company's Advisors); (c) the authority to require persons deemed necessary by the Special Committee to attend meetings of the Special Committee and to provide explanations regarding necessary information, and to receive from the Company's officers and employees information reasonably necessary for the consideration and decisions regarding the Transactions; and (d) the authority to implement any other matters that the Special Committee deems necessary in considering and making decisions on the Transactions.

(ii) Process of Consideration

The Special Committee held a total of 23 meetings over approximately 36 hours during the period from April 28, 2026 to July 28, 2026 and, in addition, also conducted reporting, information sharing, deliberations and decision-making through email and other means outside of such meetings, and carefully considered and discussed the Inquired Matters. Specifically, first, based on the authority held by the Special Committee described above, after confirming that there were no issues with the independence and expertise of Nakamura, Tsunoda & Matsumoto, the legal advisor appointed by the Company, and Plutus Consulting, the financial advisor and third-party appraiser appointed by the Company, the Special Committee approved each of them as an advisor to the Company. In addition, based on the authority held by the Special Committee described above, the Special Committee decided to appoint, after considering multiple candidates in terms of their independence and expertise, Nishimura & Asahi as the Special Committee's own legal advisor and Frontier Management as the Special Committee's own financial advisor and third-party appraiser.

Furthermore, as described in "(VI) Establishment of an Independent Review Structure at the Company" below, the Special Committee confirmed and approved that there were no issues, from the perspective of independence and fairness, with the internal system established by the Company for consideration of the Transactions (including the scope and duties of the Company's officers and employees involved in considering, negotiating, and deciding on the Transactions).

Based on the advice received from Nishimura & Asahi, the Special Committee's own legal advisor, regarding the process and method of the decision-making on the Transactions, as well as other points to be noted when making decisions on the Transactions, etc., the Special Committee has considered measures that should be taken to ensure the fairness of the procedures in the Transactions.

Specifically, first, the Special Committee sent a written questionnaire to the Tender Offeror regarding its assessment of the Company Group and its business environment, the purpose and reasons for implementing the privatization (delisting) of the Company, the management structure and management policy after the Transactions, the structure and schedule of the Transactions, etc., received written responses from the Tender Offeror, and the Special Committee conducted an interview with Mr. Kanemaru and held a question-and-answer session, and considered and discussed these matters.

Next, the Special Committee sent a written questionnaire to the Company regarding the Company's understanding of the above explanations by the Tender Offerors, the Company's views on the pros and cons of privatization of the Company by the Tender Offeror, the Company's understanding regarding financing after implementing the Transactions, etc., and also conducted an interview with the Company and held a question-and-answer session, and considered and discussed these matters.

In addition, with respect to the Business Plan presented by the Company to the Tender Offeror and used by Plutus Consulting and Frontier Management as the basis for calculating the share value of the Company Shares, the Special Committee received explanations from the Company regarding the process of preparing the Business Plan, and confirmed and approved the reasonableness of the details of the Business Plan, its important assumptions, the background to its preparation, etc. by holding question-and-answer sessions on multiple occasions.

Furthermore, as described in "(I) Obtainment by the Company of a Share Valuation Report from an Independent Third-Party Appraiser" above and "(IV) Obtainment by the Special Committee of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Appraiser" below, Plutus Consulting and Frontier Management have conducted valuations of the share value of the Company Shares based on the Business Plan. The Special Committee received explanations from Plutus Consulting and Frontier Management regarding the valuation methods of the share value of the Company Shares, the reason why such valuation methods were adopted, the contents of valuation through each valuation method, and the important assumptions, held question-and-answer sessions regarding the contents thereof and the important assumptions, etc. of such valuations, and confirmed the reasonableness thereof.

Based on the foregoing considerations, after the Special Committee received from the Company the details of the process, details, etc. of discussions and negotiations with the Tender Offeror related to the Transactions in a timely manner, and as described in "(IV) Process and Reasons for the Company's Decision to Support the Tender Offer" in "(2) Grounds and Reasons for Opinion" above, negotiations regarding the Tender Offer Price were held, and whenever a proposal was made by the Tender Offeror, the Special Committee considered such proposal, while receiving advice from Frontier Management and Nishimura & Asahi. The Special Committee, after receiving the Company's opinion and, at meetings of the Special Committee, obtaining advice from Plutus Consulting and Nakamura, Tsunoda & Matsumoto, substantively participated in negotiations with the Tender Offeror, including deliberating and considering its policy for negotiations with the Tender Offeror.

The Special Committee also received explanations from Nakamura, Tsunoda & Matsumoto, the Company's legal advisor, regarding the drafts of the press release and the opinion statement report relating to the Tender Offer that the Company plans to publish or submit, and confirmed that comprehensive information disclosure is expected to be made.

(iii) Details of Decision

As a result of careful discussions and consideration of the Inquired Matters based on the background above, the Special Committee submitted the Report to the Company's board of directors on July 29, 2026 with the unanimous consent of all members. For details of the Report, please refer to Attachment 1.

(IV) Obtainment by the Special Committee of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Appraiser

(i) Name of Appraiser and its Relationship with the Company and the Tender Offerors

In considering the Inquired Matters, in order to ensure the appropriateness of the terms and conditions of the Transactions, including the Tender Offer Price, the Special Committee requested that Frontier Management, which is a financial advisor and third-party appraiser independent of the Tender Offerors and the Company, calculate the share value of the Company Shares, and obtained the Share Valuation Report (Frontier Management) and Fairness Opinion (Frontier Management) on July 28, 2026.

Frontier Management does not constitute a related party of the Tender Offerors and the Company, and does not have any material interests in connection with the Transactions, including the Tender Offer. The remuneration of Frontier Management in relation to the Transactions consists solely of a fixed fee payable regardless of whether the Transactions are successfully completed, and does not include any contingency fees subject to the successful completion, etc. of the Transactions, including the Tender Offer.

(ii) Overview of Valuation

Frontier Management, after examining valuation methods for the Tender Offer, on the premise that the Company is a going concern, and on the basis that it is appropriate to evaluate the Company Shares from multiple perspectives, conducted a valuation of the Company Shares by applying the following methods: the market price method, because the Company Shares are listed on the Prime Market of the TSE; the comparable listed company method, because there are multiple listed companies comparable to the Company and it is possible to analogize the value of the Company Shares through comparison with similar companies; and the DCF method, in order to reflect the status of future business activities of the Company in the valuation.

According to Frontier Management, the ranges of the per-share value of the Company Shares calculated based on the above methods are as follows:

Market price method: 1,669 yen – 1,921 yen
Comparable company method: 1,606 yen – 2,119 yen
DCF method: 2,188 yen – 2,863 yen

Under the market price method, by setting July 28, 2026, which is the business day immediately preceding the date of the board of directors' resolution regarding the expression of opinion on the Tender Offer, as the reference date, the range of the per-share value of the Company Shares was calculated to be 1,669 yen to 1,921 yen based on the simple average closing price of the Company Shares on the Prime Market of the TSE for the past one-month period of 1,921 yen, the simple average closing price for the past three-month period of 1,669 yen, and the simple average closing price for the past six-month period of 1,684 yen.

Under the comparable company method, Nomura Research Institute, Ltd., TISI Inc., BIPROGY Inc., Simplex Holdings, Inc., Computer Engineering & Consulting Ltd., CRESCO Ltd., and SIGMAXYZ Holdings were selected as comparable listed companies engaged in businesses relatively similar to that of the Company, and the share value of the Company Shares was calculated using EBITDA multiples of the comparable companies, and the range of the per-share value of the Company Shares was calculated to be 1,606 yen to 2,119 yen.

Under the DCF method, based on various factors, including the financial projections of the Company for the four fiscal years from the fiscal year ending December 2026 to the fiscal year ending December 2029 included in the Business Plan prepared by the Company, the financial information of the Company for the second quarter of the fiscal year ending December 2026, and publicly available information, Frontier Management evaluated the corporate value and the share value of the Company by discounting the free cash flows expected to be generated by the Company from the third quarter of the fiscal year ending December 2026 onward to the present value at a certain discount rate, and calculated the range of the per-share value of the Company Shares to be 2,188 yen to 2,863 yen. The discount rate was the weighted average cost of capital (WACC), which was set at 7.9% to 9.7%, and in calculating such discount rate, a size risk premium was considered, taking into account the Company's scale. In calculating the going concern value, the perpetual growth method and the multiple method were adopted. The enterprise value-based EBITDA multiple was set at 6.8 to 8.4 times based on the figures of comparable listed companies selected through the comparable company method, and the perpetual growth ratio was set at 0.00% to 1.00% by comprehensively taking into account the business environment surrounding the Company, the growth potential of the Company, etc., and based thereon, the going concern value was calculated to be 123,315 million yen to 182,219 million yen.

The Business Plan used by Frontier Management for the DCF method does not include fiscal years in which significant increases or decreases in profits or free cash flow are expected.

Synergy effects expected to be realized through the implementation of the Transactions have not been incorporated into the following financial projections, as it is difficult to specifically estimate them at this time.

The financial projections under the Business Plan used by Frontier Management as the basis for the DCF method are as follows:

(Unit: million yen)

	Fiscal year ending December 2026 (Six months)	Fiscal year ending December 2027	Fiscal year ending December 2028	Fiscal year ending December 2029
Net sales	42,277	84,539	91,164	97,788
Operating profit	10,120	16,646	19,000	21,156
EBITDA	11,804	19,871	22,129	24,285
Free cash flow	5,527	11,661	13,211	14,667

In valuing the Company Shares, Frontier Management has, in principle, relied as-is on the information provided by the Company and publicly available information, and has assumed that such materials and information are accurate and complete, and that there are no undisclosed facts that could have a material impact on the analysis and calculation of the Tender Offer Price, and has not independently verified their accuracy. In addition, with respect to information on the Company's financial projections, Frontier Management has assumed that such projections have been reasonably prepared based on the best estimates and judgments currently available to the Company's management. Further, Frontier Management has not conducted any independent valuation or appraisal of the assets and liabilities of the Company (including off-balance-sheet assets and liabilities and other contingent liabilities), nor has it requested any appraisal or evaluation from any third-party institutions.

(iii) Overview of the Fairness Opinion (Frontier Management)

The Special Committee obtained from Frontier Management, as of July 28, 2026, the Fairness Opinion (Frontier Management) to the effect that the Tender Offer Price of 2,451 yen per Company Share is fair from a financial perspective to the general shareholders of the Company. Frontier Management expressed its opinion that the Tender Offer Price of 2,451 yen per Company Share is fair from a financial perspective to the general shareholders of the Company, in light of, among other things, the results of the valuation of the Company Shares based on the Business Plan.

The Fairness Opinion (Frontier Management) was rendered based on, in addition to the results of the valuation of the Company Shares conducted by Frontier Management after receiving from the Company disclosures regarding the current status of the Company Group's business and its business outlook, as well as explanations thereof, discussions and question-and-answer sessions with the Company and the Special Committee regarding the outline, background and purpose of the Tender Offer, consideration of, to the extent deemed necessary by Frontier Management, the business environment of the Company Group, as well as economic, market, and financial conditions, and internal review processes at Frontier Management.

In preparing the Fairness Opinion (Frontier Management), Frontier Management has used publicly available information regarding the Company and information provided to Frontier Management by the Company, and has assumed that all such information is accurate and complete and that there are no facts that have not been disclosed to Frontier Management that could materially affect its analysis and calculation of the value of the Company Shares. Frontier Management has not independently verified the accuracy and completeness of such information and assumes no obligation to do so. Therefore, Frontier Management does not assume any responsibility arising from any deficiency in these materials or non-disclosure of material facts. In addition, Frontier Management has neither conducted any independent evaluation or appraisal, including any individual analysis or evaluation, of the Company's or its related companies' assets or liabilities (including financial derivatives, off-balance-sheet assets and liabilities, and other contingent liabilities), nor has it requested a third-party agent to evaluate or appraise them. Furthermore, Frontier Management has neither evaluated nor investigated the creditworthiness of the Company and its related companies, including the applicability of laws and regulations regarding insolvency, suspension of payments, or similar matters.

Frontier Management has assumed that the business plan, other forward-looking information and materials of the Company have been reasonably prepared or reviewed by the Company's management based on the best estimates and judgment currently available, and that the Company's financial condition will change in accordance with such business plan. Frontier Management also does not guarantee the feasibility of the business plan and expresses no opinion on the analyses or forecasts on which the business plan, etc. were based or the assumptions on which such analyses or forecasts were based.

Frontier Management is not a professional legal, accounting, or tax agent, and does not conduct any independent analysis or review on whether there are any legal, accounting, or tax issues related to the Tender Offer, nor is it obligated to do so.

Frontier Management is acting as financial advisor of the Special Committee with respect to the Tender Offer and is involved in part of the negotiations relating to the Tender Offer and will receive fees for its services in connection with the submission of the Fairness Opinion (Frontier Management). In submitting the Fairness Opinion (Frontier Management), the disclaimer and indemnification clauses set forth in the service agreement between the Company and Frontier Management shall apply.

The Fairness Opinion (Frontier Management) is intended solely to provide the Special Committee with information that will serve as a reference in considering the appropriateness of the Tender Offer Price in the Tender Offer, and the information in the Fairness Opinion (Frontier Management) is not expected to be provided to any other person. The Fairness Opinion (Frontier Management) does not express any opinion on the Company's share price whether before or after the announcement of the Tender Offer. In addition, the Fairness Opinion (Frontier Management) does not mention the positioning of the Tender Offer in the Company's business strategy or the benefits to be derived from the implementation of the Tender Offer, and does not express any opinion with respect to the management judgment as to whether or not the Tender Offer should be executed by the Company. The Fairness Opinion (Frontier Management) also does not express any opinion to the Company's minority shareholders, creditors, or other related parties, and does not solicit or recommend the Company's minority shareholders to tender in the Tender Offer or exercise their shareholder rights, such as voting rights, in connection with the Tender Offer in any way, and Frontier Management has no authority to do so. Therefore, Frontier Management does not assume any responsibility to minority shareholders and third parties who rely on the Fairness Opinion (Frontier Management).

It is assumed that the contents of the Fairness Opinion (Frontier Management) will neither be disclosed to a third party, nor be used for any purpose other than those intended without the prior written consent of Frontier Management, whether by way of summary, reference, quotation, or otherwise, except as permitted under the service agreement between the Company and Frontier Management.

The Fairness Opinion (Frontier Management) is based on the business environment, economic, market, and financial conditions, and other circumstances as of the date of the Fairness Opinion (Frontier Management), and relies on information available to Frontier Management as of such date. In submitting the Fairness Opinion (Frontier Management), Frontier Management has neither conducted any analysis or review on whether the Tender Offer Price is the best price that can be achieved, nor is it obligated to conduct such analysis or review.

The contents of the Fairness Opinion (Frontier Management) or the assumptions on which it is based may be affected by future changes in the economic environment, etc., but Frontier Management assumes no obligation to revise, change, or supplement its opinion.

The Fairness Opinion (Frontier Management) does not cause any inference of or suggest any opinion regarding any matters other than those expressly stated in the Fairness Opinion (Frontier Management) or any matters on or after the date of submission of the Fairness Opinion (Frontier Management).

(V) Obtainment by the Special Committee of Advice from an Independent Legal Advisor

The Special Committee appointed Nishimura & Asahi as its own legal advisor, which is independent of the Tender Offerors and the Company. The Special Committee has received legal advice from Nishimura & Asahi, including advice regarding measures that should be taken to ensure procedural fairness in the Transactions, the procedures for the Transactions, the method and process of the Company's decision-making on the Transactions, etc. Furthermore, Nishimura & Asahi does not constitute a related party of the Tender Offerors and the Company, and does not have any material interests that should be stated in relation to the Transactions, including the Tender Offer. The remuneration of Nishimura & Asahi will be calculated by multiplying the work hours by an hourly rate regardless of whether the Transactions are successfully completed, and does not include contingency fees subject to the successful completion of the Transactions.

(VI) Establishment of an Independent Review Structure at the Company

The Company established an internal system for considering and negotiating the Transactions from a standpoint independent of the Tender Offerors. Specifically, since Mr. Kanemaru, the Representative Director and Chairman of the Company, has structural conflicts of interest with the Company in relation to the Transactions, he has not participated in any resolutions at meetings of the Company's board of directors regarding the Transactions, and has not participated in the process of preparing the Business Plan that serves as the basis for the valuation of the Company Shares, or in discussions or negotiations with the Tender Offerors on behalf of the Company. The Company's system for considering, negotiating, and deciding on the Transactions consists solely of six officers and employees who are all recognized to be independent of the Tender Offerors (Mr. Tomohiko Taniguchi, the Representative Director and President of the Company; Mr. Yohei Saito, a director of the Company; and four employees), and this practice has continued to date.

In addition, the internal system established at the Company for considering the Transactions, including the above practice, specifically the scope and duties of officers and employees involved in considering, negotiating, and deciding on the Transactions (including duties that require a high degree of independence, such as preparing the Business Plan that serves as the basis for the valuation of the Company Shares), was established based on the advice of Nakamura, Tsunoda & Matsumoto, and the Company has obtained approval from the Special Committee that there are no issues with that system from the perspective of independence.

(VII) Approval of All Disinterested Directors (including Audit and Supervisory Committee Members) of the Company

The Company has carefully discussed and considered the terms and conditions of the Transactions, including the Tender Offer, by taking into account the Share Valuation Report (Plutus Consulting) obtained from Plutus Consulting and the legal advice received from Nakamura, Tsunoda & Matsumoto, and the Share Valuation Report (Frontier Management) and the Fairness Opinion (Frontier Management) submitted through the Special Committee, and while respecting to the maximum extent possible the details of the Report submitted by the Special Committee. As a result, as described in "(IV) Process and Reasons for the Company's Decision to Support the Tender Offer" in "(2) Grounds and Reasons for Opinion" above, the Company determined that the Transactions, including the Tender Offer, are expected to enhance the Company's corporate value; the Tender Offer Price and other terms and conditions related to the Tender Offer are fair to the Company's shareholders; and the Tender Offer will provide the Company's shareholders with an opportunity to sell their shares in a reasonable manner. Then, the Company's board of directors has adopted, at its meeting held today, a resolution to express support for the Tender Offer with the unanimous consent of the eleven directors of the Company (excluding Mr. Kanemaru) who participated in the deliberations and resolutions, and to recommend that the Company's shareholders tender their shares in the Tender Offer.

At the above board of directors meeting, in light of the possibility that Mr. Kanemaru, the Representative Director and Chairman of the Company, may not share interests with the Company's other general shareholders because he is the proposer of the Transactions and is also the person acting in a representative capacity for the managing member of the Tender Offeror, Mr. Kanemaru has not participated in any deliberations or resolutions regarding the agenda item relating to the expression of opinion on the Tender Offer from the perspective of avoiding any suspicion of conflicts of interest; and he has not participated in any discussions or negotiations with the Tender Offerors in the Company in relation to the Transactions.

(VIII) Measures to Ensure Opportunities for Purchase by Other Tender Offerors

Although the shortest tender offer period under laws and regulations is 20 business days, the Tender Offeror has set the tender offer period to 30 business days, which is longer than such period of 20 business days. The Tender Offeror has set a longer tender offer period than the statutory minimum period of 20 business days to ensure an appropriate opportunity for the shareholders of the Company to make a decision about the tendering of shares in response to the Tender Offer while ensuring an opportunity for counter offers for the Company Shares by counter offerors other than the Tender Offeror (the "**Counter Offerors**") as a means to ensure the fairness of the Tender Offer.

In addition, the Tender Offeror and the Company have not agreed to any transaction protection clause that prohibits the Company from contacting Counter Offerors or made any other agreement on any matter that would restrict Counter Offerors from contacting or performing other acts with the Company. As such, the Tender Offeror conducted an indirect market check and gave consideration to ensure the fairness of the Tender Offer by not only setting the tender offer period as described above but also ensuring the opportunity for a counter offer. Although an active market check has not been conducted in connection with the Transactions, in light of the fact that the procedural fairness has been ensured through other measures to ensure fairness, that it is difficult to say that an active market check would function given that the Tender Offeror owns 30,187,000 Company Shares (ownership ratio: 34.02%) and Mr. Kanemaru owns 11,117,400 Company Shares (ownership ratio: 12.53%), and that conducting an active market check is not practically feasible from the perspective of information management, the

Tender Offeror believes that it cannot be said that the measures to ensure the fairness of the Tender Offer are insufficient merely because an active market check has not been conducted.

(IX) Measures to Ensure Opportunities for the Company's Shareholders to Make an Appropriate Decision on Whether to Tender Their Share Certificates, Etc. in the Tender Offer

As described in "(4) Policy for Organizational Restructuring, Etc. after the Tender Offer" below, in light of the fact that (i) promptly after completion of settlement of the Tender Offer, depending on the number of shares that the Tender Offeror will acquire upon successful completion of the Tender Offer, the Tender Offeror plans to request that the Company hold an extraordinary shareholders meeting (the "**Extraordinary Shareholders' Meeting**"), at which the agenda items will include conducting the Demand for Share Cash-Out (as defined in "(4) Policy for Organizational Restructuring, Etc. after the Tender Offer" below) or the Share Consolidation and making a partial amendment to the articles of incorporation to abolish the provisions on share unit numbers on condition that the Share Consolidation becomes effective, and will not adopt any methods that do not secure the Company's shareholders' right to request the purchase of shares or to request a determination of price; and (ii) the Tender Offeror has clarified that in conducting the Share Consolidation, the monies to be delivered to the Company's shareholders as consideration will be calculated so that it will be equal to the Tender Offer Price multiplied by the number of Company Shares owned by each shareholder (excluding the Company and the Tender Offerors), the Tender Offeror has given consideration to ensuring that the Company's shareholders have opportunities to make an appropriate decision on whether to tender their shares in the Tender Offer, thereby preventing any coercive effect.

(4) Policy for Organizational Restructuring, Etc. after the Tender Offer

As stated in "(I) Outline of the Tender Offer" in "(2) Grounds and Reasons for Opinion" above, if the Tender Offeror is unable to obtain all of the Company Shares (including the Restricted Shares, but excluding the Company Shares held by the Tender Offeror, the treasury shares held by the Company, and the Shares Agreed Not to Be Tendered) under the Tender Offer, the Tender Offeror intends, after the successful completion of the Tender Offer, to implement the Squeeze-Out Procedures for the purpose of making the Tender Offeror the sole registered shareholder of the Company by the following methods.

(I) Demand for Share Cash-Out

If, after the successful completion of the Tender Offer and the completion of the settlement of the Tender Offer, the Tender Offeror comes to hold 90% or more of the number of voting rights of all of the shareholders of the Company (including the number of voting rights represented by the Shares Agreed Not to Be Tendered that the Tender Offeror comes to hold through the Trust Transfer), promptly after the completion of the settlement of the Tender Offer, the Tender Offeror intends to make a demand to all of the shareholders of the Company (excluding the Tender Offeror and the Company) (the "**Selling Shareholders**") to sell all of the Company Shares they hold under Article 179 of the Companies Act (the "**Demand for Share Cash-Out**"). It will be provided that money in an amount equivalent to the Tender Offer Price is to be delivered to the Selling Shareholders as consideration per Company Share in the Demand for Share Cash-Out. In that case, the Tender Offeror will notify the Company of that Demand for Share Cash-Out and make a request to the Company for approval of the Demand for Share Cash-Out. If the Company approves the Demand for Share Cash-Out by a resolution of its board of directors, the Tender Offeror will acquire from the Selling Shareholders all of the Company Shares held by them on the acquisition date set out in the Demand for Share Cash-Out in accordance with procedures stipulated by relevant laws and regulations and without requiring separate approval from each Selling Shareholder. In that case, the Tender Offeror will deliver to each of those Selling Shareholders money in an amount equivalent to the Tender Offer Price per Company Share as consideration for the Company Shares held by each of those Selling Shareholders. If a Demand for Share Cash-Out is made by the Tender Offeror, it is expected the Company will approve that Demand for Share Cash-Out at a meeting of the Company's board of directors.

It is provided as a provision under the Companies Act to protect the rights of general shareholders in relation to a Demand for Share Cash-Out that a Selling Shareholder who does not tender its shares in the Tender Offer may file a petition with a court to determine the sale price of the Company Shares he or she holds in accordance with the provisions of Article 179-8 of the Companies Act and other related laws and regulations. Further, if such a petition is filed, the purchase price of the Company Shares will be ultimately determined by the court.

(II) Share Consolidation

If, after the successful completion of the Tender Offer and the completion of the settlement of the Tender Offer, the total number of voting rights of the Company held by the Tender Offeror (including the total number of voting rights represented by the Shares Agreed Not to Be Tendered that the Tender Offeror comes to hold through the Trust Transfer) is less than 90% of the number of voting rights of all of the shareholders of the Company, the Tender Offeror will, pursuant to Article 180 of the Companies Act, request the Company to hold the Extraordinary Shareholders' Meeting around late November 2026 to early December of the same year at which the Share Consolidation and a partial amendment to the Company's Articles of Incorporation that would abolish the share unit number provisions on the condition that the Share Consolidation becomes effective will be proposed. The Tender Offeror intends to approve the above proposals at the Extraordinary Shareholders' Meeting.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders' Meeting, the shareholders of the Company will, on the effective date of the Share Consolidation, hold the number of Company Shares in proportion to the ratio of the Share Consolidation that is approved at the Extraordinary Shareholders' Meeting. If, due to the Share Consolidation, the number is a fraction less than one, each such shareholder of the Company who holds shares less than one share will receive an amount of cash obtained by selling the Company Shares equivalent to the total number of shares less than one unit (with such aggregate sum rounded down to the nearest whole number; the same applies hereinafter) to the Company or the Tender Offeror as per the procedures specified in Article 235 of the Companies Act and other applicable laws and regulations. The purchase price for the aggregate sum of shares less than one unit in the Company Shares will be calculated so that the amount of cash received by the shareholders who did not tender their shares in the Tender Offer (excluding the Tender Offerors) as a result of the sale will be equal to the price obtained by multiplying the Tender Offer Price by the number of Company Shares held by each such shareholder. The Tender Offeror intends to request the Company to file a petition to the court for permission of sale by private contract of such Company Shares on this basis. Although the ratio of the Share Consolidation of the Company Shares has not been determined as of today, it is planned to be determined so that shareholders (excluding the Tender Offerors) who do not tender their shares in the Tender Offer will have their shares classified as shares less than one unit in order for the Tender Offeror to become the sole registered shareholder of the Company. The Company intends to comply with such request made by the Tender Offeror if the Tender Offer is successfully completed.

It is provided as a provision under the Companies Act to protect the rights of general shareholders in connection with the Share Consolidation that if there are shares less than one unit as a result of the Share Consolidation, each shareholder who does not tender its shares in the Tender Offer (excluding the Tender Offerors) may request that the Company purchase all such shares less than one unit at a fair price, and such shareholders may file a petition to the court to determine the price of the Company Shares in accordance with Articles 182-4 and 182-5 of the Companies Act and other applicable laws and regulations. If a petition described above is filed, the court will finally determine the purchase price of the Company Shares.

With respect to the Restricted Shares, the allotment agreement provides that (a) if, during the transfer restriction period, matters concerning a cash out of the Company Shares are approved at the Company's board of directors meeting, or matters concerning the Share Consolidation of the Company Shares are approved at a shareholders' meeting of the Company, the transfer restriction on the number of allotted shares obtained by multiplying (i) the number of months from and including the month in which each payment date of the Restricted Shares falls up to and including the month in which the date when the approval at the shareholders' meeting is obtained falls divided by the number specified in the allotment agreement for the Restricted Shares (if such number is greater than 1, it shall be set as 1) by (ii) the number of allotted shares held by each allottee at that time (with any fraction less than one unit arising as a result of such calculation rounded down to the nearest whole number) shall be lifted by a resolution of the board of directors of the Company as of the time immediately before the business day immediately preceding the acquisition date of the Demand for Share Cash-Out or the effective date of the Share Consolidation and (b) in the case provided in (a) above, the Company shall automatically acquire, without consideration, all of the Restricted Shares for which the transfer restriction has not been lifted as of the business day immediately preceding the acquisition date of the Demand for Share Cash-Out or the effective date of the Share Consolidation on the same date. Therefore, in the Squeeze-Out Procedures, the Tender Offeror plans to subject such Restricted Shares for which the transfer restriction has been lifted as of the time immediately before the business day immediately preceding the acquisition date of the Demand for Share Cash-Out or the effective date of the Share Consolidation to the Demand for Share Cash-Out or the Share Consolidation in accordance with the provisions of the allotment agreement, and the Company plans to acquire the Restricted Shares for which the transfer restriction has not been lifted as of the business day immediately preceding the acquisition date of the Demand for Share Cash-Out or the effective date of the Share Consolidation without consideration in accordance with the provision of the allotment agreement.

With regard to the above procedure, it is possible that, depending on amendments to or the implementation and interpretation of the relevant laws and regulations by authorities, it will require time to implement the procedure, or the methods of implementation may be altered. However, even in such a case, if the Tender Offer is successfully completed, it is intended that a method will be used whereby the shareholders of the Company who do not tender their shares in the Tender Offer (excluding the Tender Offerors) will ultimately receive cash consideration equal to the number of Company Shares held by such shareholder of the Company multiplied by the Tender Offer Price in exchange for their shares.

The specific details and expected timing for the procedures described above will be determined through consultation with the Company and then promptly announced by the Company.

It is further noted that shareholders of the Company will not be solicited to agree to the Tender Offer at the Extraordinary Shareholders' Meeting. All shareholders of the Company are solely responsible for seeking their own specialist tax advice from tax accountants or other professional advisors with regard to the tax consequences of tendering their shares in the Tender Offer or the procedures outlined above.

(5) Prospects and Reasons for Delisting

As of today, the Company Shares are listed on the Prime Market of the TSE; however, because the Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer, depending on the results of the Tender Offer, the Company Shares may be delisted following the prescribed procedures in accordance with the delisting criteria provided by the TSE. In addition, even if the Company Shares do not meet such criteria at the time of successful completion of the Tender Offer, and it is decided that the procedures described in "(4) Policy for Organizational Restructuring, Etc. after the Tender Offer" above are to be implemented after successful completion of the Tender Offer, the Company Shares will meet the delisting criteria and will be delisted through the prescribed procedures. It should be noted that after the Company Shares are delisted, the Company Shares cannot be traded on the Prime Market of the TSE.

(6) Important Agreements relating to the Tender Offer

The Tender Offeror executed with Mr. Kanemaru the Agreement dated July 29, 2026 stipulating the following terms. As of today, no agreements regarding the Transactions have been entered into between the Tender Offeror and Mr. Kanemaru other than the Agreement, and no benefits will be granted to Mr. Kanemaru in connection with the Tender Offer other than the payment of the Tender Offer Price.

(i) Agreements regarding tendering/non-tendering of shares in the Tender Offer

(A) Tendering of shares in the Tender Offer

If the Tender Offeror commences the Tender Offer, Mr. Kanemaru shall tender the Shares Agreed to Be Tendered in the Tender Offer (the "**Tendering**" in this section), and after the Tendering, shall not withdraw the Tendering or terminate contracts for the purchase, etc. of the Shares Agreed to Be Tendered.

(B) Non-tendering of shares in the Tender Offer

If the Tender Offeror commences the Tender Offer, Mr. Kanemaru shall not tender the Shares Agreed Not to Be Tendered in the Tender Offer.

(C) Restrictions on disposition of shares owned by Mr. Kanemaru

Except as provided in the Agreement or with the prior written consent of the Tender Offeror, Mr. Kanemaru shall not make any transfer, creation of security interests, or any other disposition (including tendering his shares in any tender offer other than the Tender Offer), in whole or in part, with respect to the Company Shares owned by Mr. Kanemaru.

(ii) Agreements regarding the Trust for the Shares Agreed Not to Be Tendered

(A) Trust Transfer

Mr. Kanemaru shall establish the Trust, with Mr. Kanemaru as the settlor and beneficiary and the Tender Offeror as the trustee, and shall carry out the Trust Transfer on a date separately agreed upon between the Tender Offeror and Mr. Kanemaru, subject to successful completion of the Tender Offer, on or before the day immediately preceding the effective date of the Share Consolidation or the Demand for Share Cash-Out. The initial beneficiary of the Trust shall be Mr. Kanemaru, and in the event of any transfer or succession of beneficiary rights, the transferee or successor thereof shall become the beneficiary.

Except as provided in the Agreement, the Tender Offeror shall not transfer to any third party, create security interests over, or otherwise dispose of the Shares Agreed Not to Be Tendered that constitute part of the trust assets.

(B) Exercise of voting rights

The voting rights represented by the Company Shares that belong to the trust assets of the Trust shall be exercised by the Tender Offeror.

(iii) Agreements Relating to the Squeeze-Out Procedures

(A) Demand for Share Cash-Out

If the Tender Offer is successfully completed and the Tender Offeror becomes a special controlling shareholder as prescribed in Article 179, Paragraph 1 of the Companies Act (including cases where the Tender Offeror becomes a special controlling shareholder through the Trust Transfer), the Tender Offeror may make the Demand for Share Cash-Out as part of the Squeeze-Out Procedures after the completion of settlement of the Tender Offer.

(B) Share Consolidation

If the Tender Offer is successfully completed and the Tender Offeror does not make the Demand for Share Cash-Out, the Tender Offeror shall, as part of the Squeeze-Out Procedures, request that the Company hold the Extraordinary Shareholders' Meeting, at which the agenda items will include conducting the Share Consolidation and making a partial amendment to the articles of incorporation to abolish the provisions on share unit numbers on condition that the Share Consolidation becomes effective.

The consolidation ratio for the Share Consolidation will be determined so that all of the Company Shares held by the Company's shareholders other than the Tender Offeror will become fractional shares of less than one share after the successful completion of the Tender Offer. In addition, the Tender Offeror shall exercise voting rights in favor of the Share Consolidation and related agenda items at the Extraordinary Shareholders' Meeting with respect to all of the Company Shares held by the Tender Offeror (including the Company Shares that constitute part of the trust assets if the Trust Transfer has been completed).

(iv) Termination and Liquidation of the Trust

If the Trust is terminated, the Tender Offeror shall deliver the trust assets to the beneficiary as they are, and shall conduct the liquidation of the Trust in accordance with the Trust Act.

(v) Termination of the Agreement

The Agreement shall terminate upon the occurrence of any of the following: (i) the parties agree in writing; (ii) it becomes certain that the Tender Offeror will not commence the Tender Offer; (iii) the Tender Offer is withdrawn; or (iv) the Tender Offer is not successfully completed.

(7) Other Important Matters Relating to the Tender Offer

As described in "(I) Outline of the Tender Offer" in "(2) Grounds and Reasons for Opinion" above, the Tender Offeror plans to conduct the Trust Transfer subject to the successful completion of the Tender Offer.

4. Details of Benefits Received from the Tender Offeror or any of its Specially Related Parties

N/A

5. Response Policy Regarding Basic Policies Relating to Control of the Company

N/A

6. Questions to the Tender Offeror

N/A

7. Requests for Extension of the Tender Offer Period

N/A

8. Future Prospects

Please refer to "Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer" and "(III) Management Policy After the Tender Offer" in "(2) Grounds and Reasons for Opinion," "(4) Policy for Organizational Restructuring, Etc. after the Tender Offer" and "(5) Prospects and Reasons for Delisting" in "3. Substance of, and Grounds and Reasons for, the Company's Opinion on the Tender Offer" above.

9. Matters Related to MBO, Etc.

(1) Matters Concerning Measures to Ensure Fairness and Measures to Avoid Conflicts of Interest

Since the Transactions, including the Tender Offer, constitute a management buyout (MBO), the Tender Offer is subject to the "Matters to Be Observed Pertaining to MBO, etc." prescribed in Rule 441 of the Securities Listing Regulations.

The Company has taken measures to ensure fairness and measures to avoid conflicts of interest with respect to the Transactions, including the Tender Offer, as described in "(3) Measures to Ensure Fairness of the Tender Offer" in "3. Substance of, and Grounds and Reasons for, the Company's Opinion on the Tender Offer" above.

(2) Opinion of the Special Committee Regarding Fairness to General Shareholders

In addition, as described in "(III) Establishment of an Independent Special Committee and Obtainment of a Report from an Independent Special Committee by the Company" in "(3) Measures to Ensure Fairness of the Tender Offer" in "3. Substance of, and Grounds and Reasons for, the Company's Opinion on the Tender Offer" above, the Company has received from the Special Committee submission of the Report stating that the Transactions, including the Tender Offer, are fair to the Company's general shareholders. For details of the Report, please refer to Attachment 1.

10. Others

(1) Release of "Consolidated Financial Results for the Six Months Ended June 30, 2026 [Japanese GAAP]"

The Company released the "Consolidated Financial Results for the Six Months Ended June 30, 2026 [Japanese GAAP]" as of today. For details, please refer to the relevant release.

(2) Release of "Announcement of Revision of Year-End Dividend Forecast for Fiscal Year Ending December 2026 (No Dividend)"

At its board of directors meeting held today, the Company adopted a resolution to revise its dividend forecast for the fiscal year ending December 2026 and not to pay a year-end dividend for the fiscal year ending December 2026 subject to successful completion of the Tender Offer. For details, please refer to the content of the release.

End

(Reference)
Report (Attachment 1)

[Regulations of the United States]

The shares of common stock of the Company, a company incorporated in Japan, are subject to the Tender Offer. The Tender Offer will be conducted in accordance with the procedures and information disclosure standards prescribed in Japanese laws, these procedures and information disclosure standards may differ from the procedures and information disclosure standards in the United States. In particular, Sections 13 (e) or 14 (d) of the U.S. Securities Exchange Act of 1934 (as amended; the same applies below), and the rules thereunder, do not apply to the Tender Offer, and the Tender Offer does not conform to those procedures and standards. The financial information contained in this press release and reference documents for this press release have been prepared in accordance with Japanese accounting standards, which may substantially differ from generally accepted accounting principles in the U.S. and other countries. It may be difficult to enforce or claim any right arising under U.S. federal securities laws because the Tender Offeror and the Company are incorporated outside the United States and some or all of their directors are non-U.S. residents. It may not be possible to commence legal proceedings against a non-U.S. company or officer in a non-U.S. court for violations of U.S. securities laws. In addition, it may not be possible to compel a non-U.S. company, and an affiliate of a non-U.S. company to subject themselves to a U.S. court's jurisdiction.

Unless otherwise described in this press release, all procedures relating to the Tender Offer will be conducted entirely in Japanese. While some or all of the documentation relating to the Tender Offer will be prepared in English, if there is any inconsistency between the English documentation and the Japanese documentation, the Japanese documentation will prevail.

This press release and the reference documents for this press release include forward-looking statements as defined in Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange Act of 1934. Actual results might be substantially different from the express or implied projections set forth herein as "forward-looking statements" due to known or unknown risks, uncertainties or any other factors. Neither the Tender Offeror, the Company nor their affiliates assures that such express or implied predictions included as "forward-looking statements" will be achieved. The forward-looking statements contained in this press release or in the reference documents for this press release have been prepared based on the information held by the Tender Offeror and the Company as of the date of this press release, and, unless otherwise required under applicable laws and regulations or financial instruments exchange regulations, neither the Tender Offeror, the Company nor their affiliates assume any obligation to amend or revise this document to reflect any future events or circumstances.

Before the commencement of the Tender Offer or during the tender offer period, the Tender Offeror, the financial advisor of each of the Tender Offeror and the Company, and the tender offer agent (including their affiliates) might purchase by means other than the Tender Offer or conduct an act aimed at such a purchase of the shares of common stock of the Company Shares on their own account or the account of their client to the extent permitted by Japanese laws and regulations related to financial instruments transactions and other applicable laws and regulations in the scope of their ordinary business and in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934. Such purchases may be made at the market price through market transactions or at a price determined through off-market negotiations. If information regarding such a purchase is disclosed in Japan, that information will also be disclosed in the English language on the English website (or other method of disclosure) of the person that conducted that purchase.

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

July 29, 2026

To: Future Corporation

Special Committee

Chairperson: Akira Kawamoto
Member: Miki Sakakibara
Member: Yukiko Nishiura

Report

This Report sets forth the opinions resolved by us, as independent members of the special committee (the "Committee") established pursuant to a resolution of the board of directors of Future Corporation (the "Company"), after deliberation on the matters inquired by the Company in connection with a series of transactions (the "Transactions") comprising the tender offer (the "Tender Offer") for common shares of the Company (the "Company Shares") to be conducted by Key West Network LLC (the "Tender Offeror"), and procedures to privatize the Company through methods such as a share consolidation to be implemented subsequent thereto (the "Squeeze-Out Procedures").

Section 1. Inquired Matters

1. To consider the pros and cons of implementing the Transactions (whether the Company's board of directors should support the Tender Offer and whether it should recommend that the Company's shareholders tender their shares in the Tender Offer) and provide a recommendation to the Company's board of directors. In considering the matters set forth in item 1, the Committee considers the pros and cons of the Transactions from the perspective of whether they will contribute to the enhancement of the Company's corporate value and to consider and determine the fairness of the terms and conditions and the fairness of the procedures from the perspective of protecting the interests of the Company's general shareholders. In making its recommendations, the Committee may use appropriate expressions as necessary depending on the transaction form, laws and regulations, etc. relating to the Transactions.

2. To consider whether the Transactions are fair to the Company's general shareholders and to provide its opinion to the Company's board of directors.

Section 2. Methods of Investigation and Consideration, and Limitations

1. Background Leading to Inquiry Made to the Committee

According to the Company, the background leading to the inquiry made to the Committee is as follows.

On April 2, 2026, the Company received an initial oral approach from Mr. Yasufumi Kanemaru ("Mr. Kanemaru"), who is the Representative Director and Chairman of the Company and the person acting in a representative capacity for the managing member of the Tender Offeror, to Mr. Tomohiko Taniguchi, the Representative Director and President of the Company, and Mr. Yohei Saito, Director and Vice President of the Company, indicating his intention to commence consideration and discussions regarding implementation of a management buyout (MBO). In response, since the transaction proposed by him constituted a management buyout (MBO) and structural conflicts of interest and information asymmetry issues would arise, in order to address such issues and ensure the fairness of the Transactions, on April 7, 2026, the Company appointed Nakamura, Tsunoda & Matsumoto as its legal advisor and April 9, 2026, PLUTUS CONSULTING Co., Ltd. ("Plutus Consulting") as its financial advisor and third-party appraiser, each of whom is independent from the Tender Offeror and Mr. Kanemaru (the "Tender Offerors"), as well as from the Company.

In addition, in order to ensure the fairness of the Transactions, the Company, with the advice of Nakamura, Tsunoda & Matsumoto, commenced the establishment of a framework to consider, negotiate, and make decisions on the Transactions from a position independent from the Tender Offerors, and from the perspectives of enhancing the Company's corporate value and the Company's general shareholders. Specifically, from mid- to late April 2026, the Company informed each outside director that (i) the Company was informed that Mr. Kanemaru intended to propose a management buyout (MBO), and (ii) provided explanations regarding matters to be noted in considering such a management buyout (MBO). Following discussions among all outside directors, candidates for members of a special committee were selected, and upon receipt of the initial letter of intent dated April 28, 2026 from Mr. Kanemaru, the Company established, by a resolution at its board of directors meeting held on the same date, the Committee for the purpose of considering the proposal for the Transactions. Mr. Kanemaru, who is the proposer of the Transactions and also serves as the person acting in a representative capacity for the managing member of the Tender Offeror, did not participate in the deliberations on, or the resolution of, the above board of directors meeting.

The Company obtained the approval of the Committee regarding the appointment of Plutus Consulting, as the Company's financial advisor and third-party appraiser, and Nakamura, Tsunoda & Matsumoto, as the Company's legal advisor, after confirming that there were no issues with respect to their independence from the Tender Offerors, the Company, and success or failure of the Transactions, as well as their expertise and track record.

In addition, the Company established an internal framework composed solely of officers and employees who are recognized as independent from the Tender Offerors to consider, negotiate, and make decisions on the Transactions from a position independent from the Tender Offerors, and obtained the approval of the Committee that such framework for consideration had no issues from the perspectives of independence and fairness.

Furthermore, on May 20, 2026, the Committee decided to appoint Frontier Management Inc. ("Frontier Management") as its own financial advisor and third-party appraiser, and Nishimura & Asahi (Gaikokuho Kyodo Jigyo) ("Nishimura & Asahi") as its own legal advisor, each of whom is independent from the Tender Offerors, the Company, and success or failure of the Transactions.

2. Composition of the Committee

The composition of the Committee is as follows.

Chairperson:	Akira Kawamoto (independent outside director (audit and supervisory committee member) of the Company)
Member:	Miki Sakakibara (independent outside director (audit and supervisory committee member) of the Company)
Member:	Yukiko Nishiura (independent outside director (audit and supervisory committee member) of the Company)

3. Methods of Investigation and Consideration by the Committee

In rendering this report on the inquired matters, the Committee conducted its consideration through the following methods.

(1) Review of Materials

In the course of its deliberations, the Committee collected and reviewed various review materials submitted to the Committee, as well as other information and materials deemed necessary (the "Materials").

(2) Hearings of Opinions, Etc.

To consider the inquired matters, the Committee, at each meeting, and as necessary, obtained opinions and other input from Frontier Management, its own financial advisor and third-party appraiser, and Nishimura & Asahi, its own legal advisor, as well as from Plutus Consulting, the Company's financial advisor and third-party appraiser, and Nakamura, Tsunoda & Matsumoto, the Company's legal advisor. In addition, the Committee conducted interviews with the Company and the Tender Offeror regarding matters relating to the Transactions and, as necessary, conducted question-and-answer sessions through emails and other means.

(3) Meetings of the Committee

The Committee held a total of 23 meetings between April 28, 2026 and July 28, 2026, for an aggregate of approximately 36 hours, at which it deliberated and considered the inquired matters. On July 29, 2026, the Committee unanimously approved this Report with the consent of all three members.

4. Limitations

The preparation of this Report was subject to the limitations described below, and the Committee does not warrant the accuracy or completeness of the contents of this Report. The Company is requested to review this Report with an understanding of the limitations described below and to use this Report as a reference in considering its response to the Tender Offer.

(1) This Report has been prepared based on the explanations provided to and the materials received by the Committee up to the preparation date of this Report, and assumes that such explanations and materials are true and accurate. This Report further assumes that there are no facts not disclosed therein that would affect the accuracy of the factual assumptions underlying the Committee's report, or that would affect the Committee's consideration process or results of the Committee's report. The Committee is not aware of any facts that would be inconsistent with these assumptions.

(2) This Report has been prepared solely for use by the Company and is not intended to be disclosed to or used by any third party, except as required by laws and regulations. Even if the Committee consents to the disclosure of this Report to, or its use by, a third party, the Committee shall not assume any responsibility to such third party or any other third party in connection with the contents of this Report.

Section 3. Committee's Report on the Inquired Matters

1. The Committee is of the opinion that the Company's board of directors should support the Tender Offer and should recommend that the Company's shareholders tender their shares in the Tender Offer.

2. The Committee is of the opinion that the Transactions are fair to the Company's general shareholders.

Section 4. Reasons for Committee's Opinion on the Inquired Matters

1. The Pros and Cons of Implementing the Transactions (Whether the Company's Board of Directors Should Support the Tender Offer and Whether It Should Recommend That the Company's Shareholders Tender Their Shares in the Tender Offer)

(1) Whether the Transactions Will Contribute to the Enhancement of the Company's Corporate Value

A. The Company's Business Activities, Business Environment, and Management Issues

According to the explanations provided to the Committee by the Company and the Tender Offeror and the Materials, the Company and the Tender Offeror understand the Company's business activities, business environment, and management issues as set forth below as the basis for considering the Transactions.

(A) The Company's Business Activities

The Company was established in November 1989 in Kagoshima City, Kagoshima Prefecture as Future System Consulting Corp., with its primary business being IT consulting services utilizing open systems (referring to information systems that are built by flexibly combining products from different manufacturers based on published standard technical specifications, without being dependent on the proprietary specifications of specific hardware or software). The Company Shares were registered as an over-the-counter issue with the Japan Securities Dealers Association in June 1999 and were listed on the First Section of the Tokyo Stock Exchange in June 2002. In January 2007, the Company changed its trade name to Future Architect Inc., and in April 2016, transitioned to a holding company structure through an incorporation-type company split under which its IT consulting business was succeeded to by newly established Future Architect Inc., while simultaneously changing its trade name to the current Future Corporation. Thereafter, following the restructuring of market divisions of the Tokyo Stock

Exchange in April 2022, the Company Shares are, as of today, listed on the Prime Market of the Tokyo Stock Exchange.

As of today, the corporate group of the Company consists of the Company, 20 consolidated subsidiaries, and 4 equity-method affiliates, for a total of 24 entities (collectively, the “Company Group”).

The business activities of the Company Group are as follows.

a. IT Consulting & Services Segment

In the IT Consulting & Services Segment, the Company Group provides services aimed at resolving management issues faced by its clients by sharing such issues from a management perspective, understanding the essence of the clients’ businesses, and building information systems utilizing advanced IT with practical and advanced technical capabilities. In addition, the basic policies and management strategies of this segment are as follows.

(I) “Three-pronged” perspective

Rather than merely seeking to achieve short-term functional improvements through IT, the Company Group aims to contribute to the reform of its clients’ businesses by leveraging the latest IT while taking into account three areas—business strategy, business process reform, and system reform. To this end, the Company Group strives to provide its clients with solutions that consider not only present but also future matters, as well as the optimization of the overall business rather than partial improvements.

(II) “Neutral” positioning

By specializing in open systems, the Company Group maintains a neutral position that is not dependent on hardware vendors or software vendors, and pursues optimal solutions without being constrained by conventional concepts or product limitations.

Through this approach, the Company Group seeks to maximize the interests of its clients while acting from a position akin to that of an external CIO (Note: “CIO” stands for Chief Information Officer and refers to the person responsible for overseeing a company’s information systems) who works closely alongside its clients.

(III) Provision of integrated services without distinction between upstream and downstream phases

The Company Group provides integrated services covering all phases, from the consulting phase through system design, application software development, selection and procurement of hardware and software products, and system implementation to the maintenance and operation phase. Rather than limiting the results of consulting to the presentation of concepts, the Company Group seeks to materialize such concepts in the form of systems, make them available for actual use by its clients, and lead them to operational outcomes, thereby enhancing the future value of its clients.

(IV) Grand design based on scientific system structure analysis and components enabling real-time data processing

In many companies, conventional IT systems have become black boxes, and the absence of specifications and manuals makes it difficult to improve such systems. As a result, it is said that in some cases, these systems not only fail to respond to changes in business environments but also tend to incur high and persistent operation costs to maintain the current status. To address these issues, the Company Group utilizes a methodology for scientifically analyzing large-scale existing systems (Future Formula) to renew and reconstruct such systems, while at the same time providing IT systems based on its proprietary components that enable real-time processing of data, such as sales and profit information on a per-item basis. Going forward, the Company Group will continue to support its clients' business innovation by delivering high-quality and high-speed services.

b. Business Innovation Segment

In the Business Innovation Segment, the Company Group operates businesses that create innovation in business by providing proprietary services utilizing IT technologies. Leveraging the IT expertise and know-how it has accumulated to date, the Company Group seeks to create innovation by providing innovative businesses and proprietary services while integrating its capabilities with the service operation know-how of web-based companies and the content creation capabilities of publishing and media companies.

(B) The Company's Business Environment and Management Issues

a. Tender Offeror's and Mr. Kanemaru's Understanding

Mr. Kanemaru has consistently pursued the philosophy of "transforming management through technology." Guided by this philosophy, he has sought to utilize IT not merely as a tool for improving efficiency, but as a means of transforming management, while striving to address the fundamental issues facing customer companies. As a result, Mr. Kanemaru believes that the Company Group has established an innovative consulting style that thoroughly considers the ideal form of its customers' businesses as their partner and proposes, develops and operates optimal systems for realizing that vision by making full use of the latest technology, thereby achieving a unique evolution within Japan's IT services industry.

On the other hand, Mr. Kanemaru believes that the business environment surrounding the Company Group is at an unprecedented turning point.

With the rapid advancement of AI technologies, particularly generative AI, the very nature of IT consulting and systems development is being fundamentally redefined, and Mr. Kanemaru believes that AI is no longer merely a tool for improving productivity, but is becoming a technology that transforms management itself by affecting business process design, decision-making, systems architecture and even the allocation of roles among personnel. In addition, as a result of these technological innovations, the needs of customer companies have rapidly become more sophisticated, shifting from improving the efficiency of individual business operations to redesigning business processes and business models across the enterprise as a whole. As a result, the level of difficulty and complexity of the solutions required has increased dramatically. Mr. Kanemaru believes that these changes not only represent a medium- to long-term trend, but also that any delay in responding to them could impair the Company Group's future competitiveness. Accordingly, he believes that the Company Group is now at a critical juncture for making important decisions to achieve its sustainable growth. In particular, Mr. Kanemaru believes that, because the sources of competitive advantage, such as AI talent (referring to personnel engaged in AI-related operations, including both technical specialists who possess specialized knowledge and skills relating to AI technologies, including generative AI, and are responsible for their research and development and implementation into systems, and consultants who effectively utilize AI technologies to resolve clients' management issues and lead the application of such technologies to operations and business transformation) and data infrastructure, are cumulative in nature, delays in the timing of investment could create an irrecoverable gap in terms of competitiveness in the future. In addition, he believes that the current environment presents an extremely rare opportunity in which demand for multiple digital transformation (DX) initiatives is emerging simultaneously, and that whether the Company Group is able to participate in the design of customers' core systems and data infrastructure will have a significant impact on its competitive position over the long term.

b. The Company's Understanding

The Company considers there to be two major topics regarding the business environment and management issues of the Company Group: (i) robust demand for digital transformation (DX), and (ii) advances in generative AI.

With respect to (i) robust demand for digital transformation (DX), the Company recognizes that investment in DX aimed at fundamental business transformation, driven by the modernization of legacy systems, is increasing across the market as a whole, and believes that the Company is well positioned to capture such demand through its strength in providing integrated services on an end-to-end basis, from grand design through requirements definition, to development. The Company also recognizes that, in the domestic DX market, there is a challenge whereby lock-in by consulting firms and other service providers prevents operating companies from accumulating IT expertise internally. On the other hand, the Company has positioned the promotion of in-house DX capabilities, including the development of client personnel, as a growth strategy and believes that there is substantial demand for such initiatives as well.

With respect to (ii) advances in generative AI, the Company recognizes the need to pursue both fundamental business transformation through the use of AI and productivity improvements through the utilization of AI. With regard to the former, the Company believes that it has been steadily accumulating use cases through initiatives undertaken with major clients. With regard to the latter, however, the Company recognizes that its competitors are pursuing similar initiatives and expects that the success or failure of such efforts will have a significant impact on the Company's future. In addition, in light of the increasing possibility of substitution of development activities by AI, the Company believes that it has become important to develop personnel capable of leading projects more rapidly, without relying on the traditional step-by-step personnel development process.

Furthermore, the Company recognizes that, whereas previous technological innovations were primarily regarded as tools for improving efficiency, generative AI has the potential to replace the work currently performed by humans. The Company believes that, as such technological innovation continues to advance, merely continuing to conduct business that represents an extension of existing practices could result in falling behind the changing times.

The Company recognizes that the structural reforms and medium- to long-term investments described above must be executed swiftly, as any delay could cause the Company to fall behind its competitors, and that the Company is at a critical juncture. Accordingly, the Company believes that taking the Company private could be a viable option for implementing such structural reforms in a timely manner.

B. Background to Consideration of the Transactions

According to the explanations provided to the Committee by the Company and the Tender Offeror and the Materials, the background leading to the consideration of the Transactions is as follows.

Under the framework described in 2.2 above, taking into account the overview of the Tender Offer (including the objectives of the Transactions), the impact of the Transactions on the Company, the management policy after the Transactions, and recent trends in the market price of the Company Shares, the Company carefully discussed and considered its negotiation policy from the perspective of giving consideration to the interests of the Company's general shareholders, while receiving advice from Plutus Consulting and Nakamura, Tsunoda & Matsumoto. Furthermore, following the establishment of the Committee pursuant to a resolution of the extraordinary board of directors meeting held on April 28, 2026, the Committee held discussions and negotiations with the Tender Offeror regarding the implementation of the Transactions on six occasions during the period from late June to late July 2026.

Specifically, first, on May 15, 2026, the Committee sent a written questionnaire to the Tender Offeror regarding its assessment of the Company Group and its business environment, the purpose and reasons for implementing the privatization (delisting) of the Company, the management structure and management policy after the Transactions, the structure and schedule of the Transactions, etc. On May 26, 2026, the Committee received written responses from the Tender Offeror, and on June 5, 2026, the Committee conducted an interview with Mr. Kanemaru and held a question-and-answer session, and considered these matters.

Thereafter, on June 29, 2026, the Company received from the Tender Offeror a written price proposal with the Tender Offer Price set at 1,950 yen (this price represented a premium of 30.00% on 1,500 yen, the closing price of the Company Shares on June 26, 2026, which is the business day immediately preceding the date of the proposal, 28.63% on 1,516 yen, the simple average closing price for the one-month period ending on that date, 24.12% on 1,571 yen, the simple average closing price for the three-month period ending on that date; and 15.52% on 1,688 yen, the simple average closing price for the six-month period ending on that date of the Company Shares respectively on the Prime Market of the Tokyo Stock Exchange).

In response to this, the Committee, on July 1, 2026, approached the Tender Offeror to indicate that the Tender Offer Price fell substantially short of a level that would justify further discussions as a price sufficient for the Company's minority shareholders, and that the Company wished to request the Tender Offeror to reconsider a substantial increase in the Tender Offer Price.

In addition, on July 3, 2026, the Company and the Committee received from the Tender Offeror, a written price proposal with the Tender Offer Price set at 2,080 yen (this price represented a premium of 30.90% on 1,589 yen, the closing price of the Company Shares on July 2, 2026, which is the business day immediately preceding the date of the proposal, 38.11% on 1,506 yen, the simple average closing price for the one-month period ending on that date, 32.65% on 1,568 yen, the simple average closing price for the three-month period ending on that date, 23.88% on 1,679 yen, the simple average closing price for the six-month period ending on that date of the Company Shares respectively on the Prime Market of the Tokyo Stock Exchange). In response, on July 7, 2026, the Committee approached the Tender Offeror to indicate that the Tender Offer Price still falls substantially short of a level that would justify further discussions as a price sufficient from the perspective of protecting the Company's minority shareholders, and that the Company wished to request the Tender Offeror to reconsider a substantial increase in the Tender Offer Price.

Thereafter, on July 13, 2026, the Company and the Committee received from the Tender Offeror, a revised proposal stating that although the previous price proposals were based on the premise that interim and year-end dividends would not be paid, the premise would be changed, and that on the premise that the Company will pay an interim dividend for the fiscal year ending December 2026 (a dividend of 24 yen per share, which is the amount announced by the Company as its dividend forecast) and will not pay a year-end dividend, the Tender Offer Price would be 2,206 yen (this price represented a premium of 27.51% on 1,730 yen, the closing price of the Company Shares on July 10, 2026, which is the business day immediately preceding the date of the proposal, 42.14% on 1,552 yen, the simple average closing price for the one-month ending on that date, 40.06% on 1,575 yen, the simple average closing price for the three-month period ending on that date, 32.33% on 1,667 yen, the simple average closing price for the six-month period ending on that date of the Company Shares respectively on the Prime Market of the Tokyo Stock Exchange). In response, on July 16, 2026, the Committee approached the Tender Offeror to indicate that the Tender Offer Price still cannot be said to be at a sufficient level from the perspective of protecting the Company's minority shareholders, and that the Company wished to request the Tender Offeror to reconsider a substantial increase in the Tender Offer Price.

Thereafter, on July 21, 2026, the Company and the Committee received from the Tender Offeror, a revised proposal stating that the Tender Offer Price would be 2,300 yen (this price represented a premium of 1.05% on 2,276 yen, the closing price of the Company Shares on July 21, 2026, which is the date of the proposal, 32.95% on 1,730 yen, the simple average closing price for the one-month period ending on that date, 42.24% on 1,617 yen, the simple average closing price for the three-month period ending on that date, 37.64% on 1,671 yen, the simple average closing price for the six-month period ending on that date of the Company Shares respectively on the Prime Market of the Tokyo Stock Exchange). In response, on July 23, 2026, the Committee approached the Tender Offeror to indicate that the Company wished to request the Tender Offeror to reconsider an increase in the Tender Offer Price from the perspective of ensuring the interests of minority shareholders to the maximum extent possible.

Thereafter, on July 24, 2026, the Company and the Committee received from the Tender Offeror, a revised proposal stating that the Tender Offer Price would be 2,392 yen (this price represented a premium of 8.24% on 2,210 yen, the closing price of the Company Shares on July 24, 2026, which is the date of the proposal, 30.21% on 1,837 yen, the simple average closing price for the one-month period ending on that date, 45.41% on 1,645 yen, the simple average closing price for the three-month period ending on that date, 42.47% on 1,679 yen, the simple average closing price for the six-month period ending on that date of the Company Shares respectively on the Prime Market of the Tokyo Stock Exchange). In response, on July 26, 2026, the Committee informed the Tender Offeror that, in light of, among other things, the premium levels over the average share price during a certain historical period in comparable transactions, and the Company's intrinsic value, the Committee determined that the Tender Offer Price was a price that gave due consideration to the interests of the Company's minority shareholders. Accordingly, on July 28, 2026, the Committee responded that it would accept the Tender Offer Price of 2,392 yen, subject to the condition that, as of July 28, 2026, there would be no material changes in market or economic conditions, etc. and that the Tender Offer Price would not fall below the market price of the Company Shares.

However, since the market price of the Company Shares further increased on and after July 27, 2026, on July 28, 2026, the Committee requested that the Tender Offeror increase the Tender Offer Price based on the fact that the market price of the Company Shares on and after July 27, 2026 temporarily exceeded 2,392 yen.

Thereafter, on the same date, the Company and the Committee received from the Tender Offeror a final proposal to set the Tender Offer Price at 2,451 yen (the proposed Tender Offer Price of 2,451 yen represented a premium of 4.74% on 2,340 yen, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on July 28, 2026, which was the date of the proposal, 27.59% on 1,921 yen, the simple average closing price for the one-month period ending on that date, 46.85% on 1,669 yen, the simple average closing price for the three-month period ending on that date, and 45.55% on 1,684 yen, the simple average closing price for the six-month period ending on that date of the Company Shares respectively on the Prime Market of the Tokyo Stock Exchange). In response, on the same date, since the Committee determined that the proposed price was a price that gave due consideration to the interests of the Company's minority shareholders, the Committee responded that it would accept a Tender Offer Price of 2,451 yen.

C. Purpose of the Transactions, Measures to Enhance Corporate Value and Management Policy Following the Transactions

(A) The Tender Offeror's and Mr. Kanemaru's Understanding

In light of the circumstances stated in A.(B), a. above, Mr. Kanemaru believes that it would be difficult for the Company Group to achieve sustainable growth solely through initiatives that are an extension of its existing efforts. Specifically, he believes that the Company Group will be able to achieve further enhancement of its corporate value by implementing the following initiatives.

(I) Management execution from a medium- to long-term perspective

Mr. Kanemaru recognizes that, in the IT and digital fields, where technological innovation and increasingly sophisticated customer needs are advancing rapidly, management from a long-term perspective is essential for establishing a sustainable competitive advantage over the medium to long term without being influenced by short-term business performance or stock market evaluations. Based on this recognition, after the Company goes private, Mr. Kanemaru intends to make bold and ongoing investments in research and development relating to advanced technologies, including AI, investments in human capital aimed at securing and developing highly skilled personnel, particularly AI talent and project managers and upstream personnel, and strategic investments in mergers and acquisitions and alliances that complement and accelerate the strengths of the Company Group.

(II) Optimization of management resources

Mr. Kanemaru recognizes that, rather than allocating management resources across a broad range of areas, concentrating them on those areas that constitute the source of the Company Group's competitive advantage will lead to the optimization of management resources. Accordingly, he intends to position such areas as operations understanding, architecture design, customer relationship development and human resource development, all of which are becoming increasingly important in the AI era, as the highest priority areas and to allocate management resources to them on a priority basis. Specifically, Mr. Kanemaru intends to further deepen the Company Group's involvement in formulating concepts and designing overall solutions based on customers' management and business issues, while strengthening its account management structure for key customers and promoting the establishment of business relationships spanning multiple years and multiple business areas.

At the same time, he intends to make investments in the development of AI talent, as well as personnel responsible for project management and upstream processes, through training linked to actual projects in order to improve project quality and customer satisfaction. Through these initiatives, Mr. Kanemaru believes that the Company Group will be able to increase the revenue per customer and extend the duration of customer relationships, thereby achieving both top-line growth and enhanced profitability across the Company Group as a whole.

(III) Succession and strengthening of the corporate culture and human capital foundation

Mr. Kanemaru recognizes that the Company Group's corporate philosophy of "strategically utilizing technology to transform management," together with the human capital foundation it has cultivated over the years, constitutes the core of its ability to create sustainable value. After the Company goes private, Mr. Kanemaru contemplates establishing and enhancing performance evaluation and compensation systems that appropriately recognize medium- to long-term achievements and willingness to take on new challenges, as well as talent management infrastructure and mechanisms for knowledge sharing and review, in order to preserve and strengthen that corporate culture and human capital foundation. Specifically, Mr. Kanemaru is considering the introduction of performance evaluation metrics that are not overly focused on short-term business performance, the flexible design of long-term incentive programs, and the establishment of infrastructure to enable visualization of the skills, experience and career aspirations of personnel. Through these initiatives, Mr. Kanemaru intends to ensure that the Company Group's corporate culture is successfully passed on to the next generation, while promoting the retention and development of personnel and enhancing the competitiveness of the organization as a whole.

(IV) Expansion of capabilities through strategic mergers and acquisitions and alliances

Mr. Kanemaru regards investments in and alliances with companies that have specific areas of application for AI-driven business transformation and the creation of new value in particular industries and business fields and have implemented such applications to address management challenges, as well as companies that possess highly skilled personnel and capabilities in such areas as AI, data and architecture design, as an important pillar of the Company Group's growth strategy after the Company goes private. The objective of these investments and alliances is not to pursue expansion in scale or revenue growth, but rather to fundamentally strengthen the value provided by the Company Group. Through these initiatives, Mr. Kanemaru intends to achieve "high-quality growth" that fundamentally enhances the competitiveness of the Company Group as a whole, rather than simply increasing personnel or growing revenue.

(V) Expansion of growth opportunities for employees and development of an environment in which personnel can better realize their potential

Mr. Kanemaru believes that, as a result of taking the Company Shares private through the Transactions, employees will be provided with more challenging opportunities that contribute to their professional growth than ever before. Specifically, he expects that employees will have expanded opportunities to engage on a continuing basis in highly challenging initiatives requiring a medium- to long-term perspective, including the acquisition of AI capabilities encompassing AI-driven development and design and the implementation of AI agents, opportunities to assume more advanced roles beyond the traditional scope of IT consulting and systems development, and opportunities for greater involvement in customers' core systems and data infrastructure. In addition, through participation in large-scale and complex projects spanning multiple years, employees are expected to develop into professionals who possess a combination of a management perspective, business understanding and technical expertise. Mr. Kanemaru believes that these initiatives will enhance employees' professional expertise and market value, thereby strengthening the Company Group's human capital and contributing to its sustainable growth.

On the other hand, Mr. Kanemaru believes that, so long as the Company remains listed, it will be required to conduct management with due regard to its shareholders and to take into consideration the need to secure and distribute short-term profits. As a result, he believes that the Company's listing is highly likely to constitute a structural constraint on the implementation of medium- to long-term initiatives, such as upfront investments and fundamental structural reforms, that may adversely affect short-term cash flow or earnings. Mr. Kanemaru also believes that, although the initiatives described in (I) through (V) above are necessary to enable the Company Group to maintain a sustainable competitive advantage in the future, they will not necessarily contribute to earnings immediately and will require a considerable amount of time and involve significant risks before producing results. Accordingly, he believes that it would be difficult to obtain the full support of the Company's shareholders for the implementation of such initiatives while asking them to bear those risks. In addition, from the perspective of maximizing the Company Group's corporate value over the medium- to long- term, Mr. Kanemaru believes that, in order to prevail against the increasingly intense competition arising from the rapidly and irreversibly changing business environment, it is essential to establish a structure capable of implementing fundamental and agile decision-making with flexibility and speed, while avoiding constraints associated with being a listed company, including the need to maintain quarterly financial performance and the prolonged and increasingly complex decision-making processes required to take into account the interests of a large number of public shareholders.

Furthermore, Mr. Kanemaru believes that, due to such factors as the strengthening of regulation of capital markets in recent years, the scope of additional and ongoing information required to be disclosed to stakeholders through annual securities reports, corporate governance reports and other disclosure documents is increasing year by year, and as the human and financial costs required to maintain the Company's listing as a listed company have been increasing, it cannot be ruled out that these costs may become a significant burden on the management of the Company Group. Since its listing on the Tokyo Stock Exchange in 2002, the Company Group has enjoyed various advantages as a listed company, including enhanced name recognition that has enabled it to attract excellent personnel and increased social credibility. On the other hand, in light of the Company Group's current financial condition, in which the funds necessary for its business activities can be sufficiently secured through borrowings from financial institutions, Mr. Kanemaru believes that there is currently not a significant need for the Company Group to raise substantial funds through equity financing. In addition, given that the Company Group has already established its social credibility and brand recognition through its business activities, Mr. Kanemaru believes that both the necessity of maintaining the Company's listing and the advantages that can be enjoyed by maintaining such listing have relatively diminished.

(B) The Company's Understanding

According to the explanations provided to the Committee by the Company and the Materials, the Company believes that the synergies expected from the Transactions, the purpose of the Transactions, and the corporate value enhancement measures and management policy following the Transactions are as described below.

(I) Management execution from a medium- to long-term perspective

Amid the rapid changes in the business environment of the IT and digital domains driven by AI, the Company recognizes that merely conducting investments in research and development and human capital within the scope that enables achievement of short-term performance targets entails a risk of falling into a competitive disadvantage over the medium to long term. Accordingly, the Company believes that, by privatizing the Company and thereby avoiding being influenced by short-term business performance or stock market evaluations, it will be possible to establish a medium- to long-term competitive advantage through the bold and continuous execution of initiatives, including investments in research and development relating to advanced technologies, including AI, promotion of structural reforms to reconstruct the Company's design and development processes into AI-native ones (designed on the premise of AI utilization), and investments in human capital aimed at securing and developing highly skilled personnel, particularly AI talent , project leaders, and upstream personnel. The Company believes that executing management from such a medium- to long-term perspective would contribute to the enhancement of the corporate value of the Company Group.

(II) Optimization of management resources

The Company recognizes the need to thoroughly promote internal structural reforms, including initiatives aimed at tripling productivity through the use of AI and reconstructing the Company's design and development processes into AI-native ones in areas where the Company has strengths, such as the modernization of legacy systems, and to execute such reforms swiftly. In addition, the Company recognizes the importance of expanding its medium- to long-term partnership clients (the establishment of business relationships with key clients spanning multiple years and multiple business areas) by prioritizing the allocation of management resources to areas that will serve as sources of competitive advantage in the AI era, such as AI architecture design, deepening relationships with clients, further enhancement of business understanding, and the development of human resources to execute these initiatives.

However, the Company recognizes that such initiatives require a certain level of upfront investment and time for realization, and cannot rule out the possibility that they may have an adverse impact on its shareholders in the short term.

The Company believes that privatizing the Company Shares through the Transactions offers advantages in that it will enable the Company, from the perspective of enhancing corporate value over the medium to long term, to make bold upfront investments in internal structural reforms and optimize management resources, thereby enabling the implementation of the initiatives described above.

(III) Succession and strengthening of the corporate culture and human capital foundation

The Company recognizes that, in order to overcome the significant changes in the business environment driven by generative AI and to maintain and enhance its competitiveness, it is essential to attract and retain highly skilled personnel. To this end, the Company believes that it is necessary to strengthen its human capital foundation through measures such as the introduction of evaluation and compensation systems that appropriately recognize medium- to long-term achievements and willingness to take on new challenges, as well as the acquisition of personnel with advanced technological expertise through industry-academia collaboration, including joint AI research with universities. The Company believes that privatizing the Company Shares through the Transactions offers advantages in that it will enable the

Company to create an environment in which bold initiatives to ensure the succession and strengthening of corporate culture and human capital foundation can be implemented without undue concern about short-term stock market reactions.

(IV) Expansion of capabilities through strategic mergers and acquisitions and alliances

The Company recognizes that there is room to expand its capabilities through strategic mergers and acquisitions, including investments in, alliances with, or acquisitions of companies, such as those with AI engineers and AI consultants and AI startups, in areas where the Company Group will be responsible for business transformation of clients through the utilization of AI and in pursuing the acquisition of AI use cases, thereby fundamentally strengthening the value provided by the Company Group. The Company believes that there are advantages in that it will be able to expand its capabilities to achieve high-quality growth that fundamentally enhances the competitiveness of the Company Group as a whole, without undue concern about short-term stock market reactions arising from the costs associated with strategic mergers and acquisitions.

(V) Expansion of growth opportunities for employees and development of an environment in which personnel can better realize their potential

The Company recognizes the importance of providing employees with challenging and growth-oriented opportunities in order to more rapidly develop project leaders capable of responding to new development processes driven by advancements in AI. Such opportunities include the development of top-tier AI engineers, support for the acquisition of doctoral degrees at universities, the acquisition of AI capabilities encompassing AI-driven development and design and the implementation of AI agents, the creation of opportunities for employees to assume more advanced roles beyond the traditional scope of IT consulting and systems development, and the creation of opportunities for greater involvement in clients' core systems and data infrastructure. Although these initiatives require a certain period of education and reskilling and cannot rule out the possibility that they may lead to a decline in profitability in the short term, the Company believes that there are advantages in that they will enable the Company to allocate resources boldly toward expanding employees' growth opportunities and enhancing an environment in which human resources can perform at their full potential.

(VI) Reduction of costs to maintain listing

In recent years, due to the strengthening of regulations related to capital markets, the scope of additional and ongoing information required to be disclosed to stakeholders through annual securities reports, corporate governance reports and other disclosure documents is increasing year by year, and as the human and financial costs required to maintain the Company's listing as a listed company have been increasing, it cannot be ruled out that these costs may become a significant burden on the management of the Company Group. The Company believes that the privatization would be advantageous in that the burden of human resources and financial costs related to maintaining the listing would be eliminated, thereby enabling the allocation of human resources and financial resources to measures aiming at establishing a medium- to long-term competitive advantage.

On the other hand, the Company has also considered the disadvantages of privatizing the Company Shares through the Transactions. In this regard, as the implementation of the Transactions is expected to result in the delisting of the Company, it is possible that such delisting may adversely affect the Company's ability to secure high-quality personnel and win business opportunities, which it has benefited from as a listed company through enhanced credibility and name recognition. However, the Company believes that it has been increasingly recognized as one of the few companies capable of building mission-critical core systems on an end-to-end basis, from grand design through requirements definition, to development, and implementing integrated reforms across management, business operations, and IT. In addition, the Company expects to effectively leverage the brand it has built over more than 20 years since its listing, and therefore believes that the impact on its ability to secure business opportunities and talent will be limited.

Furthermore, although the privatization of the Company Shares would limit the Company's ability to raise funds through equity financing in the capital markets and would result in a repayment burden associated with substantial borrowings, the Company expects that the areas in which it has strengths, such as the modernization of legacy systems, are unlikely to be replaced or eroded by AI in the near term. During this period, by further accelerating initiatives such as AI-driven development and establishing a medium- to long-term competitive advantage, the Company believes that it will be able to steadily generate cash flow to serve as a source of repayment, and therefore believes that the risks associated with financing can be mitigated. In addition to the foregoing, from a governance perspective, the privatization is expected to give rise to financial concerns due to a loosening of investment discipline; however, the Company recognizes that while investments for structural reforms aiming at establishing a medium- to long-term competitive advantage will be executed with greater speed than ever before, the amount and timing of the investments will need to be subject to a more rigorous discipline, taking into account repayment of borrowings from financial institutions. In light of the above, among others, the Company believes that the financial governance will continue to be maintained. In addition, the Company assumes that the dissolution of existing capital relationships with shareholders (such as business partner shareholders) will not have any particular impact.

D. Consideration by the Committee

(A) The Company's Business Activities, Business Environment, and Management Issues

The Tender Offeror's understanding of the Company's business activities, business environment, and management issues described in A. above is not considered unreasonable in light of the explanations received from the relevant parties, publicly available information, and the Materials, and is considered to be consistent both with the descriptions generally provided regarding the industry and market environment in which the Company operates and with the Company's own understanding.

(B) Purpose of the Transactions, Measures to Enhance Corporate Value and Management Policy Following the Transactions

With respect to the purpose of the Transactions as well as the measures to enhance corporate value and management policy following the Transactions described in C. above, as described in C.(A) above, the Tender Offeror contemplates (i) management execution from a medium- to long-term perspective, (ii) optimization of management resources, (iii) succession and strengthening of the corporate culture and human capital foundation, (iv) expansion of capabilities through strategic mergers and acquisitions and alliances, (v) expansion of growth opportunities for employees and development of an environment in which personnel can better realize their potential, and (vi) reduction of costs to maintain listing as measures to achieve further enhancement of the corporate value of the Company Group (collectively, the "Corporate Value Enhancement Measures"). None of the Corporate Value Enhancement Measures has been found to be unreasonable as a response to the business environment and management issues described in A. above. In addition, no inconsistency or contradiction has been found between such measures and the purpose of the Transactions, the measures to enhance corporate value, and the management policy following the Transactions as understood by the Company as described in C.(B) above, and the explanation that the Corporate Value Enhancement Measures will enable the Company to achieve a further enhancement of its corporate value is considered to be reasonable. Furthermore, given that Mr. Kanemaru, who has a proven track record of leading the Company Group and possesses extensive knowledge of the Company Group's business operations, will continue to manage the Company Group himself after aligning ownership and management through the Transactions, it is reasonable to expect continuity in the management of the Company Group's business and the feasibility of implementing the measures.

In light of the foregoing, the Tender Offeror's explanations regarding the purpose of the Transactions as well as the measures to enhance corporate value and management policy following the Transactions cannot be regarded as unreasonable, and the purpose of the Transactions as well as the measures to enhance corporate value and management policy following the Transactions are considered to be reasonable.

(C) Advantages and Disadvantages of Delisting

With respect to the privatization of the Company through the Transactions, the Committee recognizes a number of advantages, including that the Company would be released from the constraints of having to focus on short-term profit generation and distributions in consideration of shareholders and, although the Transactions may result in a certain degree of deterioration in short-term cash flows and earnings, it would enable the Company to implement in an agile manner measures such as upfront investments and fundamental structural reforms that are necessary to maintain the sustainable competitive advantage of the Company Group over the medium to long term; that it would enable the establishment of a structure capable of implementing fundamental and agile decision-making with flexibility and speed, while avoiding constraints associated with being a listed company, including the need to maintain quarterly financial performance and the prolonged and increasingly complex decision-making processes required to take into account the interests of a large number of public shareholders; and that it would reduce the human and financial costs associated with maintaining the Company's listing, including costs related to information disclosure to stakeholders through annual securities reports, corporate governance reports, and other filings, which have been increasing in recent years due to, among other things, the strengthening of regulations relating to capital markets.

On the other hand, it cannot be denied that privatization may generally give rise to certain disadvantages, including: (i) the inability to raise funds through equity financing in the capital markets; (ii) a certain loss of social credibility and name recognition enjoyed by being a listed company, which could adversely affect the establishment or strengthening of relationships with existing and potential business partners; (iii) for similar reasons, adverse effects on employees' sense of belonging and loyalty to the Company, as well as on the recruitment of new personnel; and (iv) a decline in governance functions resulting from the absence of market discipline and monitoring by a large number of shareholders.

However, with respect to item (i) above, according to the Tender Offeror and the Company, in light of the current financial position of the Company Group, there is, for the time being, no strong need to raise large-scale funds through equity financing, and the Company Group is expected to be able to steadily generate cash flow that will serve as a source of repayment for borrowings from financial institutions incurred in connection with the Transactions. In addition, according to the Tender Offeror, the financial covenants and other restrictions to be included in the agreements relating to the loan from a financial institution in connection with the Transactions are of a generally customary nature and would not unduly restrict the continuation of the Company's ordinary course of business operations. In light of the explanations received from the relevant parties, publicly available information, and the Materials, no particular unreasonable aspects have been identified in such explanation. Accordingly, there are considered to be limited disadvantages associated with financing resulting from privatization.

In addition, with respect to item (ii) above, according to the Tender Offeror and the Company, the Company Group has established a strong presence in the industry as one of the few companies capable of building mission-critical core systems on an end-to-end basis, from grand design through requirements definition, to development, and the brand and customer base that it has built over more than 20 years since its listing can continue to be effectively leveraged even after delisting. These explanations are considered reasonable. Accordingly, there are considered to be limited disadvantages affecting the Company's ability to secure business opportunities and talent.

Furthermore, with respect to item (iii) above, according to the Tender Offeror, following the Transactions, as described in C.(A), (v) above, employees are expected to have expanded opportunities to engage on an ongoing basis in highly difficult themes requiring a medium- to long-term perspective, including the acquisition of AI capabilities, such as AI-driven development and design and implementation of AI agents, as well as opportunities to assume more advanced roles. In addition, employees are expected to develop into professionals with a combination of management perspective, business understanding, and technical expertise through participation in large-scale and multifaceted projects extending over multiple years. Further, according to the Tender Offeror, as described in C.(A), (iii) above, it is considering measures such as the introduction of evaluation metrics that are not overly focused on short-term results, the flexible design of long-term incentives, and the development of infrastructure to visualize the skills, experience, and aspirations of its personnel. In light of the foregoing, any impact on employees' sense of belonging and loyalty, as well as on recruitment, resulting from the loss of listed status can be compensated for to a considerable extent through these measures.

In addition, with respect to item (iv) above, according to the interview with the Tender Offeror, the Tender Offeror believes that, even after the Transactions, it is important, from the perspective of realizing the medium- to long-term enhancement of the corporate value of the Company Group, to continue to ensure transparency and efficiency in business operations while maintaining strict compliance and internal controls, and that the Transactions will not result in any deterioration of the Company's corporate governance functions. In addition, according to the Company, although, following the Transactions, investments in structural reforms aimed at establishing a long-term competitive advantage will be implemented more swiftly than ever before, the Company recognizes that the amount and timing of such investments will need to be subject to more rigorous discipline, taking into account the repayment of borrowings from financial institutions, and therefore believes that financial governance will continue to be maintained. In light of the foregoing, it is considered that, even after the Transactions, the Tender Offeror and the Company intend to maintain a governance structure of substantially the same standard as that maintained prior to privatization with respect to both corporate governance and financial governance of the Company. In this regard, taking into account the explanations provided by each of the relevant parties, publicly available materials, the Materials, etc., no particular unreasonable aspects have been identified.

In light of the foregoing, the Transactions are considered to offer certain advantages, and the disadvantages associated with the Transactions are considered to be limited in comparison with those advantages.

E. Sub-conclusion

As described above, the Transactions are considered to contribute to the enhancement of the Company's corporate value.

(2) Fairness of the Terms and Conditions of the Transactions

A. Process of Discussions and Negotiations Regarding the Terms and Conditions of the Transactions

With respect to the process of discussions and negotiations regarding the terms and conditions of the Transactions, after the Committee received from the Company the details of the process, details, etc. of discussions and negotiations with the Tender Offeror related to the Transactions in a timely manner, and as described in (1)B. above, negotiations regarding the Tender Offer Price were held, and whenever a proposal was made by the Tender Offeror, the Committee considered such proposal, while receiving advice from Frontier Management and Nishimura & Asahi. The Committee, after receiving the Company's opinion and advice from Plutus Consulting and Nakamura, Tsunoda & Matsumoto, substantively participated in negotiations with the Tender Offeror, including deliberating on and considering its policy for negotiations with the Tender Offeror.

In the process of discussions and negotiations regarding the terms and conditions of the Transactions, discussions and negotiations were repeatedly held until it was determined that further price negotiations would be difficult. As a result, the Tender Offerors made a meaningful concession, and the Tender Offer Price of 2,451 yen (a price on the premise that the Company will pay an interim dividend) was ultimately proposed, representing a substantial increase of 525 yen (27.3% (rounded up or down to the nearest one decimal place)) from the initial price of 1,950 yen (a price on the premise that the Company will not pay the above interim dividend of 24 yen per share for the fiscal year ending December 2026).

In light of the foregoing, the process of discussions and negotiations regarding the terms and conditions of the Transactions is considered to have been fair and to constitute negotiations conducted between independent parties, and it is considered that reasonable efforts were made to conduct the Transactions on terms and conditions that would be as favorable as possible to minority shareholders while enhancing corporate value.

B. Share Valuation Results

(A) Share Valuation Report by Plutus Consulting

In expressing the Company's opinion on the Tender Offer, in order to ensure the fairness of the Company's decision-making on the Tender Offer Price presented by the Tender Offerors, the Company requested that Plutus Consulting, which is its financial advisor and third-party appraiser independent of the Tender Offerors and the Company, calculate the share value of the Company Shares, and obtained the share valuation report by Plutus Consulting (the "Share Valuation Report (Plutus Consulting)") dated July 28, 2026.

Plutus Consulting does not constitute a related party of the Tender Offerors and the Company, and does not have any material interests that should be stated in connection with the Transactions, including the Tender Offer. The remuneration of Plutus Consulting in relation to the Transactions consists solely of a fixed fee payable regardless of whether the Transactions are successfully completed, and does not include any contingency fees subject to the announcement, successful completion, etc. of the Transactions.

Plutus Consulting, after considering multiple valuation methods and examining which valuation methods should be adopted for the valuation of the Company Shares, and on the premise that the Company is a going concern, and on the basis that it is appropriate to evaluate the value of the Company Shares from multiple perspectives, conducted a valuation of the Company Shares by applying the following methods: the market price method, because the Company Shares are listed on the Prime Market of the Tokyo Stock Exchange and have a market price; the comparable listed company method, because there are multiple listed companies comparable to the Company and it is possible to analogize the value of the Company Shares through comparison with similar companies; and the DCF method, in order to reflect the Company's financial performance and forecasts in the valuation. In addition, the Company determined that, giving consideration to the interest of the Company's general shareholders, since the Company has taken the various measures to ensure the fairness of the Tender Offer as described in (3) below, the acquisition of a fairness opinion is unnecessary, and the Company has not obtained a fairness opinion from Plutus Consulting.

The ranges of the per-share value of the Company Shares calculated based on the above methods are as follows:

Market price method: 1,669 yen – 2,340 yen
Comparable company method: 1,830 yen – 2,293 yen
DCF method: 2,003 yen – 2,686 yen

Under the market price method, by setting July 28, 2026 as the reference date, the range of the per-share value of the Company Shares was calculated to be 1,669 yen to 2,340 yen based on the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on the reference date of 2,340 yen, the simple average closing price for the most recent one-month period of 1,921 yen, the simple average closing price for the most recent three-month period of 1,669 yen, and the simple average closing price for the most recent six-month period of 1,684 yen.

Under the comparable company method, TISI Inc., Nomura Research Institute, Ltd., BIPROGY Inc., DTS Corporation, NSD Co., Ltd., CEC Co., Ltd., and SIGMAXYZ Holdings Inc. were selected as comparable listed companies engaged in businesses similar to that of the Company, and the share value of the Company Shares was calculated using enterprise value-based EV/EBITA multiples and EV/EBITDA multiples, and the range of the per-share value of the Company Shares was calculated to be 1,830 yen to 2,293 yen.

Under the DCF method, the financial projections of the Company included in the business plan (the "Business Plan"), which Plutus Consulting used as the basis for the DCF method, were prepared by the Company taking into account its recent business performance and various initiatives for future growth in its IT Consulting & Services Segment and Business Innovation Segment, and cover the period from the fiscal year ending December 2026 to the fiscal year ending December 2029, which was determined as a period for which reasonable projections can be made. In light of the Business Plan prepared by the Company and other materials, based on various factors, including the revenue forecasts and investment plans set forth in the Business Plan covering the four fiscal years from the fiscal year ending December 2026 to the fiscal year ending December 2029, and publicly available information, Plutus Consulting analyzed and evaluated the corporate value and the share value of the Company by discounting the free cash flows expected to be generated by the Company from the third quarter of the fiscal year ending December 2026 onward to the present value at a certain discount rate, and calculated the range of the per-share value of the Company Shares to be 2,003 yen to 2,686 yen. The discount rate was the weighted average cost of capital (WACC), which was set at 8.03% to 9.30%. In calculating the going concern value, the perpetual growth method and the multiple method were adopted. Under the perpetual growth method, the perpetual growth rate was set to be in the range of 0% to 1%, and the going concern value was calculated to be in the range of 167,285 million yen to 219,632 million yen. The minimum perpetual growth ratio is based on the theoretically anticipated long-term economic environment, and the maximum perpetual growth ratio is based on inflation ratio, demographic trends, and other macroeconomic factors. Under the multiple method, EV/EBITA multiples and EV/EBITDA multiples were applied, and taking into account market levels of companies in the relevant industry, the EV/EBITA multiple was set at 7.0 to 9.1 times and the EV/EBITDA multiple was set at 6.4 to 7.5 times, and the going concern value was calculated to be in the range of 156,151 million yen to 207,236 million yen.

As non-business assets, excess cash and deposits (calculated by deducting operating cash and deposits estimated through comprehensive consideration of past cash flow performance and other factors from the Company' s cash and deposits) and investment securities held by the Company have been added. Furthermore, with respect to listed company shares, the tax effects assuming sale at market value have been taken into account.

The Business Plan used by Plutus Consulting for the DCF method does not include fiscal years in which significant increases or decreases in profits or significant increases or decreases in free cash flow are expected.

With respect to the Business Plan, the Committee received explanations from the Company regarding the process of preparing the Business Plan, and confirmed and approved the reasonableness of the details of the Business Plan, its important assumptions, the background to its preparation, etc. after holding question-and-answer sessions on multiple occasions and receiving explanations from the Company regarding the impact of AI advancements on the business and the reflection of human capital investment in the Business Plan. The Business Plan was also prepared by the Company's management who does not have any interests with the Tender Offerors for the purpose of considering the appropriateness of the terms and conditions of the Transactions, primarily by taking into account past performance, recent revenue conditions, trends in the market of the industry to which the Company belongs, and the management environment surrounding the Company, such as the recent increase in personnel costs, and the Tender Offerors have never been involved in the process of its preparation.

Synergy effects expected to be realized through the implementation of the Transactions have not been incorporated into the financial projections above, as it is difficult to specifically estimate them at this time.

As described above, the Tender Offer Price of 2,451 yen per share exceeds the upper end of the valuation results of the share value of the Company Shares determined under the market price method and the comparable company method in the Share Valuation Report (Plutus Consulting), and is at a level that exceeds the median of the range of the valuation results determined under the DCF method.

In addition to the foregoing, the Committee reviewed the contents of Share Valuation Report (Plutus Consulting), received explanations from Plutus Consulting regarding the report, and conducted a question-and-answer session. As a result, the Committee found no unreasonable aspects in the valuation methodologies adopted by Plutus Consulting in valuing the Company Shares, the valuation process, or the results of such valuation.

(B) Share Valuation Report by Frontier Management

In considering the Inquired Matters, in order to ensure the appropriateness of the terms and conditions of the Transactions, including the Tender Offer Price, the Committee requested that Frontier Management, which is a financial advisor and third-party appraiser independent of the Tender Offerors and the Company, calculate the share value of the Company Shares, and obtained the share valuation report by Frontier Management (the "Share Valuation Report (Frontier Management)") and fairness opinion (Frontier Management) on July 28, 2026.

Frontier Management does not constitute a related party of the Tender Offerors and the Company, and does not have any material interests in connection with the Transactions, including the Tender Offer. The remuneration of Frontier Management in relation to the Transactions consists solely of a fixed fee payable regardless of whether the Transactions are successfully completed, and does not include any contingency fees subject to the successful completion, etc. of the Transactions, including the Tender Offer.

Frontier Management, after examining valuation for the Tender Offer, on the premise that the Company is a going concern, and on the basis that it is appropriate to evaluate the Company Shares from multiple perspectives, conducted a valuation of the Company Shares by applying the following methods: the market price method, because the Company Shares are listed on the Prime Market of the Tokyo Stock Exchange; the comparable listed company method, because there are multiple listed companies comparable to the Company and it is possible to analogize the value of the Company Shares through comparison with similar companies; and the DCF method, in order to reflect the status of future business activities of the Company in the valuation.

According to Frontier Management, the ranges of the per-share value of the Company Shares calculated based on the above methods are as follows:

Market price method: 1,669 yen – 1,921 yen
Comparable company method: 1,606 yen – 2,119 yen
DCF method: 2,188 yen – 2,863 yen

Under the market price method, by setting July 28, 2026, which is the business day immediately preceding the date of the board of directors' resolution regarding the expression of opinion on the Tender Offer, as the reference date, the range of the per-share value of the Company Shares was calculated to be 1,669 yen to 1,921 yen based on the simple average closing price for the past one-month period of the Company Shares on the Prime Market of the Tokyo Stock Exchange of 1,921 yen, the simple average closing price for the past three-month period of 1,669 yen, and the simple average closing price for the past six-month period of 1,684 yen.

Under the comparable company method, Nomura Research Institute, Ltd., TISI Inc., BIPROGY Inc., Simplex Holdings, Inc., CEC Co., Ltd., CRESCO LTD., and SIGMAXYZ Holdings Inc. were selected as comparable listed companies engaged in businesses relatively similar to that of the Company, and the share value of the Company Shares was calculated using EBITDA multiples of the comparable company, and the range of the per-share value of the Company Shares was calculated to be 1,606 yen to 2,119 yen.

Under the DCF method, based on various factors, including the financial projections of the Company for the four fiscal years from the fiscal year ending December 2026 to the fiscal year ending December 2029 included in the Business Plan prepared by the Company, the financial information of the Company for the second quarter of the fiscal year ending December 2026, and publicly available information, Frontier Management evaluated the corporate value and the share value of the Company by discounting the free cash flows expected to be generated by the Company from the third quarter of the fiscal year ending December 2026 onward to the present value at a certain discount rate, and calculated the range of the per-share value of the Company Shares to be 2,188 yen to 2,863 yen. The discount rate was the weighted average cost of capital (WACC), which was set at 7.9% to 9.7%, and in calculating such discount rate, a size risk premium was considered, taking into account the Company's scale. In calculating the going concern value, the perpetual growth method and the multiple method were adopted. The enterprise value-based EBITDA multiple was set at 6.8 to 8.4 times based on the figures of comparable listed companies selected through the comparable company method, and the perpetual growth ratio was set at 0.00% to 1.00% by comprehensively taking into account the business environment surrounding the Company, the growth potential of the Company, etc., and based thereon, the going concern value was calculated to be 123,315 million yen to 182,219 million yen.

The Business Plan used by Frontier Management for the DCF method does not include fiscal years in which significant increases or decreases in profits are expected.

Synergy effects expected to be realized through the implementation of the Transactions have not been incorporated into the financial projections above, as it is difficult to specifically estimate them at this time.

As described above, the Tender Offer Price of 2,451 yen per share exceeds the upper end of the valuation results of the share value of the Company Shares determined under the market price method and the comparable company method in the Share Valuation Report (Frontier Management), and is at a level that falls within the range of the valuation results determined under the DCF method.

In addition to the foregoing, the Committee reviewed the contents of Share Valuation Report (Frontier Management), received explanations from Frontier Management regarding the report, and conducted a question-and-answer session. As a result, the Committee found no unreasonable aspects in the valuation methodologies adopted by Frontier Management in valuing the Company Shares, the valuation process, or the results of such valuation.

(C) Overview of the Fairness Opinion (Frontier Management)

The Committee obtained from Frontier Management, as of July 28, 2026, the Fairness Opinion (Frontier Management) to the effect that the Tender Offer Price of 2,451 yen per Company Share is fair from a financial perspective to the general shareholders of the Company. Frontier Management expressed its opinion that the Tender Offer Price of 2,451 yen per Company Share is fair from a financial perspective to the general shareholders of the Company, in light of, among other things, the results of the valuation of the Company Shares based on the Business Plan.

The Fairness Opinion (Frontier Management) was rendered based on, in addition to the results of the valuation of the Company Shares conducted by Frontier Management after receiving from the Company disclosures regarding the current status of the Company Group's business and its business outlook, as well as explanations thereof, discussions and question-and-answer sessions with the Company and the Committee regarding the outline, background, and purpose of the Tender Offer, consideration of, to the extent deemed necessary by Frontier Management, the business environment of the Company Group, as well as economic, market, and financial conditions, and internal review processes at Frontier Management.

C. Level of Premium, etc.

The Tender Offer Price of 2,451 yen per share represented a premium of 4.74% (rounded up or down to the nearest two decimal places; hereinafter the same applies to the calculation of premiums to share prices below) on 2,340 yen, the closing price of the Company Shares on July 28, 2026, which is the business day immediately preceding the date of announcement of the Tender Offer, 27.59% on 1,921 yen, the simple average closing price for the most recent one-month period from June 29, 2026 to July 28, 2026, 46.85% on 1,669 yen, the simple average closing price for the most recent three-month period from April 29, 2026 to July 28, 2026, and 45.55% on 1,684 yen, the simple average closing price for the most recent six-month period from January 29, 2026 to July 28, 2026 of the Company Shares respectively on the Prime Market of the Tokyo Stock Exchange.

With respect to this premium level, recent premium trends are as follows:

First, according to the materials provided by Frontier Management, when referring to the premium levels in 173 cases in which the aggregate voting rights ownership ratio of the tender offeror and its specially related parties prior to the commencement of the tender offer was 45% or more and the purpose of the transaction was the acquisition of all shares (i.e., a going-private transaction) (excluding transactions with a negative premium; the “Comparable Transactions I”), among tender offer transactions that were announced and successfully completed on and after June 28, 2019, when the Fair M&A Guidelines (the “Fair M&A Guidelines”) were published by the Ministry of Economy, Trade and Industry, up to May 31, 2026, the average premiums over the closing price on the business day immediately preceding the announcement date and the simple average closing prices for the one-month, three-month, and six-month periods prior to the announcement date were 39.24%, 41.58%, 42.91%, and 43.56%, respectively, and the median premiums over the same prices were 38.02%, 40.04%, 39.36%, and 38.72%, respectively.

Furthermore, according to the materials provided by Plutus Consulting, when referring to the premium levels in 16 cases in which, as is the case with the Company, the target company’s PBR was at least 2.0x and the tender offeror’s ownership ratio was 40% or more (excluding transactions with a negative premium, transactions the disclosed document of which mentioned speculative media reports, and transactions in which the tender offer was unsuccessful; the “Comparable Transactions II”), among tender offer transactions that were announced on and after June 28, 2019, when the Fair M&A Guidelines were published, up to May 31, 2026 that were conducted either as MBOs or by parent companies or other related companies for the purpose of acquiring all shares of their listed subsidiaries or listed affiliates, the average premiums over the closing price on the business day immediately preceding the announcement date and the simple average closing prices for the one-month, three-month, and six-month periods prior to the announcement date were 31.44%, 31.31%, 33.59%, and 35.88%, respectively, and the median premiums over the same prices were 30.55%, 30.45%, 29.00%, and 32.63%, respectively.

In this respect, the premium represented by the Tender Offer Price, while providing a premium over the closing price on the business day immediately preceding the announcement date, is substantially lower than both the average and median premium levels observed in the Comparable Transactions I and the Comparable Transactions II. However, while the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange reached the highest closing price of the Company Shares since its listing, namely 2,439 yen, on August 12, 2025, the share price thereafter generally trended downward, falling to 1,434 yen on June 24, 2026 (and recording the year-to-date low of 1,429 yen on the same date). Subsequently, however, the share price rose sharply, reaching 2,368 yen on July 27, 2026 (and recording the year-to-date high of 2,407 yen on the following day, July 28, 2026). Thus, although the share price of the Company Shares had generally been on a downward trend since reaching its highest closing price of the Company Shares since its listing, which was recorded on August 12, 2025, it increased by approximately 65.13% during the approximately one-month period from June 24, 2026, when it recorded its year-to-date low, to July 27, 2026. Accordingly, the share price of the Company Shares has risen sharply over a very recent and relatively short period. As described above, given the particularly significant fluctuations in the Company's share price in the recent period and the fact that the Company's share price is in a phase of sharp appreciation, it is considered appropriate, when considering the premium level, to take into account longer-term average and median prices so as to reduce the impact of short-term and rapid share price movements. Therefore, in considering the premium level represented by the Tender Offer Price, it is considered reasonable to consider not only the closing price on the business day immediately preceding the announcement date but also the simple average closing prices over the one-month, three-month, and six-month periods preceding the announcement date, which to a certain extent smooth out the effects of short-term fluctuations in the share price.

Furthermore, the premium of 27.59% over the simple average closing price of 1,921 yen during the most recent one-month period, while lower than both the average premium and the median premium observed in the Comparable Transactions I and the Comparable Transactions II, nevertheless remains at a certain level despite the sharp rise in the share price of the Company Shares during the most recent approximately one-month period, as described above. In addition, the premium of 46.85% over the simple average closing price of 1,669 yen during the most recent three-month period exceeds both the average premium of 42.91% and the median premium of 39.36% observed in the Comparable Transactions I and both the average premium of 33.59% and the median premium of 29.00% observed in the Comparable Transactions II. Moreover, the premium of 45.55% over the simple average closing price of 1,684 yen during the most recent six-month period exceeds both the average premium of 43.56% and the median premium of 38.72% observed in the Comparable Transactions I, and exceeds both the average premium of 35.88% and the median premium of 32.63% observed in the Comparable Transactions II. Accordingly, when compared against the simple average closing prices during the most recent one-month, three-month, and six-month periods, the Tender Offer Price may be regarded as providing a reasonably substantial premium.

Furthermore, the Tender Offer Price of 2,451 yen exceeds the highest closing price of the Company Shares since its listing (2,439 yen, recorded on August 12, 2025). From the perspective of providing all general shareholders of the Company who acquired Company Shares in the stock market with a meaningful opportunity to recover their investment, the Tender Offer Price may be regarded as having reasonableness.

D. Appropriateness of Other Terms and Conditions

In the Transactions, the Squeeze-Out Procedures are contemplated to be implemented following the Tender Offer. The minimum number of shares to be purchased in the Tender Offer has been set at a level such that the sum of (i) the number of voting rights represented by the number of shares held by the Tender Offeror after the successful completion of the Tender Offer and (ii) the number of voting rights represented by the number of shares held by directors of the Company that are Restricted Shares will amount to at least two-thirds of the total number of voting rights of all shareholders of the Company. The Squeeze-Out Procedures are expected to be carried out either through a demand for cash-out under Article 179 of the Companies Act or a share consolidation under Article 180 of the Companies Act, and no structure has been adopted that would fail to provide shareholders opposing the Transactions with appraisal rights or a right to request a determination of price. In addition, it is expected to be disclosed that: (i) if the Tender Offer is successfully completed, the Squeeze-Out Procedures will be implemented through a demand for cash-out or a share consolidation; and (ii) the amount of money to be delivered in the Squeeze-Out Procedures to the Company's shareholders who did not tender their shares in the Tender Offer will be equal to the amount obtained by multiplying the Tender Offer Price by the number of Company Shares owned by each such shareholder. In this manner, the Squeeze-Out Procedures include measures designed to ensure that minority shareholders, in deciding whether to tender their shares in the Tender Offer, will not be placed in a situation in which they would be expected to be treated unfavorably should they choose not to tender their shares in the Tender Offer. Accordingly, the terms and conditions relating to the Squeeze-Out Procedures are considered to be fair and reasonable.

In addition, while Mr. Kanemaru intends to tender in the Tender Offer 5,558,700 shares (ownership ratio (the ratio of the number of shares owned to the number of shares (88,734,566 shares) obtained by deducting from the total number of issued shares of the Company as of June 30, 2026 (95,328,000 shares) the number of treasury shares held by the Company as of the same day (6,593,434 shares), and the figure has been rounded up or down to the nearest two decimal places; hereinafter the same applies to the ownership ratios): 6.26%) out of the 11,117,400 Company Shares he owns, and not to tender the remaining 5,558,700 shares (ownership ratio: 6.26%), subject to the successful completion of the Tender Offer, he intends to transfer all of such Company Shares not to be tendered into trust to the Tender Offeror, with Mr. Kanemaru as the sole settlor and beneficiary and the Tender Offeror as the trustee (the "Trust Transfer").

According to the Tender Offeror, the scheme of the Transactions, including the Trust Transfer, was adopted on the premise that the group tax consolidation system, with the Company as the parent company thereunder, will continue after the implementation of the Transactions, with a view to (i) ensuring consistency with the asset management policies of Mr. Kanemaru and his asset management company, and (ii) avoiding the possibility that any shareholder (other than the Tender Offeror) holding a number of Company Shares equal to or greater than the shares that Mr. Kanemaru agreed not to tender in the Tender Offer may remain a shareholder of the Company as of the effective date of the Squeeze-Out Procedures through the Share Consolidation (commonly referred to as the interloper risk), ensuring the completion of the Squeeze-Out Procedures, and enabling the Tender Offeror to become the sole registered shareholder of the Company. Further, the Tender Offeror has confirmed the legality of such arrangement with its legal and tax advisors and believes that no issues arise therefrom. Specifically, from a legal perspective, the Trust Transfer will be conducted between Mr. Kanemaru and the Tender Offeror, who have continued to have a relationship as formal specially related parties as set forth in Article 27-2, Paragraph 7, Item (1) of the Financial Instruments and Exchange Act for one year or more, and constitutes a "purchase, etc. excluded from application" as set forth in the proviso of Article 27-2, Paragraph 1 of the same Act and therefore, the Tender Offeror does not believe that the Trust Transfer raises any issues in relation to the regulations on uniformity of tender offer price (Article 27-2, Paragraph 3 of the same Act). In addition, according to the Tender Offeror, under the agreement relating to the Tender Offer, which is scheduled to be executed between Mr. Kanemaru and the Tender Offeror on July 29, 2026 (including provisions constituting the trust agreement), it is expected to be agreed that the voting rights attached to the Company Shares constituting the trust assets will be exercised by the Tender Offeror as trustee. However, DANA POINT Corporation PTE. LTD. alone holds the substantive voting rights in the Tender Offeror and Mr. Kanemaru alone holds control over DANA POINT Corporation PTE. LTD.. Moreover, with respect to the Company Shares that constitute part of the trust assets, it is provided that, except as set forth in the aforementioned agreement, no transfer to any third party, creation of any security interest, or any other disposition may be made. Therefore, no involvement of any third party other than Mr. Kanemaru in the exercise of voting rights with respect to the Company is contemplated. Accordingly, the Tender Offeror believes that the adoption of the Trust Transfer will not have any impact on the management or governance of the Company after the Transactions. In light of the explanations received from the relevant parties, publicly available information, and the Materials, no particular unreasonable aspects have been identified in such explanations.

In addition, circumstances that would be disadvantageous to the Company's minority shareholders, as compared with other similar transactions, are not considered to exist with respect to the other terms and conditions of the Transactions.

E. Sub-conclusion

Based on the foregoing, it can be assessed that the Company's corporate value has been appropriately evaluated, and that the terms and conditions of the Transactions, including the Tender Offer Price and the amount of consideration to be delivered in the Squeeze-Out Procedures to the Company's shareholders who did not tender their shares in the Tender Offer, have been appropriately determined. Accordingly, the terms and conditions of the Transactions, including the Tender Offer Price, are considered to be fair.

(3) Fairness of Procedures for Transactions

The Tender Offer will be implemented by the Tender Offeror, whose sole managing member is DANA POINT Corporation PTE. LTD., an asset management company whose entire equity interests are held by Mr. Kanemaru, who is the Representative Director and Chairman of the Company, and over which the same company holds effective control. In addition, Mr. Kanemaru plans to remain involved in the management of the Company as the Representative Director and Chairman of the Company after the Transactions. Therefore, the Transactions constitute an “MBO” as defined in the Fair M&A Guidelines. According to the Tender Offeror, if the Tender Offer is successfully completed, the Tender Offeror intends to change the Company’s structure from a *godo kaisha* to a stock company before the commencement date of the settlement of the Tender Offer. Following such organizational restructuring, DANA POINT Corporation PTE. LTD. is expected to become the sole shareholder of the Tender Offeror holding voting rights, and Mr. Kanemaru will continue to substantively control the decision-making of the Tender Offeror even after the organizational restructuring.

The Fair M&A Guidelines “should be regarded . . . as best practices for approaches to fair M&A to be shared in corporate society” (Fair M&A Guidelines 1.3). When the fairness-ensuring measures presented in the Fair M&A Guidelines are effectively implemented, “the likelihood that the transaction terms agreed upon between parties are respected in the court’s decision on ‘fair price’ will be expected to increase, and it is anticipated that breaches by the directors of the target company of their duty of care or duty of loyalty usually will not be found” (Fair M&A Guidelines 1.3, Footnote 1). From a legal perspective, it is considered important to implement the fairness-ensuring measures presented in the Fair M&A Guidelines.

Accordingly, the Committee examined the extent to which the fairness-ensuring measures presented in the Fair M&A Guidelines that are relevant to the procedures for the Transactions have been taken, as follows:

A. Establishment of Independent Special Committee

(A) Timing of Establishment

According to the Fair M&A Guidelines, “When a target company receives an acquisition offer from an acquiring party, it is advisable to establish a Special Committee as soon as possible in order to enable the Special Committee, through involvement from an early stage, to perform the function of ensuring the fairness of transaction terms throughout the process of formulating the transaction terms as well as to avoid a situation where the purpose of establishing the Special Committee is effectively lost, which may occur, for example, in cases where the Special Committee is established after the transaction terms have been substantially determined and it is difficult to overturn the decision” (Fair M&A Guidelines 3.2.4.1).

On April 28, 2026, the Company received from Mr. Kanemaru a letter of intent regarding the Transactions. In light of the fact that the Transactions constitute an MBO as defined in the Fair M&A Guidelines and that structural conflicts of interest and information asymmetry issues exist in the Company’s consideration of the Transactions, among other things, for the purpose of eliminating arbitrariness in the process of the Company’s decision-making on the Transactions and ensuring the fairness, transparency, and objectivity thereof, the Company’s board of directors adopted a resolution on the same date to establish the Committee, and thereafter, the first meeting of the special committee was held on the same date, as described in 2.1 above.

Therefore, in the Transactions, it has been found that the Committee's involvement in the Transactions has been ensured from the initial stages of the formation process of the terms and conditions of the Transactions.

(B) Composition of Members

According to the Fair M&A Guidelines, "Taking into account . . . the role of the Special Committee, an outside director is the most suitable type of member. In principle, if independent outside directors exist, it is advisable to select members from among such directors." (Fair M&A Guidelines 3.2.4.2 B).

In the Transactions, in selecting the members of the Committee, the Company's board of directors received advice from Nakamura, Tsunoda & Matsumoto, the Company's independent legal advisor, and selected Mr. Akira Kawamoto, an independent outside director (audit and supervisory committee member) of the Company, Ms. Miki Sakakibara, an independent outside director (audit and supervisory committee member) of the Company, and Ms. Yukiko Nishiura, an independent outside director (audit and supervisory committee member) of the Company, as members of the Committee, after confirming their independence from the Company and the Tender Offeror, as described in 2.2 above.

In addition, with respect to the composition of the Committee, the Company selected the above three persons, taking into account the fact that all of the members qualify as independent directors/auditors as provided by the Tokyo Stock Exchange, as well as the fact that Mr. Akira Kawamoto has abundant experience and deep knowledge in the corporate investment practice, that Ms. Miki Sakakibara has specialized expertise and extensive knowledge as an attorney, and that Ms. Yukiko Nishiura has specialized knowledge and abundant experience as a certified public accountant, from the perspective of forming the Committee with an appropriate number of members, in order to ensure a balance among knowledge, experience, and capabilities of the Committee as a whole and to ensure agility in convening the Committee meetings and to facilitate formation of a consensus on its opinion.

As described above, it has been found that the independence of each member of the Committee has been confirmed, and that they were selected with sufficient consideration to their expertise and attributes.

(C) Process of Establishment of and Member Selection for Special Committee

According to the Fair M&A Guidelines, "It is advisable for independent outside directors and independent outside company auditors of a target company to be substantially involved, on an autonomous basis, in the decision to establish the Special Committee and in deciding the scope of its authority and responsibilities, selecting its members, and determining remuneration, in order to dispel, to the extent possible, concerns that they will be affected by issues of structural conflicts of interest" (Fair M&A Guidelines 3.2.4.3).

In the Transactions, in light of the fact that the structural conflicts of interest and information asymmetry issues described above exist, among other things, and taking into account the advice of Nakamura, Tsunoda & Matsumoto, the Company's independent legal advisor, the Company's board of directors sought the opinions of Mr. Akira Kawamoto, Ms. Miki Sakakibara, and Ms. Yukiko Nishiura, and considered the establishment, authority and responsibilities, member selection, determination of remuneration, etc. of a special committee.

As described above, with respect to the Committee, it has been found that a system was ensured in which the Company's independent outside directors were substantively involved with initiative in each of the processes of establishment, authority and responsibilities, member selection, and determination of remuneration of the Committee.

(D) Advisors, etc.

According to the Fair M&A Guidelines, "In order for the Special Committee to properly understand and perform its role, it is necessary for members to evaluate and decide on the proposed transaction based on expert knowledge regarding the fairness of procedures and corporate valuations," and "it is advisable to have trustworthy financial advisors/third party valuation advisors and legal advisors . . . from whom the Special Committee can seek professional advice" (Fair M&A Guidelines 3.2.4.5). With respect to such advisors, "it is useful for the Special Committee to appoint its own advisors" (Fair M&A Guidelines 3.2.4.5).

In this regard, in the resolution of the Company's board of directors related to the establishment of the Committee, the Company granted the Committee: (i) the authority to appoint, as necessary, experts such as the Committee's financial advisor, third-party appraiser, and legal advisor (the "Advisors") (in which case the costs will be borne by the Company), or (ii) to designate or approve (including ex-post facto approval) the Company's Advisors (if the Committee determines that it can rely on the Company's Advisors to provide expert advice, the Committee may request expert advice from the Company's Advisors). In response, since each of them possesses independence and sufficient expertise, the Committee approved Plutus Consulting as the Company's financial advisor and third-party appraiser and Nakamura, Tsunoda & Matsumoto as its legal advisor, respectively, and appointed Frontier Management as the Committee's own financial advisor and third-party appraiser and Nishimura & Asahi as its own legal advisor, respectively.

In the process of the consideration of the Transactions, the Committee obtained expert advice, opinions, etc. from each of the above Advisors in a timely manner, and carefully considered and discussed the pros and cons of the Transactions, the fairness of the terms and conditions of the Transactions, including the Tender Offer Price, the fairness of the procedures for the Transactions, etc. from the perspectives of enhancing the Company's corporate value and protecting the interests of minority shareholders.

Accordingly, it has been found that the Committee appointed not only the Advisors selected by the Company's board of directors but also the Committee's own Advisors, and utilized them.

(E) Involvement in Process of Negotiations of Terms and Conditions with Tender Offeror

According to the Fair M&A Guidelines, "in discussions and negotiations of transaction terms with an acquiring party, the Special Committee performs the role of ensuring that reasonable efforts are made to conduct an M&A transaction on the best possible transaction terms for general shareholders, while also increasing corporate value," and "it is advisable for the Special Committee to be substantially involved in negotiations between the target company and the acquiring party with respect to the transaction terms, including the acquisition consideration" (Fair M&A Guidelines 3.2.4.4).

In this regard, in the resolution of the Company's board of directors related to establishment of the Committee, the Company's board of directors granted the Committee: (i) the authority to negotiate the terms and conditions, etc. of the Transactions with the Tender Offerors and other persons (including indirect negotiations through the Company's officers and employees or the Advisors); (ii) the authority to require persons deemed necessary by the Committee to attend meetings of the Committee and to provide explanations regarding necessary information, and to receive from the Company's officers and employees information reasonably necessary for the consideration and decisions regarding the Transactions; and (iii) the authority to implement any other matters that the Committee deems necessary in considering and making decisions on the Transactions; in addition, (iv) the Company's board of directors resolved that it would make decisions on the Transactions by respecting the details of the Committee's decisions to the maximum extent possible, and that, if the Committee determines that the terms and conditions of the Transactions are not appropriate, the Company's board of directors will not approve the Transactions.

As described in 1.(1)B. and 1.(2)A. above, the Committee has substantively discussed and negotiated the Tender Offer Price and the terms and conditions of the Transactions.

Therefore, it has been found that the Committee has been substantively involved in the process of negotiations regarding the terms and conditions with the Tender Offeror.

(F) Acquisition of Information

According to the Fair M&A Guidelines, "[B]ased on the premise that each member of the Special Committee has an obligation of confidentiality to the target company, it is advisable that the Special Committee, on behalf of general shareholders, obtain material information, including non-public information, and use such information to evaluate and decide on the transaction, thereby ensuring that the Special Committee examines and decides the appropriateness of the M&A transaction and the reasonableness of its transaction terms as a whole based on such material information" (Fair M&A Guidelines 3.2.4.6).

In considering the Transactions, in addition to reviewing the Materials, the Committee conducted interviews, etc. directly with the Tender Offeror and the Company as described in 1.(1)B. above, and also received written responses. Furthermore, the Committee received reports from the Company, Frontier Management and Nishimura & Asahi, and Plutus Consulting and Nakamura, Tsunoda & Matsumoto regarding the process and details of discussions and negotiations with the Tender Offeror in relation to the Transactions in a timely manner, and ensured a system for considering the Transactions based on important information, including non-public information obtained through these processes.

Therefore, it has been found that the Committee has established a system for obtaining important information, including non-public information, and for considering and making decisions regarding the pros and cons of the Transactions and the appropriateness of the terms and conditions based thereon.

(G) Remuneration

According to the Fair M&A Guidelines, "In order for the Special Committee to properly perform its role, it is advisable that the content and level of the remuneration paid to Special Committee members correspond appropriately to their responsibilities"; in addition, "compared with an outside officer's regular duties, the duties of a Special Committee member may require a considerable commitment of additional time and effort," and in "cases where the officer's remuneration originally expected to be paid does not include remuneration for such member's duties as a Special Committee member," "consideration should be given to separate remuneration to Special Committee members for their duties on the Special Committee" (Fair M&A Guidelines 3.2.4.7).

In considering the Transactions, the Company's board of directors will pay remuneration to special committee members as consideration for their duties, regardless of the contents of report, and such remuneration does not include any contingency fees subject to the announcement, successful completion, etc. of the Transactions.

Accordingly, based on the fact that the Company's board of directors resolved to pay remuneration for the Committee to appropriately fulfill its role required in considering the Transactions, regardless of whether the Transactions are successfully completed, it has been found that an environment has been established in which special committee members can readily make commitments in terms of time and effort and make decisions from a position independent of the success or failure of the Transactions.

(H) Treatment of Special Committee's Decisions by Company's Board of Directors

According to the Fair M&A Guidelines, "[G]iven the intent in establishing the Special Committee, it is advisable that the Board of Directors appropriately understand and grasp the Special Committee's decision and then make its own decision in a manner that respects, to the maximum extent possible, the decision of the Special Committee" (Fair M&A Guidelines 3.2.5). In addition, by the board of directors agreeing to "decide in advance that it will not agree to an M&A transaction if the Special Committee determines that the transaction terms are not appropriate," it will guarantee "a situation where the Board of Directors of the target company agrees to M&A despite the Special Committee's decision that the transaction terms are inappropriate will not occur, thereby ensuring a situation substantially equivalent to a situation where the Special Committee has authority to oppose the deal" (Fair M&A Guidelines 3.2.4.4).

As described in E. above, the Company's board of directors resolved that it would make decisions on the Transactions by respecting the details of the Committee's decisions to the maximum extent possible, and that, if the Committee determines that the terms and conditions of the Transactions are not appropriate, the Company's board of directors will not approve the Transactions.

Accordingly, it has been found that a system has been ensured in which the Company's board of directors can make decisions on the Transactions by respecting the Committee's opinions.

(I) Internal Consideration System at Company

According to the Fair M&A Guidelines, for conducting M&A transactions, "Even in cases where a Special Committee is established . . . , it is expected that in many cases the Board of Directors of the target company, the officers in charge, and the project teams established under them will, in the first instance, consider matters such as the merits of the M&A transaction, the reasonableness of transaction terms and the fairness of procedures, and conduct discussions and negotiations with the acquiring party." Furthermore, "With respect to the resolution of the Board of Directors of the target company to approve or reject the M&A transaction, the Companies Act prohibits 'directors with a special interest' from participating in the decision. A system in the target company that enables, to the extent possible, an evaluation and negotiation of the proposed transaction independent from the acquiring party should be established in order to eliminate the influence of structural conflicts of interest in the process of formulating the transaction terms. For example, this should be a system that excludes directors with certain interests, including 'directors with a special interest,' from evaluating and negotiating the transaction on behalf of the target company not only at the stage of the resolutions by the Board of Directors described above but also, depending on the specific circumstances of such M&A transaction, at the preceding stages of evaluation and negotiation" (Fair M&A Guidelines 3.2.6).

Among the Company's directors, Mr. Kanemaru holds all equity interests of DANA POINT Corporation PTE. LTD., which is the sole managing member of the Tender Offeror, and in order to avoid any suspicion of conflicts of interest and to ensure the fairness of the Transactions, he has not participated in any deliberations or resolutions at meetings of the Company's board of directors in relation to the Transactions, has not participated in any discussions or negotiations with the Tender Offeror in the Company's capacity, and will not participate in the resolution of the Company's board of directors regarding the expression of support for the Tender Offer and the recommendation to shareholders to tender their shares in the Tender Offer.

Therefore, it has been found that a system has been established at the Company for conducting consideration, negotiations, etc. from a position independent of the Tender Offeror.

(J) Sub-conclusion

As described in (A) through (I) above, it has been found that in considering the Transactions, an independent special committee was established with due consideration to the matters noted in the Fair M&A Guidelines regarding enhancing the effectiveness of the Committee, and that such committee is functioning effectively.

B. Acquisition of Independent Expert Advice, etc. from External Experts

(A) Acquisition of Advice, etc. from Legal Advisors

According to the Fair M&A Guidelines, in order to undergo careful consideration and decision-making processes regarding procedural fairness and appropriateness of terms and conditions, "It is advisable to obtain the independent expert advice described below from external advisors" (Fair M&A Guidelines 3.3). Among these, "Legal advisors assist the target company to fully understand the significance of Fairness Ensuring Measures, and play an important role on matters such as establishing a Special Committee and selecting Special Committee members, analyzing which directors have or may have special interests (and who should therefore be excluded from the evaluation and negotiation of a transaction), and examining the independence of financial advisors and third party valuation advisors. Considering this role, it is advisable to involve independent legal advisors from the initial stage and to obtain their independent professional advice" (Fair M&A Guidelines 3.3.1).

In the Transactions, as described in 2.1 above, it has been found that the Company appointed Nakamura, Tsunoda & Matsumoto as its legal advisor from early April 2026, and has received necessary legal advice regarding the method and process of the Company's board of directors' decision-making, including the procedures related to the Transactions, and other points to be noted. It has been found that Nakamura, Tsunoda & Matsumoto does not constitute a related party of the Tender Offeror and the Company, and does not have any material interests in connection with the Tender Offer. The remuneration of Nakamura, Tsunoda & Matsumoto is hourly-rate based, and does not include contingency fees subject to the announcement, successful completion, etc. of the Transactions, and its independence from the success or failure of the Transactions is also maintained.

In addition, the Committee appointed Nishimura & Asahi as its own legal advisor from May 20, 2026, and has received from Nishimura & Asahi necessary legal advice regarding the measures that should be taken to ensure the fairness of the procedures in the Transactions, the procedures related to the Transactions, the method and process of the Company's decision-making on the Transactions, and other points to be noted. It has been found that Nishimura & Asahi does not constitute a related party of the Tender Offeror and the Company, and does not have any material interests in connection with the Tender Offer. The remuneration of Nishimura & Asahi is hourly-rate based, and does not include contingency fees subject to the announcement, successful completion, etc. of the Transactions, and its independence from the success or failure of the Transactions is also maintained.

(B) Acquisition of Advice, etc. from Financial Advisors and Acquisition of Share Valuation Reports from Third-party Appraiser, etc.

According to the Fair M&A Guidelines, "In order to address issues with respect to structural conflicts of interest and information asymmetries in the process of formulating transaction terms, it is advisable that the Board of Directors of a target company or the Special Committee obtain a valuation report, etc. from an independent third party valuation advisor with expertise and use this report, etc. as the basis for their judgment," and "[i]n addition, in connection with making reasonable efforts to conduct the M&A transaction on the best possible transaction terms for general shareholders while also increasing corporate value, it is also effective to obtain advice and assistance, as needed, from experienced financial advisors in the process of formulating transaction terms, particularly with respect to evaluations of M&A transaction schemes and alternative methods, alternative transactions, and price negotiations" (Fair M&A Guidelines 3.3.2).

In the Transactions, as described in 2.1 above, the Company appointed Plutus Consulting as its financial advisor and third-party appraiser from early April 2026, obtained advice regarding the structure of the Transactions, price negotiations, etc., and requested calculation of the share value of common shares of the Company, and obtained a share valuation report dated July 28, 2026. It has been found that Plutus Consulting does not constitute a related party of the Tender Offeror and the Company, and does not have any material interests in connection with the Transactions. The remuneration of Plutus Consulting is a fixed fee, does not include contingency fees subject to the successful completion, etc. of the Transactions, and its independence from the success or failure of the Transactions is also maintained.

In addition, as described in 2.1 above, the Committee appointed Frontier Management as its own financial advisor and third-party appraiser from May 20, 2026, obtained advice regarding the structure of the Transactions, price negotiations, etc., and requested calculation of the share value of common shares of the Company, and obtained a share valuation report dated July 28, 2026. It has been found that Frontier Management does not constitute a related party of the Tender Offeror and the Company, and does not have any material interests in connection with the Transactions. The remuneration of Frontier Management is a fixed fee, does not include contingency fees subject to the successful completion, etc. of the Transactions, and its independence from the success or failure of the Transactions is also maintained.

C. Ensuring Opportunities for Purchase Proposals by Other Acquirers (Market Check)

According to the Fair M&A Guidelines, ensuring opportunities for counter-purchase proposals by other potential acquirers in M&A transactions (the "Market Check") "enhances the bargaining power of a target company in the process of formulating transaction terms and contributes to the conduct of the M&A transaction on the best possible transaction terms for general shareholders" (Fair M&A Guidelines 3.4.1).

(A) Tender Offer Period

In the Transactions, the period of purchase, etc. in the Tender Offer (the "Tender Offer Period") has been set at 30 business days, which exceeds the shortest period of 20 business days specified in laws and regulations. Accordingly, by setting the Tender Offer Period at a relatively long period, it is intended to ensure an opportunity for the Company's shareholders to make an appropriate decision on whether to tender their shares in the Tender Offer, and also to ensure an opportunity for persons other than the Tender Offeror (the "Counter Offerors") to make counter-purchases, etc. of the Company Shares, thereby ensuring the appropriateness of the Tender Offer Price.

(B) Non-existence of Any Agreement by Company Containing Clauses for Protecting Transactions

In the Transactions, the Tender Offeror and the Company have not reached an agreement that restricts Counter Offerors from having contact with the Company, such as an agreement containing a clause for protecting transactions that prohibits having contact with Counter Offerors.

(C) Active Market Check

According to the Tender Offeror, in light of the fact that it is difficult to say that an active market check would function given that the Tender Offeror owns 30,187,000 Company Shares (ownership ratio: 34.02%) and Mr. Kanemaru owns 11,117,400 Company Shares (ownership ratio: 12.53%), and that conducting an active market check is not practically feasible from the perspective of information management, the Tender Offeror believes that it cannot be said that the measures to ensure the fairness of the Tender Offer are insufficient merely because an active market check has not been conducted. Given the ownership ratios held by the Tender Offeror and Mr. Kanemaru, the above explanation provided by the Tender Offeror is not particularly unreasonable. On the other hand, as the measures described in (3) above have been implemented as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest, and it may therefore be said that, among others, due consideration has been given to the interests of the Company's minority shareholders, it is considered that the failure to conduct an active market check does not, in itself, impair the procedural fairness of the Transactions.

D. Setting of Majority-of-Minority Condition

According to the Fair M&A Guidelines, "A majority-of-minority condition means, in cases where shareholders are asked to express their position whether or not to support an M&A transaction, either by exercising their voting rights at a general meeting of shareholders or deciding whether or not to tender their shares in response to a tender offer, a condition to the consummation of the M&A transaction that it receive support from a majority of the shares held by general shareholders, and the prior public announcement of such condition." In addition, "Establishing a majority-of-minority condition will lead to a greater emphasis on ensuring opportunities for general shareholders to exercise judgment by directly confirming that a majority of general shareholders are satisfied with the transaction terms," and "this condition will also have the function of strengthening the target company's bargaining power in the process of formulating the transaction terms and thereby contributing to the execution of M&A transactions on transaction terms favorable to general shareholders" (Fair M&A Guidelines 3.5.1).

However, in light of the ownership ratio of the Tender Offeror and Mr. Kanemaru, setting the majority-of-minority condition may make the successful completion of the Tender Offer unstable and may rather not serve the interests of minority shareholders who wish to tender their shares in the Tender Offer—the Tender Offeror's view in this regard is not particularly unreasonable. On the other hand, given that the measures described in this 4.(3), among others, have been implemented as measures to ensure the fairness of the Tender Offer Price and to avoid conflicts of interest, and that it can therefore be said that sufficient consideration has been given to the interests of the Company's minority shareholders, the Committee believes that not setting a majority-of-minority condition does not in itself impair the fairness of the procedures for the Transactions.

E. Enhancement of Information Provision to General Shareholders and Improvement of Process Transparency

According to the Fair M&A Guidelines, in M&A transactions where significant information asymmetry exists between the acquirers and minority shareholders, from the perspectives that "general shareholders will appropriately decide the reasonableness of transaction terms based on sufficient information (informed judgment)" and that "the transparency of the process of formulating transaction terms will be improved, and evaluations, negotiations, and valuations will be carried out more carefully with general shareholders in mind," "it is advisable . . . to voluntarily disclose, in an easily comprehensible manner, enhanced information that will contribute to an appropriate judgment by general shareholders" (Fair M&A Guidelines 3.6.1, 3.6.2).

(A) Information Regarding Special Committee

According to the Fair M&A Guidelines, it is desirable to make enhanced disclosures regarding the following information related to a special committee: "[i]nformation regarding the independence and qualifications of members of the Special Committee," "[i]nformation regarding the scope of the authority granted to the Special Committee," "[i]nformation regarding the chronology of Special Committee deliberations and the status of its involvement in negotiating transaction terms with the acquiring party," "[i]nformation regarding the rationale and basis for decisions by the Special Committee on the appropriateness of the relevant M&A, the reasonableness of transaction terms and the fairness of procedures (such as the status of implementation of Fairness Ensuring Measures), and the content of the Special Committee's report," and "[i]nformation regarding the structure of remuneration for members" (Fair M&A Guidelines 3.6.2.1).

In the Transactions, the following information will be disclosed in the Company's disclosure materials: (i) information regarding the qualifications of members of the Committee; (ii) details of the resolution of the Company's board of directors, adopted together with the resolution to establish the Committee, that the Company's board of directors will respect the Committee's opinions to the maximum extent possible and that if the Committee determines that the terms and conditions of the Transactions are not appropriate, the Company's board of directors will not support the Transactions under the relevant terms and conditions, as well as information regarding the granting of the authority to appoint the Committee's Advisors, the authority to designate or approve the Advisors appointed by the Company, etc.; (iii) information regarding the progress of the Committee's consideration and the fact that the Committee has been substantively involved in the negotiations between the Company and the Tender Offeror; (iv) details of the Committee's report and reasons therefor ((I) to consider the pros and cons of implementing the Transactions (whether the Company's board of directors should support the Tender Offer and whether it should recommend that the Company's shareholders tender their shares in the Tender Offer) and provide a recommendation to the Company's board of directors and (II) to consider whether the Transactions are fair to the Company's general shareholders and to provide its opinion to the Company's board of directors (In considering the matters set forth in item (I), the Committee considers the pros and cons of the Transactions from the perspective of whether it will contribute to the enhancement of the Company's corporate value and considers and determines the fairness of the terms and conditions and the fairness of the procedures from the perspective of protecting the interests of the Company's general shareholders. In making its recommendations, the Committee may use appropriate expressions as necessary depending on the transaction form, laws and regulations, etc. relating to the Transactions.)); and (v) the fact that the remuneration of the Committee's members is a fixed fee, and any contingency fees have not been adopted. Therefore, it has been found that the information required by the Fair M&A Guidelines will be sufficiently disclosed.

(B) Information Regarding Share Valuation Reports and Fairness Opinions

According to the Fair M&A Guidelines, it is desirable to make enhanced disclosures regarding share valuations obtained by the Company's board of directors or the special committee, specifically, "[i]nformation regarding the process for making the valuation based on the specific valuation methodologies," "[i]nformation regarding fairness opinions," and "[i]nformation regarding significant interests of third party valuation advisors" (Fair M&A Guidelines 3.6.2.2).

In the Transactions, the following information will be disclosed in the Company's disclosure materials: (i) information regarding the valuation methods and details of the Share Valuation Report (Plutus Consulting) and the Share Valuation Report (Frontier Management) obtained by the Company and the Committee (including the details of the Business Plan used as the basis for the valuation); (ii) information regarding the fairness opinion (Frontier Management); and (iii) the fact that Plutus Consulting and Frontier Management do not constitute related parties of the Tender Offeror and the Company, and do not have any material interests in connection with the Transactions, including the Tender Offer. Therefore, it has been found that the information in accordance with the guidelines of the Tokyo Stock Exchange will be disclosed.

(C) Other Information

According to the Fair M&A Guidelines, it is desirable to make enhanced disclosures regarding the following other information: "[i]nformation regarding the process leading up to the execution of the M&A transaction," "[i]nformation regarding the background and purpose of the decision to carry out the M&A transaction at that time," "[i]nformation regarding the specific content of the interests of the directors of the target company with respect to the relevant M&A transaction," (for example, "whether the directors were involved in the process of formulating the transaction terms and the nature of this involvement") "[i]nformation regarding the details of discussions and negotiations between the target company and the acquiring party on matters such as the transaction terms," "[i]nformation regarding whether alternative acquisition methods or competing proposals were considered," and "[i]n cases where there were opposing directors or objecting company auditors to an M&A transaction in connection with the resolution of the Board of Directors to approve or reject the transaction, the names of such directors or auditors and the grounds for their opposition or objections" (Fair M&A Guidelines 3.6.2.3).

In the Transactions, the following information will be disclosed in the Company's disclosure materials: (i) information regarding the process leading to the implementation of the Transactions; (ii) information regarding the specific details of the interests of Mr. Kanemaru, who is the Representative Director and

Chairman of the Company, with respect to the Transactions (the fact that Mr. Kanemaru has not participated in any deliberations or resolutions related to the expression of opinions on the Tender Offer, and has not participated in any discussions or negotiations with the Tender Offeror related to the Transactions in the Company's capacity); (iii) information regarding the specific background of the discussions and negotiations between the Company and the Tender Offeror related to the terms and conditions; and (iv) the fact that among the eleven directors who participated in the board of directors' resolution to make decisions on whether to support the Transactions and do not have any interests therein (excluding Mr. Kanemaru), there are no directors who opposed the Transactions. Therefore, it has been found that the information required by the Fair M&A Guidelines will be sufficiently disclosed.

F. Elimination of Coerciveness

According to the Fair M&A Guidelines, "The issue of the coerciveness in tender offers arises in cases where a tender offer is successful and shareholders who do not tender their shares in response to the tender offer are expected to be treated less favorably than if they tendered their shares in response to the tender offer, which will unreasonably impact their decision whether to tender their shares, and shareholders which are dissatisfied with the offer price will in effect be pressured to tender their shares," and "coercion should be avoided to ensure that general shareholders have an opportunity to appropriately decide whether to tender their shares in response to the tender offer" (Fair M&A Guidelines 3.7).

In the Transactions, no maximum number of shares to be purchased has been set, and the Squeeze-Out Procedures are planned to be implemented after successful completion of the Tender Offer. In addition, if the Tender Offer is successfully completed, money is planned to be ultimately delivered to the Company's shareholders who did not tender their shares in the Tender Offer, and the amount to be delivered to such shareholders will be calculated so that it will be equal to the price obtained by multiplying the Tender Offer Price by the number of the Company Shares held by such shareholders. Through these measures, it can be evaluated that the coerciveness associated with a two-step acquisition has been eliminated or mitigated. No other circumstances suggesting coerciveness associated with a two-step acquisition are found.

G. Sub-conclusion

As described above, in the Transactions, appropriate measures have been taken in accordance with each of the fairness-ensuring measures as set forth in the Fair M&A Guidelines, and no unreasonable aspects are found in their details. Therefore, the fairness of the procedures for the Transactions is considered to be ensured.

(4) Sub-conclusion

As described above, the Committee believes that the Transactions will contribute to the enhancement of the Company's corporate value, that the terms and conditions of the Transactions are fair, and that the fairness of the procedures for the Transactions has been ensured. Accordingly, it is considered appropriate for the Company's board of directors to support the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer.

2. Whether Transactions are Fair to Company's General Shareholders

As described above, the Committee believes that the Transactions will contribute to the enhancement of the Company's corporate value, that the terms and conditions of the Transactions are fair, and that the fairness of the procedures for the Transactions has been ensured. Therefore, the Transactions are considered to be fair to the Company's general shareholders.

3. Conclusion

Based on the foregoing, the Committee hereby renders its report on the Inquired Matters as set forth in Section 3.

End