



April 11, 2025

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 Representative: Mitsuo Taguchi, President
 (Securities code: 5357, TSE Prime Market)
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Notice Regarding Statement of Opinion on the Tender Offer for the Company's Shares by ASNF HOLDINGS GK

At a meeting of the Board of Directors held on April 11, 2025, the Company resolved to express its opinion in support of the tender offer (the “**Tender Offer**”) for the Company's common shares (the “**Company Shares**”) to be conducted by ASNF HOLDINGS GK (hereinafter, the “**Tender Offeror**”), as outlined below and to reserve its opinion on the fairness of the tender offer price (the “**Tender Offer Price**”), and to leave the decision of whether or not to tender shares in the Tender Offer to the judgment of each shareholder.

Please note that the Tender Offer is not intended to result in the delisting of the Company Shares, and it is the current policy that the listing of the Company Shares on the Prime Market of the Tokyo Stock Exchange, Inc. (the “**Tokyo Stock Exchange**”) will be maintained even after the successful completion of the Tender Offer.

1. Overview of the Tender Offeror

(1) Name:	ASNF HOLDINGS GK
(2) Location:	3-2-3 Marunouchi, Chiyoda-ku, Tokyo
(3) Title and Name of Representative:	Aso Corporation, representative member (Iwao Aso, executive manager)
(4) Business Description:	1. Acquisition and holding of shares or equity interests in other companies 2. All business incidental or related to the above
(5) Capital:	300,000 yen
(6) Date of Establishment:	September 28, 2023
(7) Major Shareholder and Shareholding Ratio:	Aso Corporation 100%
(8) Relationship between the Company and the Tender Offeror:	
Capital relationship:	None
Personnel relationship:	None
Transactional relationship:	None
Status as related party:	Not applicable

2. Tender Offer Price

1,810 yen per share of common stock

3. Details, Grounds and Reasons for the Opinion on the Tender Offer

(1) Details of the Opinion

At the meeting of the Board of Directors held on April 11, 2025, the Company resolved to express its opinion in support

of the Tender Offer based on the grounds and reasoning set forth in “(2) Grounds and Reasons for the Opinion” below. The Company also resolved to reserve its opinion on the fairness of the Tender Offer Price, on the grounds that the Company’s shares are expected to remain listed after the Tender Offer and that it is sufficiently reasonable for shareholders to choose to retain their shares even after the completion of the Tender Offer and to leave the decision of whether to tender shares in the Tender Offer to the judgment of each shareholder.

This resolution of the Board of Directors was made in accordance with the procedures described in “② Approval by All Directors With No Interest in the Company (Including Audit and Supervisory Committee Members)” of “(6) Measures to Ensure the Fairness of the Tender Offer, including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest.”

(2) Grounds and Reasons for the Opinion

The description concerning the Tender Offeror is based on explanations received from the Tender Offeror.

① Overview of the Tender Offer

The Tender Offeror is a limited liability company (*godo kaisha*) established on September 28, 2023, through a 100% investment by Aso Corporation (“**Aso**,” and together with the Tender Offeror, collectively referred to as the “**Tender Offerors**”). As of today, the Tender Offerors do not own any shares of the Company, which is listed on the Tokyo Stock Exchange Prime Market.

Recently, at the request of the Company, the Tender Offeror has decided to conduct the Tender Offer targeting the Company’s shares, primarily for the purpose of becoming the largest and a major shareholder of the Company by acquiring all of the Company’s shares owned by UGS Asset Management Co., Ltd. (number of shares held: 1,751,200 shares; Ownership Ratio (Note): 9.50%; “**UGS Asset Management**”), the Company’s second-largest and a major shareholder; all of the shares held by Capital Gallery Co., Ltd. (number of shares held: 1,408,700 shares; Ownership Ratio: 7.64%; “**Capital Gallery**”), the Company’s third-largest shareholder; and all of the shares held by Capital Management Ltd. (number of shares held: 962,200 shares; Ownership Ratio: 5.22%; “**Capital Management**”; UGS Asset Management, Capital Gallery, and Capital Management are collectively referred to as the “**Agreed Tendering Shareholders**”), the Company’s fourth-largest shareholder (total number of shares held: 4,122,100 shares; total Ownership Ratio: 22.37%) are referred to as the “**Tendering Shares**”) as well as a portion of the Company’s shares held by Sumitomo Osaka Cement Co., Ltd., the Company’s largest and principal shareholder (number of shares held: 3,230,709 shares, Ownership Ratio: 17.53%; “**Sumitomo Osaka Cement**”) (such shares, the “**Sumitomo Osaka Cement Tendered Shares**”; the approach to determining the specific number of these shares is described below). It should be noted that the Tender Offeror has set the tender offer period (the “**Tender Offer Period**”) at 20 business days, which is the shortest period permitted by law, as the primary purpose of the Tender Offer is to acquire the Tender Agreement Shares.

(Note) “**Ownership Ratio**” refers to the percentage (rounded to the nearest one-thousandth) of the number of shares held against the total number of outstanding shares of the Company as of March 31, 2025 (19,594,000 shares), excluding treasury shares held by the Company as of the same date (1,164,425 shares), resulting in 18,429,575 shares. The same applies hereinafter.

In connection with the Tender Offer, on April 11, 2025, the Tender Offeror entered into tender offer agreements (the “**Tender Agreements**”) with each of the Agreed Tendering Shareholders, under which the Agreed Tendering Shareholders have agreed to tender their shares in the Tender Offer. For details of the Tender Agreements, please refer to 4. Material Agreements Related to the Tender Offer below.

In addition, on March 25, 2025, Aso, through the Company, requested that Sumitomo Osaka Cement tender the Sumitomo Osaka Cement Tendered Shares in the Tender Offer, and on March 28, 2025, received a response from Sumitomo Osaka Cement indicating its acceptance of the request. The approach to determining the specific number of the Sumitomo Osaka Cement Tendered Shares is as described below.

- (i) If the number of shares, etc. tendered in the Tender Offer (“**Tendered Shares**”) as of 12:00 p.m. on the final day of the Tender Offer Period (the “**Reference Tendered Share Count**”) is less than the minimum number of shares to be purchased in the Tender Offer, which is 6,143,192 shares (Ownership Ratio: 33.33%), the number of Sumitomo Osaka Cement Tendered Shares will be the number of shares obtained by subtracting the Reference Tendered Share Count from 6,143,192 shares.
- (ii) If the Reference Tendered Share Count is 6,143,192 shares (Ownership Ratio: 33.33%) or more, the number of

Sumitomo Osaka Cement Tendered Shares will be zero.

In the Tender Offer, the Tender Offeror intends to acquire voting rights representing more than one-third of the total voting rights of the Company in order to be able to provide support as a stable shareholder who, as described above, is the Company's largest and principal shareholder and supports the enhancement of corporate value without being influenced by short-term fluctuations in business performance. Accordingly, the minimum number of shares to be purchased has been set at 6,143,192 shares (Ownership Ratio: 33.33%). If the Tendered Shares, etc. in response to the Tender Offer does not meet the minimum number of shares to be purchased, the Tender Offeror will not purchase any of the Tendered Shares, etc. On the other hand, the Tender Offeror believes that acquiring voting rights representing more than one-third of the total voting rights of the Company would result in the holding of a percentage of shares sufficient to exercise a veto right over special resolutions as defined in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended; the "Companies Act"). at a general meeting of shareholders and sufficiently enable it to provide support as a stable shareholder and at the same time providing an opportunity to sell shares of the Company to all shareholders of the Company other than the Agreed Tendering Shareholders, who also wish to sell through the Tender Offer. Further, if the total number of Tendered Shares exceeds this maximum number (6,531,334 shares), as well, from the standpoint of ensuring that one-third of the total voting rights of the Company can still be secured even in the event that the Company's treasury shares are allotted to a third party, the upper limit of the number of shares to be purchased has been set at 6,531,334 shares—equivalent to one-third of the total number of issued shares (Ownership Ratio: 35.44%), the excess portion will not be purchased in whole or in part. Settlement and other procedures related to the purchase, etc. of the shares will be conducted using the pro rata method as prescribed in Article 27-13, Paragraph 5 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the "Act") and Article 32 of the Cabinet Office Ordinance on Disclosure Required for Tender Offers for Share Certificates, etc. by Persons Other Than the Issuer (Ministry of Finance Ordinance No. 38 of 1990, as amended; the "Ordinance").

The Tender Offeror plans to procure the funds necessary for settlement of the Tender Offer, including associated costs and expenses, through a loan from Aso, its ultimate parent company, by no later than the business day immediately preceding the commencement date of settlement for the Tender Offer (including such date).

② Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer

(i) Background of the Tender Offer, etc.

The Aso Group (meaning the corporate group composed of 90 consolidated subsidiaries and 22 equity-method affiliates including Aso and the Tender Offeror (as of September 30, 2024); hereinafter the same) is said to have been founded as business with the establishment of Aso Shoten, which originated when the founder, Takichi Aso, began mining the Shakanoo Goyo Tanzan and entered the coal industry in 1872. Before World War II, the coal business was its core operation, and in 1918, Aso Shoten established Iizuka Hospital with the aim of providing expanded medical services to its employees and local residents, effectively taking on that role on behalf of the community. In 1933, in response to declining international competitiveness in Japan's coal industry, the Aso Group launched its cement business in the Tagawa region of Fukuoka Prefecture. In 1939, Aso Juku, the precursor to the Group's current vocational education business, was established in Iizuka. Over time, the Aso Group expanded its business into a wide range of sectors. As of today, the Aso Group is engaged in a wide range of businesses, primarily centered around the cement business, which involves the manufacturing and sale of various types of cement and ready-mixed concrete; the healthcare-related business, which includes hospital management consulting and joint sales of medical supplies and equipment; the information and software business, which covers information processing services and software development; and the construction and civil engineering business. The Tender Offeror was established on September 28, 2023, with a 100% capital contribution from Aso.

On the other hand, the Company was established in 1936 as Osaka Yogyo Fire Brick Co., Ltd. with the primary objective of manufacturing refractory bricks. The Company's shares were listed on the Osaka Securities Exchange in 1949. In addition, the Company's shares were listed on Osaka Stock Exchange Co., Ltd. (the "**Osaka Securities Exchange**") in 1949. Following the integration of the cash equity markets of the Tokyo and Osaka stock exchanges in 2013, the Company's shares were listed on the First Section of the Tokyo Stock Exchange. In April 2022, following a reorganization of the Tokyo Stock Exchange's market segments, the Company's shares were transitioned to the Prime Market. In 1987, the Company changed its trade name to Yotai Co., Ltd., and in 1993, it absorbed Osaka Yogyo Co., Ltd. by merger. As of today, the Company Group consists of the Company and one consolidated subsidiary (collectively, the "**Company Group**"). The Group is primarily engaged in the manufacture and sale of refractories for use in steelmaking, non-ferrous metals, cement, glass, other ceramic industries, and environmental equipment-related furnaces,

as well as in furnace construction (engineering) tailored to the needs of customers receiving its refractories.

The refractories, primarily refractory bricks, which are the Company Group's main products, are used as materials to protect metal and other components of manufacturing equipment from high temperatures during manufacturing processes that involve high-temperature treatment, such as the production of steel, non-ferrous metals, cement, and glass. These industrial products have seen a decline in domestic production due to the maturation of the Japanese economy and the relocation of manufacturing bases overseas. Given the Company's relatively high proportion of domestic production compared to other refractory manufacturers, it is considered that the Company is not currently operating under particularly favorable business conditions. However, the Company believes that domestic demand for refractories—an essential component of such manufacturing equipment—can be maintained, as the industries that make up the primary customer base for our refractories are promoting new purchases and upgrades of equipment as part of their efforts toward carbon neutrality, and there is also a trend toward reshoring manufacturing bases to Japan and as a result, the Company expects to maintain or even increase its market share in the domestic refractory market, where its group has a high ratio of domestic production and sales. In order for the Company group to continue expanding its business and enhancing corporate value, the Company believes it is essential to strengthen our management foundation on an ongoing basis so that it can maintain our competitiveness and respond flexibly to emerging demand because as noted above, although the market environment has been deteriorating in recent years, the current business climate also presents new demand opportunities arising from moves toward carbon neutrality—such as the purchase and renewal of new facilities—and from the trend of bringing manufacturing bases back to Japan. With the aim of realizing the goal of being a “company which is a prominent presence in the refractory industry in Japan and Asia” established as a part of the 2030 Vision, the Company is actively engaging in continuous investment in people, equipment, and information, as well as in the development of new sources of revenue. However, the Company recognizes that such initiatives may lead to a short-term deterioration in cash flow due to upfront investment, as well as an increase in depreciation expenses, which could result in a temporary decline in profitability. Accordingly, these efforts may not necessarily contribute to the Company's short-term operating results.

Amid such circumstances, around the summer of 2024, the Company began considering the possibility of enhancing corporate value from a medium- to long-term perspective by welcoming a stable shareholder as a partner—one who would agree with the Company's management policy of aiming to enhance corporate value over the medium to long term through continued ownership of the Company's shares, without being swayed by short-term fluctuations in business performance. Accordingly, in early October 2024, the Company appointed Nomura Securities Co., Ltd. (“**Nomura Securities**”), its lead managing underwriter, as a financial advisor independent from the Company, the Tender Offeror, Sumitomo Osaka Cement, and the Agreed Tendering Shareholders under the Tender Agreement, and in early October 2024, requested that Nomura Securities introduce a partner that would align with the Company's objectives. Nomura Securities, citing Aso as a potential candidate, noted its track record of supporting investee companies from a medium-to-long-term perspective as a stable shareholder through numerous minority investments in both listed and unlisted companies to date. Through discussions with Nomura Securities, the Company came to believe that Aso was highly likely to be a suitable partner as a stable shareholder aligned with the Company's objectives, and accordingly, in early October 2024, the Company requested that Nomura Securities make an introduction to Aso. It should be noted that the compensation to be paid to Nomura Securities in connection with the Tender Offer includes a success fee that is contingent upon the successful completion of the Tender Offer. Taking into consideration general market practices for similar transactions and the appropriateness of a fee structure under which the Company would bear a certain financial burden in the event the Tender Offer is not consummated, the Company has determined that the inclusion of a success fee contingent upon the completion of the Tender Offer does not impair the independence of Nomura Securities. Based on this judgment, the Company has appointed Nomura Securities as its financial advisor under the above-mentioned fee structure.

As noted above, while the Company was seeking a stable shareholder partner who would support the enhancement of corporate value over the medium to long term through ownership of the Company's shares—without being influenced by short-term performance fluctuations—Nomura Securities, the Company's financial advisor, introduced Aso, which led to a meeting between the Company and Aso in late October 2024. At the meeting, the Company explained to Aso the background leading up to the meeting. In turn, Aso explained to the Company that its basic investment policy is long-term holding, and in investing the capital of Aso, whether dividend income can be treated as taxable income affects both the decision of whether to invest and the price at which it would acquire shares. Aso also explained that, because a higher tax benefit can be obtained if the shares qualify as related corporation shares as defined under the Corporation Tax Act (Act No. 34 of 1965, as amended), acquiring more than one-third of the total voting rights of the Company and

the shares qualifying as related corporation shares would be a prerequisite in considering acquisition of the Company's shares and the Company commenced preliminary discussions regarding the Tender Offer with Aso. In late December of the same year, the Company held a second meeting with Aso, during which the Company formally requested that Aso acquire shares of the Company. The two parties discussed proceeding on the basis that Aso would acquire voting rights exceeding one-third of the total voting rights through the Tender Offer, and also exchanged views regarding the Company's current management structure and business operations policy. Thereafter, in mid-February 2025, the Company and Aso met again, and the Company conveyed that it had, in late December 2024, spoken with Sumitomo Osaka Cement and in late January 2025, spoken with the Agreed Tendering Shareholders, and that both Sumitomo Osaka Cement and the Agreed Tendering Shareholders had expressed their intention to sell. In light of the commencement of concrete discussions and consideration regarding the Tender Offer, Aso appointed Anderson Mori & Tomotsune as its legal advisor—independent from both the Company and Aso—and SMBC Nikko Securities Inc. as its financial advisor in late February of the same year.

Subsequently, on March 21 and March 26, 2025, the Company held discussions with Aso regarding the number of the Company's shares to be acquired, the schedule for the Tender Offer, and the future relationship between the two parties. As a result, considering the Company's request, Aso came to the view that it is essential to acquire voting rights representing more than one-third of the total voting rights of the Company, in order to be able to provide capital support as a stable shareholder who, as the Company's largest and principal shareholder, supports the enhancement of corporate value without being influenced by short-term fluctuations in business performance.

In addition, Aso has determined that that it can contribute to the enhancement of the Company's corporate value by leveraging the Aso Group's sales base, network, and resources across a wide range of business areas to provide business support and create new business opportunities and while the Company established Yingkou Yotai Import and Export Co., Ltd. as a wholly owned subsidiary in June 2023, and as the Company expands its operations overseas, Aso can provide support through the Aso Group's connections with leading corporate groups abroad and support in the Company's future overseas expansion into new regions could also be provided, and that such support could contribute to enhancing the Company's corporate value. In addition, from the Aso Group's perspective, the ability to receive technical expertise from the Company in the cement business, as well as to secure a stable supply of refractory materials, is expected to support the further strengthening of its cement operations and, in turn, contribute to enhancing the Aso Group's own corporate value. While discussions between the Aso Group and the Company regarding these forms of support and collaboration are expected to take place following the Tender Offer, Aso believes that by working together to establish a framework aimed at enhancing corporate value over the medium to long term—without being influenced by short-term performance fluctuations—it can contribute to the Company's value creation.

Furthermore, the Company has supported social development by supplying refractory materials to a wide range of key industries that form the foundation of both industry and daily life, including steel, cement, environmental equipment, non-ferrous metals, glass, and electronic components. Meanwhile, the Aso Group has supported people's lives through its operations in the medical and education sectors, and has contributed to the development of essential social infrastructure through its construction and civil engineering-related businesses, including the production of cement and secondary concrete products. All of these efforts stem from the belief that enhancing the facilities and systems that form the foundation of industry and daily life constitutes the Aso Group's social mission, and this has guided its business development. Aso believes that the Company's business, which supports social infrastructure, is highly compatible with the Aso Group's own history and that the two companies share many similarities in corporate culture. For these reasons, Aso believes that a strong and positive long-term relationship can be built between the two companies.

Accordingly, as Aso proceeded with its consideration of acquiring shares of the Company, and considering The Company's shares were valued at 1,751 yen at a PBR of 1.0., it held a meeting with Capital Gallery on March 10, 2025. At the meeting, Aso proposed a Tender Offer Price of 1,751 yen per share (which includes a 2.46% premium over the closing price of the Company's shares on the Prime Market of the Tokyo Stock Exchange on the previous business day, March 7, 2025, which was 1,709 yen; percentages rounded to the third decimal place, as with all premium calculations below). In response, Capital Gallery proposed a price of 1,900 yen per share (representing an 11.18% premium over the closing price of the Company's shares on the Prime Market of the Tokyo Stock Exchange on the previous business day, March 7, 2025, which was 1,709 yen). Later that same day, Aso proposed a revised Tender Offer Price of 1,810 yen per share, reflecting a deduction of the total anticipated dividend of 90 yen for the fiscal year ending March 2025 (comprising a 45 yen interim dividend and a forecasted 45 yen year-end dividend) from 1,900 yen price (5.91% premium over the closing price of the Company's shares on the Prime Market of the Tokyo Stock Exchange on the previous business day, March 7, 2025, which was 1,709 yen). Capital Gallery agreed to tender its shares at this revised price.

Similarly, on March 12, 2025, Aso approached UGS Asset Management with the same Tender Offer Price of 1,810 yen (a 5.91% premium over the Company's closing share price of 1,709 yen on March 11, 2025, the business day prior to the proposal), and on March 14, 2025, UGS Asset Management agreed to tender its shares in the Tender Offer.

With respect to Capital Management, Capital Gallery made the approach on Aso's behalf, and on April 1, 2025, Capital Management also responded affirmatively, indicating it would be willing to tender its shares. According to the amended large shareholding report submitted by Capital Gallery to the Director-General of the Kanto Local Finance Bureau on July 23, 2024, Capital Gallery and Capital Management are joint holders and have agreed to exercise voting rights jointly. In addition, if the total number of shares tendered exceeds the maximum number of shares to be purchased in the Tender Offer and a pro rata allocation is applied, they will not be able to sell part of the Company's shares held. With respect to the treatment of the Company shares that could not be sold through the Tender Offer, the Tender Offeror has not reached any agreement with the Agreed Tendering Shareholders, and is not aware of their policy regarding the continued ownership of such share if the shares could not be sold through the Tender Offer.

Following these discussions, the Tender Offeror entered into tender agreements with each of the Agreed Tendering Shareholders on April 11, 2025.

In addition, on March 25, 2025, Aso, through the Company, requested that Sumitomo Osaka Cement tender a portion of the shares of the Company it holds in the Tender Offer, and on March 28, 2025, received a response indicating acceptance of this request. The approach to determining the specific number of the Sumitomo Osaka Cement Tendered Shares is as described above in "(1) Overview of the Tender Offer."

It should be noted that Aso did not hold discussions with the Company regarding the Tender Offer Price, as the price was determined based on the results of discussions and negotiations with the Agreed Tendering Shareholders and communications with Sumitomo Osaka Cement conducted through the Company.

Following the above discussions and negotiations, the Tender Offeror decided to proceed with the Tender Offer on April 11, 2025.

(ii) Decision-Making Process and Reasons Leading the Company to Support the Tender Offer

As stated in "(i) Background of the Tender Offer, etc." above, in early October 2024, the Company was introduced to Aso by Nomura Securities, our financial advisor, and have since held several meetings with Aso with Nomura Securities also in attendance. Specifically, the first meeting took place in late October 2024, during which both companies gave introductions of themselves. The Company also explained the background leading to the meeting, and Aso stated that if the Aso Group were to consider acquiring shares of our company, it would do so on the premise of acquiring voting rights of more than one-third of our total voting rights.

In addition, a second meeting was held in late December 2024. At that meeting, the Company responded to the explanation provided by Aso during the initial meeting regarding the Aso Group's intention to acquire voting rights of more than one-third of our total voting rights, stating that it was prepared to proceed with discussions between the two parties on the premise of acquisition of voting rights of more than one-third of our total voting rights. It was also confirmed by Aso that, in principle, even if the Aso Group were to acquire voting rights of more than one-third of our total voting rights, the Company's current management structure and business operations policy would be respected. In mid-February 2025, a third meeting was held, during which the Company shared with Aso that the Company had spoken with Sumitomo Osaka Cement, its largest and principal shareholder, in late December 2024, and with the Agreed Tendering Shareholders in late January 2025, and that both Sumitomo Osaka Cement and the Agreed Tendering Shareholders had expressed an intention to sell their shares.

Through these meetings, the Company confirmed the Aso Group's investment philosophy—particularly its respect for the management structures and business autonomy of listed companies it invests in. Even in the event that Aso were to acquire over one-third of the voting rights, the Company confirmed that its management team and operational direction would, in principle, continue to be respected. Given that the Company had been seeking a long-term, stable shareholder that would support the Company's goal of enhancing corporate value over the medium to long term without being influenced by short-term performance, the Company concluded that the Tender Offeror is a suitable partner. The Company therefore came to view the Tender Offer, which would allow the Tender Offeror to acquire voting rights of more than one-third of the Company's voting rights, as a transaction that would benefit its shareholders through the enhancement of corporate value.

Moreover, the Company noted that Aso Cement Co., Ltd. ("**Aso Cement**")—a manufacturer that uses refractories—is part of the Aso Group and that cement is one of the Aso Group's core businesses. This means that, unlike investors purely investing in listed shares, the Aso Group possesses a practical understanding of the Company's business environment through the Aso Group's business. Additionally, as the Company aims to increase its overseas sales ratio

under its second medium-term management plan, the Aso Group's connections with leading overseas business groups could support the Company's overseas expansion. For these reasons, the Company also expects potential synergies to emerge through a deepening of its relationship with the Aso Group. On the other hand, the Tender Offeror does not anticipate any negative synergies arising from its ownership of the Company's shares.

In connection with the meetings held with Aso, the Company appointed Daiichi Legal Professional Corporation ("Daiichi"), a law firm independent from the Company, the Tender Offeror, Sumitomo Osaka Cement, and the Agreed Tendering Shareholders, as its legal advisor in mid-January 2025. For details, including the fee structure, please refer to "①Advice from an Independent Law Firm" of "(6) Measures to Ensure the Fairness of the Tender Offer, including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest."

As described above, the Company has determined that, if the Tender Offer is successfully completed, the Tender Offeror will become the Company's largest and principal shareholder and an affiliated company, holding voting rights in excess of one-third of the total voting rights of the Company, and that this will contribute to enhancing the Company's corporate value. Accordingly, at the Board of Directors meeting held on April 11, 2025, the Company resolved to express its opinion in support of the Tender Offer.

However, with respect to the fairness of the Tender Offer Price, it should be noted that the price was determined based on the outcome of discussions and negotiations between the Tender Offeror and the Agreed Tendering Shareholders, as well as communications with Sumitomo Osaka Cement conducted through the Company. The Company did not engage a third-party valuation firm to assess the value of its shares, nor did it independently verify whether the Tender Offer Price appropriately reflects the Company's corporate value. Furthermore, since the Tender Offeror does not intend to delist the Company's shares as part of the Tender Offer and plans to maintain their listing following the completion of the Tender Offer, shareholders of the Company are reasonably able to choose to retain their shares even after the Tender Offer. In light of the foregoing, the Company resolved at its Board of Directors meeting held on April 11, 2025, to refrain from expressing an opinion on the fairness of the Tender Offer Price and to leave the decision of whether or not to tender shares in the Tender Offer to the judgment of the Company's shareholders. Accordingly, the Company has not obtained a fairness opinion regarding the Tender Offer Price.

For details regarding the decision-making process of the Company, please refer to (6) Measures to Ensure the Fairness of the Tender Offer, including Measures to Ensure the Fairness of the Tender Offer Price and to Avoid Conflicts of Interest of ② Approval by All Directors With No Interest in the Company (Including Directors Who Are Audit and Supervisory Committee Members).

(iii) Management Policy After the Tender Offer

The Aso Group intends to respect the Company's current management structure and business operations policy even after the Tender Offer. While maintaining a balance among business, customers, and shareholders, the Aso Group aims to strengthen collaboration with the Company, with a focus on medium- to long-term growth for both parties through deeper cooperation, thereby working to maximize corporate value. At present, the Aso Group has not decided on any specific initiatives concerning the support and collaboration described above in "(i) Background of the Tender Offer, etc.," but plans to engage in discussions with the Company following the Tender Offer. Regarding the dispatch of officers from the Aso Group to the Company or the dismissal of existing officers of the Company, the Aso Group currently has no specific plans in that regard, but intends to consider such matters through consultation with the Company after the Tender Offer.

In addition, while the Tender Offer will result in the termination of the capital relationship with the Agreed Tendering Shareholders, there has been no agreement or contractual relationship regarding management policy between the Company and the Agreed Tendering Shareholders to date, nor have any officers been dispatched from the Agreed Tendering Shareholders to the Company.

(3) Matters Concerning Valuation

In expressing its opinion regarding the Tender Offer, the Company has not obtained a stock valuation report from a third-party valuation firm and has not conducted a review of the fairness of the Tender Offer Price.

With respect to the fairness of the Tender Offer Price, as stated in "(ii) Decision-Making Process and Reasons Leading the Company to Support the Tender Offer" of "② Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer" of "(2) Grounds and Reasons for the Opinion," above, the Tender Offer Price was determined based on the outcome of discussions and negotiations between the Tender Offeror and the Agreed Tendering Shareholders, as well as communications with Sumitomo Osaka Cement conducted through the Company. The Company has not engaged a third-party valuation firm to assess the value of its shares, nor has it

independently verified whether the Tender Offer Price appropriately reflects the Company's corporate value. Given that the Tender Offeror does not intend to delist the Company's shares through the Tender Offer, and that the Company's shares are expected to remain listed after the Tender Offer, the Company has determined that shareholders of the Company are reasonably able to choose to retain their shares even after the Tender Offer. Accordingly, the Company has resolved to reserve its opinion on the fairness of the Tender Offer Price. As a result, the Company has not obtained a fairness opinion regarding the appropriateness of the Tender Offer Price.

(4) Prospects for Delisting and Reasons Therefor

As of today, the Company's shares are listed on the Prime Market of the Tokyo Stock Exchange. The Tender Offer is not intended to result in the delisting of the Company's shares. The Tender Offeror has set a maximum number of shares to be purchased, and even if the Tender Offer is completed, the total number of shares the Tender Offeror will acquire is expected to be no more than 6,531,334 shares (Ownership Ratio: 35.44%). Accordingly, the Company's shares are expected to remain listed on the Prime Market of the Tokyo Stock Exchange following the completion of the Tender Offer. Furthermore, in the unlikely event that, as a result of the Tender Offer, there arises a risk of the Company's shares falling under the delisting criteria, the Tender Offeror and related parties have stated that, within the one-year grace period provided before delisting, they will engage in good-faith discussions with the Company regarding measures to maintain the listing—such as off-market distribution or secondary offerings—and, with the Company's cooperation, will implement the agreed-upon measures.

(5) Plans for Additional Acquisition of the Company's Shares Following Completion of the Tender Offer

The primary objective of the Tender Offeror in conducting the Tender Offer is to become the largest and principal shareholder of the Company. In the event that the Tender Offer results in the acquisition of 6,143,192 shares (Ownership Ratio: 33.33%), which is the minimum number of shares to be purchased, the Tender Offeror currently has no plans to make any additional acquisitions of the Company's shares.

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

As of today, the Company is not a subsidiary of the Tender Offerors, and the Tender Offer does not constitute a tender offer by a controlling shareholder. However, in order to ensure the fairness of the Tender Offer Price and to eliminate arbitrariness in the decision-making process leading to the implementation of the Tender Offer, the Company has taken the following measures.

① Advice from an Independent Law Firm

To obtain expert legal advice on ensuring the fairness and appropriateness of the decision-making process of the Board of Directors regarding the Tender Offer, the Company appointed Daiichi in mid-January 2025 as its legal advisor. Daiichi is independent from the Company, the Tender Offeror, Sumitomo Osaka Cement, and the Agreed Tendering Shareholders. The law firm has provided legal advice on matters such as the procedures related to the Tender Offer, the methods and process of the Board's decision-making, and other relevant considerations.

Daiichi is not a related party of the Company, the Tender Offeror, Sumitomo Osaka Cement, or the Agreed Tendering Shareholders, and does not have any material interests in the Transaction including Tender Offer. In addition, Daiichi's compensation is based solely on time charges, regardless of whether the Transaction is completed, and does not include any success fees contingent on the completion of the Transaction.

② Unanimous Approval by All Directors With No Interest in the Company (Including Audit and Supervisory Committee Members)

Based on the legal advice from Daiichi described in "① Advice from an Independent Law Firm" above, the Company carefully discussed and examined the Tender Offer. As a result, as described in "(ii) Decision-Making Process and Reasons Leading the Company to Support the Tender Offer" of "② Background, Purpose, and Decision-Making Process Leading to the Tender Offeror's Decision to Conduct the Tender Offer" of "(2) Grounds and Reasons for the Opinion," at its meeting held on April 11, 2025, unanimously resolved—in agreement—to express a supportive opinion on the Tender Offer while reserving its opinion on the fairness of the Tender Offer Price, and to leave the decision of whether to tender shares to the judgment of each shareholder. The above resolution of the Board of Directors was adopted unanimously by all eight directors (including directors who are Audit and Supervisory Committee members), all of whom were present at the meeting.

4. Material Agreements Related to the Tender Offer

(1) Tender Agreement (UGS Asset Management)

On April 11, 2025, the Tender Offeror entered into a tender agreement with UGS Asset Management, under which, subject to the commencement of the Tender Offer and provided that it has not been withdrawn, UGS Asset Management has agreed to tender all 1,751,200 shares of the Company (Ownership Ratio: 9.50%) held as the general partner of Sunshine D Investment Partnership, Sunshine E Investment Partnership, and Sunshine G Investment Partnership (collectively, the “**Investment Partnerships**”) in the Tender Offer. However, during the Tender Offer period, if the market price of the Company’s shares on the Tokyo Stock Exchange Prime Market exceeds 1,865 yen per share (or, in the event the Tender Offer Price is revised after the launch of the Tender Offer, a price equivalent to 103.05% of the revised Tender Offer Price), UGS Asset Management is permitted to sell all or a portion of its shares on the Tokyo Stock Exchange Prime Market at a price exceeding 1,865 yen (or, in the event the Tender Offer Price is revised after the launch of the Tender Offer, a price equivalent to 103.05% of the revised Tender Offer Price). That said, even in such a case, UGS Asset Management remains obligated to tender any shares that it does not sell and continues to hold as the general partner of the Investment Partnerships. It should be noted that there are no provisions in the Agreement that exempt UGS Asset Management from its obligation to tender shares in the Tender Offer.

Under the Tender Agreement (UGS Asset Management), the following have been established as conditions precedent for UGS Asset Management to tender its shares:

- ① The Tender Offer must have commenced and not have been withdrawn;
- ② There must be no material breach by the Tender Offeror of its obligations as set forth in the Tender Agreement (UGS Asset Management); and
- ③ The representations and warranties made by the Tender Offeror in the Tender Agreement (UGS Asset Management) must be true and accurate in all material respects.

(However, the Tender Agreement (UGS Asset Management) also provides that UGS Asset Management may, at its sole discretion, waive any of the above conditions precedent and proceed to tender the shares.) In addition, the parties have agreed to the following terms under the Tender Agreement (UGS Asset Management).

(i) As conditions precedent to the commencement of the Tender Offer by the Tender Offeror, the following have been set forth:

- ① A resolution expressing support for the Tender Offer must have been adopted by the Company’s Board of Directors, publicly disclosed in accordance with applicable laws and regulations, and not withdrawn;
- ② No determination, etc. (collectively judgments, decisions, orders, court settlements, licenses, permits, approvals, notifications, administrative guidance, or any other form of decision; hereinafter the same) has been made by any judicial or administrative authority (collectively domestic and foreign courts, arbitrators, arbitral institutions, regulatory authorities, and other judicial, administrative, or self-regulatory bodies. Hereinafter the same) that would restrict or prohibit the Tender Offer or UGS Asset Management’s tendering of shares;
- ③ There must be no material breach by UGS Asset Management of its obligations under the Tender Agreement (UGS Asset Management);
- ④ The representations and warranties made by UGS Asset Management under the Tender Agreement must be true and accurate in all material respects;
- ⑤ With respect to the Company, there must be no material facts concerning business as defined in Article 166, Paragraph 2 of the Act (excluding those already disclosed in accordance with Paragraph 4 of the same Article), and no facts regarding the implementation or cancellation of a tender offer as defined in Article 167, Paragraph 2 (excluding the Tender Offer and facts disclosed pursuant to Paragraph 2 of the same Article);
- ⑥ No grounds for withdrawal of the Tender Offer have arisen; and
- ⑦ Agreements relating to participation in the Tender Offer must have been entered into and remain in effect between the Tender Offeror and each of Capital Management and Capital Gallery, and it must be reasonably expected by the Tender Offeror that all of the shares of the Company held by them will be tendered in the Tender Offer.

(It is also noted that the Tender Offeror may, at its sole discretion, waive any of the above conditions precedent and proceed with the commencement of the Tender Offer.)

(ii) Under the Tender Agreement (UGS Asset Management), UGS Asset Management has agreed not to transfer, pledge, or otherwise dispose of (including, but not limited to, tendering in any tender offer other than the Tender Offer) all or any portion of the Company shares it holds, nor to acquire any additional shares of the Company or rights relating to such shares, except in the specific case expressly provided for in the Agreement: where, during the Tender Offer period,

the market price of the Company's shares on the Tokyo Stock Exchange Prime Market exceeds 1,865 yen per share (or, in the event the Tender Offer Price is revised after commencement, a price equivalent to 103.05% of the then-effective Tender Offer Price).

- (iii) UGS Asset Management is prohibited from directly or indirectly entering into any agreements or other arrangements that compete with, conflict with, contradict, or may potentially interfere with the Tender Offer. It is also prohibited from directly or indirectly making or soliciting, accepting, discussing, negotiating, or soliciting of offers or providing information to or with any third party in connection with such agreements. However, the Agreement allows that if a third party, without any active solicitation by UGS Asset Management, makes such an offer, soliciting of offer, discussing, negotiating, soliciting or provision for information ("**Third-Party Approaches**"), UGS Asset Management is not restricted from receiving such Third-Party Approaches from the third party.
- (iv) In the event that UGS Asset Management receives a Third-Party Approach, it is required to promptly notify the Tender Offeror of the fact that a Third-Party Approach was made. In such a case, UGS Asset Management is also required to engage in good-faith discussions with the Tender Offeror regarding its response to the Third-Party Approach, to the extent permitted by applicable laws and regulations.
- (v) UGS Asset Management is prohibited from exercising any shareholder rights, such as the right to request the convocation of a general meeting of shareholders, the right to make shareholder proposals, or any other shareholder rights without the prior written consent of the Tender Offeror during the period from the date of execution of the Tender Agreement (UGS Asset Management) until the commencement date of settlement for the Tender Offer.
- (vi) If UGS Asset Management is entitled to exercise voting rights at any general meeting of shareholders of the Company held between the execution date of the Tender Agreement (UGS Asset Management) and the commencement date of settlement for the Tender Offer, it is required to vote against any proposals relating to:
 - ① The distribution or other disposition of surplus,
 - ② The issuance of new shares or disposition of treasury shares,
 - ③ Corporate reorganization,
 - ④ Disposition of important assets,
 - ⑤ Shareholder proposals, and
 - ⑥ Any other proposals that, if approved, would or could reasonably be expected to have a material impact on the Company's financial condition, operating results, cash flows, business, assets, liabilities, or future earnings plans or forecasts.
- (vii) In the event the Tender Offer is successfully completed and a general meeting of shareholders of the Company is held with a record date for the exercise of rights falling prior to the commencement date of settlement for the Tender Offer, UGS Asset Management is required to exercise all rights, including voting rights at such general meeting of shareholders in relation to the Company shares sold in the Tender Offer, in accordance with the instructions of the Tender Offeror. UGS Asset Management is also required to take any measures necessary (if any) to ensure that the Tender Offeror's intentions are appropriately reflected in such exercise of rights.
- (viii) UGS Asset Management and the Tender Offeror are required, following the execution of the Tender Agreement (UGS Asset Management), to promptly notify the other party in writing specifying the relevant facts to the extent permitted by applicable laws and regulations, if UGS Asset Management or the Tender Offeror become aware of:
 - (i) any circumstance that may cause its representations and warranties to become false or inaccurate;
 - (ii) any breach of its obligations under the Agreement; or
 - (iii) any fact that suggests one or more of the conditions precedent may not be fulfilled.
- (ix) There are the following representations and warranties made by UGS Asset Management to the Tender Offeror:
 - ① It is validly incorporated and existing and has the necessary capacity and competence;
 - ② The execution and performance of the Tender Agreement (UGS Asset Management) by UGS Asset Management is lawful and valid;
 - ③ Enforceability;
 - ④ It has lawfully and validly obtained or performed all necessary licenses, permits, and approvals;
 - ⑤ The execution and performance of the Tender Agreement (UGS Asset Management) does not violate any applicable laws or regulations, its articles of incorporation or other internal rules, or any determination, etc. of judicial or administrative authorities;
 - ⑥ No insolvency, bankruptcy, or similar proceedings have been initiated against UGS Asset Management, nor do any grounds for such proceedings exist;
 - ⑦ UGS Asset Management is not an antisocial force;

- ⑧ UGS Asset Management is not aware of any material facts as defined in the main clause of Article 166, Paragraph 1 of the Act, or any facts relating to the implementation or cancellation of a tender offer as defined in the main clause of Article 167, Paragraph 1 of the Act (excluding facts related to the Tender Offer);
 - ⑨ UGS Asset Management lawfully and validly owns the Company shares as the general partner of the Investment Partnerships, such shares are not subject to any pledges, encumbrances, or other restrictions, and there are no lawsuits or other legal proceedings related to the ownership of such shares.
- (x) The following representations and warranties have been made by the Tender Offeror to UGS Asset Management under the Tender Agreement (UGS Asset Management):
- ① It is validly incorporated and existing and has the necessary capacity and competence;
 - ② The execution and performance of the Tender Agreement (UGS Asset Management) by the Tender Offeror is lawful and valid;
 - ③ Enforceability
 - ④ It has lawfully and validly obtained or performed all necessary licenses, permits, and approvals;
 - ⑤ The execution and performance of the Tender Agreement (UGS Asset Management) by the Tender Offeror does not violate any applicable laws or regulations, its articles of incorporation or other internal rules, or determination, etc. of judicial or administrative authorities;
 - ⑥ No insolvency, bankruptcy, or similar proceedings have been initiated against the Tender Offeror, nor do any grounds for such proceedings exist;
 - ⑦ The Tender Offeror is not an antisocial force.
- (xi) The Tender Offeror may immediately terminate the Tender Agreement (UGS Asset Management) by giving written notice to UGS Asset Management if any of the following events occur:
- ① UGS Asset Management commits a material breach of its obligations under the Tender Agreement (UGS Asset Management);
 - ② There is a material violation of representations and warranties of the part of UGS Asset Management; or
 - ③ The Tender Offeror withdraws the Tender Offer in accordance with applicable laws and regulations.

Similarly, UGS Asset Management may immediately terminate the Agreement by giving written notice to the Tender Offeror if any of the following events occur:

- ① The Tender Offeror commits a material breach of its obligations under the Tender Agreement (UGS Asset Management);
- ② There is a material violation of representations and warranties of the part of the Tender Offeror;
- ③ The Tender Offeror withdraws the Tender Offer in accordance with applicable laws and regulations; or the total number of shares tendered in the Tender Offer falls below the minimum number of shares to be purchased.

Notwithstanding the above provisions, neither party may terminate the Tender Agreement (UGS Asset Management) on or after the day following the expiration of the Tender Offer period.

It should be noted that the Tender Offeror has not entered into any agreements with UGS Asset Management other than the Tender Agreement (UGS Asset Management), and UGS Asset Management will not receive any benefits from the Tender Offeror other than the monetary consideration to be obtained through its participation in the Tender Offer.

(2) Tender Agreement (Capital Gallery)

On April 11, 2025, the Tender Offeror entered into a tender agreement with Capital Gallery, under which, in the event the Tender Offer is commenced, Capital Gallery has agreed to tender all 1,408,700 shares of the Company it holds (Ownership Ratio: 7.64%) in the Tender Offer. However, it has also been agreed that, during the Tender Offer period, if the market price per share of the Company's stock on the Tokyo Stock Exchange Prime Market exceeds 1,865 yen (or, if the Tender Offer Price is changed after commencement, a price equivalent to 103.05% of the then-effective Tender Offer Price), Capital Gallery may sell all or a portion of its shares on the Tokyo Stock Exchange Prime Market at a price exceeding 1,865 yen (or, if the Tender Offer Price is changed after commencement, a price equivalent to 103.05% of the then-effective Tender Offer Price). That said, for any shares not sold under such circumstances, Capital Gallery remains obligated to tender them in the Tender Offer. It is further noted that there are no provisions in the Agreement exempting Capital Gallery from its obligation to tender shares in the Tender Offer.

Under the Tender Agreement (Capital Gallery), the following have been established as conditions precedent for Capital Gallery to tender its shares:

- ① The Tender Offer must have commenced and not have been withdrawn;
- ② There must be no material breach by the Tender Offeror of its obligations under the Tender Agreement (Capital

Gallery); and

- ③ The representations and warranties made by the Tender Offeror under the Tender Agreement (Capital Gallery) must be true and accurate in all material respects.

(However, the Agreement also provides that Capital Gallery may, at its sole discretion, waive these conditions and proceed with the tender of its shares.) In addition, the Tender Agreement (Capital Gallery) contains the following agreed provisions.

- (i) The following have been set as conditions precedent to the commencement of the Tender Offer by the Tender Offeror:
 - ① A resolution expressing support for the Tender Offer must have been adopted by the Company's Board of Directors, publicly disclosed in accordance with applicable laws and regulations, and not withdrawn;
 - ② No determination, etc. by any judicial or administrative authority must have been made that restricts or prohibits the Tender Offer or Capital Gallery's tendering of shares;
 - ③ There must be no material breach by Capital Gallery of its obligations as set forth in the Tender Agreement (Capital Gallery);
 - ④ The representations and warranties made by Capital Gallery in the Tender Agreement must be true and accurate in all material respects;
 - ⑤ With respect to the Company, there must be no material facts concerning business as defined in Article 166, Paragraph 2 of the Financial Instruments and Exchange Act (excluding those disclosed pursuant to Paragraph 4 of the same Article), and no facts regarding the implementation or cancellation of a tender offer as defined in Article 167, Paragraph 2 (excluding facts related to the Tender Offer and those disclosed pursuant to the same Paragraph);
 - ⑥ No grounds for withdrawal of the Tender Offer must have arisen; and
 - ⑦ Tender agreements must have been executed with each of UGS Asset Management and Capital Management, remain valid, and it must be reasonably expected by the Tender Offeror that all of the shares held by each of them will be tendered in the Tender Offer.

(It is further noted that the Tender Offeror may, at its sole discretion, waive any of the above conditions precedent and proceed with the commencement of the Tender Offer.)

- (ii) Under the Tender Agreement (Capital Gallery), Capital Gallery has agreed that, except in the specific case expressly provided for in the Agreement, namely, if during the Tender Offer period the market price per share of the Company's stock on the Tokyo Stock Exchange Prime Market exceeds 1,865 yen (or, in the event the Tender Offer Price is revised after commencement, a price equivalent to 103.05% of the then-effective Tender Offer Price), it will not transfer, pledge, or otherwise dispose of (including, but not limited to, tendering in any other tender offer) all or any portion of the Company shares it holds, nor will it acquire any additional Company shares or rights relating thereto.
- (iii) Capital Gallery is prohibited from directly or indirectly entering into any contracts or other agreements that compete with, conflict with, or may potentially interfere with the Tender Offer. It is also prohibited from directly or indirectly making or soliciting, accepting, discussing, negotiating, or soliciting of offers or providing information to or with any third party in connection with such agreements. However, the Agreement allows that if a third party, without any active solicitation by Capital Gallery, makes such a Third-Party Approaches, Capital Gallery is not restricted from receiving such Third-Party Approaches from the third party.
- (iv) In the event that Capital Gallery receives a Third-Party Approach, it is required to promptly notify the Tender Offeror of the fact that such an approach was made. In such cases, Capital Gallery is also obligated to engage in good-faith discussions with the Tender Offeror, to the extent permitted by applicable laws and regulations, regarding its policy or response to the Third-Party Approach.
- (v) Capital Gallery is prohibited from exercising any shareholder rights such as the right to request the convocation of a general meeting of shareholders, the right to submit shareholder proposals, or any other shareholder rights without the prior written consent of the Tender Offeror during the period from the date of execution of the Tender Agreement (Capital Gallery) until the commencement date of settlement for the Tender Offer.
- (vi) If Capital Gallery is entitled to exercise voting rights at any general meeting of shareholders of the Company held between the execution date of the Tender Agreement (Capital Gallery) and the commencement date of settlement for the Tender Offer, it is required to vote against any proposals relating to:
 - ① The distribution or other disposition of surplus,
 - ② The issuance of new shares or disposition of treasury shares,
 - ③ Corporate reorganization,
 - ④ Disposition of important assets,
 - ⑤ Shareholder proposals, and
 - ⑥ Any other proposals that, if approved, would or could reasonably be expected to have a material impact on the

Company's financial condition, operating results, cash flows, business, assets, liabilities, or future earnings plans or forecasts.

- (vii) In the event the Tender Offer is successfully completed and a general meeting of shareholders of the Company is held with a record date for the exercise of rights falling prior to the commencement date of settlement for the Tender Offer, Capital Gallery is required to exercise all rights, including voting rights at such general meeting of shareholders in relation to the Company shares sold in the Tender Offer, in accordance with the instructions of the Tender Offeror. Capital Gallery is also required to take any measures necessary (if any) to ensure that the Tender Offeror's intentions are appropriately reflected in such exercise of rights.
- (viii) Capital Gallery and the Tender Offeror are required, following the execution of the Tender Agreement (Capital Gallery), to promptly notify the other party in writing identifying the relevant facts if, to the extent permitted by applicable laws and regulations, they become aware of:
 - (i) any circumstances that may cause their representations and warranties to become false or inaccurate;
 - (ii) any breach of their obligations under the Agreement; or
 - (iii) any facts indicating that one or more of the conditions precedent may not be fulfilled.
- (ix) There are the following representations and warranties made by Capital Gallery to the Tender Offeror:
 - ① It is validly incorporated and existing and has the necessary capacity and competence;
 - ② The execution and performance of the Tender Agreement (Capital Gallery) by Capital Gallery is lawful and valid;
 - ③ Enforceability;
 - ④ It has lawfully and validly obtained or performed all necessary licenses, permits, and approvals;
 - ⑤ The execution and performance of the Tender Agreement (Capital Gallery) does not violate any applicable laws or regulations, its articles of incorporation or other internal rules, or any determination, etc. of any judicial or administrative authority;
 - ⑥ No insolvency, bankruptcy, or similar proceedings have been initiated against Capital Gallery, nor do any grounds for such proceedings exist;
 - ⑦ Capital Gallery is not an antisocial force;
 - ⑧ Capital Gallery is not aware of any undisclosed material facts as defined in the main clause of Article 166, Paragraph 1 of the Act, or any facts relating to the implementation or cancellation of a tender offer as defined in the main clause of Article 167, Paragraph 1 of the Act (excluding facts related to the Tender Offer); and
 - ⑨ Capital Gallery lawfully and validly owns the Company shares solely in its own name, such shares are not subject to any pledges, encumbrances, or other restrictions, and there are no lawsuits or other legal proceedings related to the ownership of such shares.
- (x) The following representations and warranties have been made by the Tender Offeror to Capital Gallery under the Tender Agreement (Capital Gallery):
 - ① It is validly incorporated and existing and has the necessary capacity and competence;
 - ② The execution and performance of the Tender Agreement (Capital Gallery) by the Tender Offeror is lawful and valid;
 - ③ Enforceability;
 - ④ The Tender Offeror has lawfully and validly obtained or performed all necessary licenses, permits, and approvals;
 - ⑤ The execution and performance of the Tender Agreement (Capital Gallery) by the Tender Offeror does not violate any applicable laws or regulations, its articles of incorporation or other internal rules, or any determination, etc. of judicial or administrative authority;
 - ⑥ No insolvency, bankruptcy, or similar proceedings have been initiated against the Tender Offeror, nor do any grounds for such proceedings exist; and
 - ⑦ The Tender Offeror is not an antisocial force.
- (xi) The Agreement provides that the Tender Offeror may immediately terminate the Tender Agreement (Capital Gallery) by giving written notice to Capital Gallery if any of the following events occur:
 - ① Capital Gallery commits a material breach of its obligations under the Tender Agreement (Capital Gallery);
 - ② There is a material violation of representations and warranties of the part of Capital Gallery; or
 - ③ The Tender Offeror withdraws the Tender Offer in accordance with applicable laws and regulations.Likewise, Capital Gallery may immediately terminate the Agreement by giving written notice to the Tender Offeror if any of the following events occur:
 - ① The Tender Offeror commits a material breach of its obligations under the Tender Agreement (Capital Gallery);
 - ② There is a material violation of representations and warranties of the part of the Tender Offeror;
 - ③ The Tender Offeror withdraws the Tender Offer in accordance with applicable laws and regulations; or the total

number of shares tendered in the Tender Offer falls below the minimum number of shares to be purchased.

It should be noted that the Tender Offeror has not entered into any agreements with Capital Gallery other than the Tender Agreement (Capital Gallery), and that Capital Gallery will not receive any benefits from the Tender Offeror other than the monetary consideration obtained through its participation in the Tender Offer.

(3) Tender Agreement (Capital Management)

On April 11, 2025, the Tender Offeror entered into a tender agreement with Capital Management, under which, in the event the Tender Offer is commenced, Capital Management has agreed to tender all 962,200 shares of the Company it holds (Ownership Ratio: 5.22%) in the Tender Offer. However, it is also agreed that, during the Tender Offer period, if the market price per share of the Company's stock on the Tokyo Stock Exchange Prime Market exceeds 1,865 yen (or, in the event the Tender Offer Price is revised after commencement, a price equivalent to 103.05% of the then-effective Tender Offer Price), Capital Management may sell all or a portion of its shares on the Tokyo Stock Exchange Prime Market at a price exceeding 1,865yen (or, in the event the Tender Offer Price is revised after commencement, a price equivalent to 103.05% of the then-effective Tender Offer Price). That said, for any shares not sold under such circumstances, Capital Management remains obligated to tender them in the Tender Offer. It is further noted that there are no provisions in the Agreement exempting Capital Management from its obligation to tender shares in the Tender Offer.

Under the Tender Agreement (Capital Management), the following have been established as conditions precedent for Capital Management to tender its shares:

- ① The Tender Offer must have commenced and not have been withdrawn;
- ② There must be no material breach by the Tender Offeror of its obligations under the Tender Agreement (Capital Management); and
- ③ The representations and warranties made by the Tender Offeror under the Tender Agreement (Capital Management) must be true and accurate in all material respects.

(However, the Agreement also provides that Capital Management may, at its sole discretion, waive any or all of these conditions and proceed with the tender of its shares.) In addition, the Tender Agreement (Capital Management) includes the following agreed provisions:

- (i) The following have been set as conditions precedent to the commencement of the Tender Offer by the Tender Offeror:
 - ① A resolution expressing support for the Tender Offer must have been adopted by the Company's Board of Directors, disclosed in accordance with applicable laws and regulations, and not withdrawn;
 - ② No determination, etc. must have been issued by any judicial or administrative authority that restricts or prohibits the Tender Offer or the tendering of shares by Capital Management;
 - ③ There must be no material breach by the Capital Management of its obligations under the Tender Agreement (Capital Management);
 - ④ The representations and warranties made by Capital Management under the Tender Agreement (Capital Management) must be true and accurate in all material respects;
 - ⑤ With respect to the Company, there must be no material facts concerning business as defined in Article 166, Paragraph 2 of the Act (excluding those disclosed pursuant to Paragraph 4 of the same Article), and no facts regarding the implementation or cancellation of a tender offer as defined in Article 167, Paragraph 2 (excluding facts relating to the Tender Offer and those disclosed pursuant to that Paragraph);
 - ⑥ No grounds for the withdrawal of the Tender Offer must have arisen; and
 - ⑦ Tender agreements must have been entered into with each of UGS Asset Management and Capital Gallery, remain valid and in effect, and it must be reasonably expected by the Tender Offeror that all shares held by them will be tendered in the Tender Offer.

(It is further noted that the Tender Offeror may, at its sole discretion, waive any of the above conditions precedent and proceed with the commencement of the Tender Offer.)

- (ii) Under the Tender Agreement (Capital Management), Capital Management has agreed that, except in the specific case expressly provided for in the Agreement, namely, if during the Tender Offer period the market price per share of the Company's stock on the Tokyo Stock Exchange Prime Market exceeds 1,865 yen (or, in the event the Tender Offer Price is revised after commencement, a price equivalent to 103.05% of the then-effective Tender Offer Price), it will not transfer, pledge, or otherwise dispose of (including, but not limited to, tendering in any tender offer other than this one) all or any portion of the Company shares it holds, nor will it acquire any additional Company shares or rights relating thereto.
- (iii) Capital Management is prohibited from directly or indirectly entering into any contracts or other agreements that compete with, conflict with, or may potentially interfere with the Tender Offer. It is also prohibited from directly or indirectly making

or soliciting, accepting, discussing, negotiating, or soliciting of offers or providing information to or with any third party in connection with such agreements. However, the Agreement allows that if a third party, without any active solicitation by Capital Management, makes such a Third-Party Approaches, Capital Management is not restricted from receiving such Third-Party Approaches from the third party.

- (iv) In the event that Capital Management receives a Third-Party Approach, it is required to promptly notify the Tender Offeror of the fact that such an approach was made. In such cases, Capital Management is also required to engage in good-faith discussions with the Tender Offeror, to the extent permitted by applicable laws and regulations, regarding its response or policy concerning the Third-Party Approach.
- (v) Capital Management is prohibited from exercising any shareholder rights such as the right to request the convocation of a general meeting of shareholders, the right to submit shareholder proposals, or any other shareholder rights without the prior written consent of the Tender Offeror during the period from the execution date of the Tender Agreement (Capital Management) until the commencement date of settlement for the Tender Offer.
- (vi) If Capital Management is entitled to exercise voting rights at any general meeting of shareholders of the Company held between the execution date of the Tender Agreement (Capital Management) and the commencement date of settlement for the Tender Offer, it is required to vote against any proposals relating to:
 - ① The distribution or other disposition of surplus,
 - ② The issuance of new shares or disposition of treasury shares,
 - ③ Corporate reorganization,
 - ④ Disposition of important assets,
 - ⑤ Shareholder proposals, and
 - ⑥ Any other proposals that, if approved, would or could reasonably be expected to have a material impact on the Company's financial condition, operating results, cash flows, business, assets, liabilities, or future earnings plans or forecasts.
- (vii) In the event the Tender Offer is successfully completed and a general meeting of shareholders of the Company is held with a record date for the exercise of rights falling prior to the commencement date of settlement for the Tender Offer, Capital Management is required to exercise all rights, including voting rights at such general meeting of shareholders in relation to the Company shares sold in the Tender Offer, in accordance with the instructions of the Tender Offeror. Capital Management is also required to take any measures necessary (if any) to ensure that the Tender Offeror's intentions are appropriately reflected in such exercise of rights.
- (viii) Capital Management and the Tender Offeror are required, following the execution of the Tender Agreement (Capital Management), to promptly notify the other party in writing—identifying the relevant facts—if, to the extent permitted by applicable laws and regulations, they become aware of:
 - (i) any circumstances that may cause their representations and warranties to become false or inaccurate;
 - (ii) any breach of their obligations under the Agreement; or
 - (iii) any facts indicating that one or more of the conditions precedent may not be fulfilled.
- (ix) There are the following representations and warranties made by Capital Management to the Tender Offeror:
 - ① It is validly incorporated and existing and has the necessary capacity and competence;
 - ② The execution and performance of the Tender Agreement (Capital Management) by Capital Management is lawful and valid;
 - ③ Enforceability;
 - ④ It has lawfully and validly obtained or performed all necessary licenses, permits, and approvals;
 - ⑤ The execution and performance of the Tender Agreement (Capital Management) does not violate any applicable laws or regulations, its articles of incorporation or other internal rules, or any determination, etc. of judicial or administrative authorities;
 - ⑥ No insolvency, bankruptcy, or similar proceedings have been initiated against Capital Management, nor do any grounds for such proceedings exist;
 - ⑦ Capital Management is not an antisocial force;
 - ⑧ Capital Management is not aware of any undisclosed material facts as defined in the main clause of Article 166, Paragraph 1 of the Act, or any facts relating to the implementation or cancellation of a tender offer as defined in the main clause of Article 167, Paragraph 1 of the Act (excluding facts related to the Tender Offer); and
 - ⑨ Capital Management lawfully and validly owns the Company shares solely in its own name, such shares are not subject to any pledges, encumbrances, or other restrictions, and there are no lawsuits or other legal proceedings related to the ownership of such shares.

(x) The following representations and warranties have been made by the Tender Offeror to Capital Management:

- ① It is validly incorporated and existing and has the necessary capacity and competence;
- ② The execution and performance of the Tender Agreement (Capital Management) by the Tender Offeror is lawful and valid;
- ③ Enforceability;
- ④ The Tender Offeror has lawfully and validly obtained or fulfilled all necessary licenses, permits, and approvals;
- ⑤ The execution and performance of the Tender Agreement (Capital Management) by the Tender Offeror does not violate any applicable laws or regulations, its articles of incorporation or other internal rules, or any judgments, decisions, or orders of judicial or administrative authorities;
- ⑥ No insolvency, bankruptcy, or similar proceedings have been initiated against the Tender Offeror, nor do any grounds for such proceedings exist; and
- ⑦ The Tender Offeror is not an antisocial force.

(xi) The Agreement provides that the Tender Offeror may immediately terminate the Tender Agreement (Capital Management) by giving written notice to Capital Management if any of the following events occur:

- ① Capital Management commits a material breach of its obligations under the Tender Agreement (Capital Management);
- ② There is a material violation of representations and warranties of the part of Capital Management ; or
- ③ The Tender Offeror withdraws the Tender Offer in accordance with applicable laws and regulations.

Likewise, Capital Management may immediately terminate the Agreement by giving written notice to the Tender Offeror if any of the following events occur:

- ① The Tender Offeror commits a material breach of its obligations under the Tender Agreement (Capital Management);
- ② There is a material violation of representations and warranties of the part of the Tender Offeror;
- ③ The Tender Offeror withdraws the Tender Offer in accordance with applicable laws and regulations; or the total number of shares tendered in the Tender Offer falls below the minimum number of shares to be purchased.

Notwithstanding the above provisions, the Agreement further provides that neither party may terminate the Tender Agreement (Capital Management) on or after the day following the expiration of the Tender Offer period.

It should be noted that the Tender Offeror has not entered into any agreements with Capital Management other than the Tender Agreement (Capital Management), and that Capital Management will not receive any benefits from the Tender Offeror other than the monetary consideration to be obtained through its participation in the Tender Offer.

(4) Agreement Regarding the Tendering of Sumitomo Osaka Cement Tender Shares

Aso, through the Company, requested that Sumitomo Osaka Cement tender the Sumitomo Osaka Cement Tender Shares in the Tender Offer, and on March 28, 2025, received a response from Sumitomo Osaka Cement indicating its acceptance of the request. The approach to determining the specific number of Sumitomo Osaka Cement Tender Shares is as described in “① Overview of the Tender Offer” of “(2) Grounds and Reasons for the Opinion” above.

5. Details of Any Benefits Provided by the Tender Offeror or Its Specially Related Parties

None.

6. Policy on Actions in Relation to the Basic Policy Concerning Control of the Company

None.

7. Questions to the Tender Offeror

None.

8. Request for Extension of the Tender Offer Period

None.

9. Future Prospects

For the post-Tender Offer policy, please refer to “3. Details, Grounds and Reasons for the Opinion on the Tender Offer” of “② Background, Purpose, and Decision-Making Process Leading to the Tender Offeror’s Decision to Conduct the Tender Offer” of “(2) Grounds and Reasons for the Opinion,” as well as “(4) Prospects for Delisting and Reasons Therefor” of “3. Details, Grounds and Reasons for the Opinion on the Tender Offer.”

-End-

(Reference Material)

Notice Regarding the Commencement of Tender Offer for the Common Shares of Yotai Refractories Co., Ltd. (Securities Code: 5357) by ASNF HOLDINGS GK dated April 11, 2025

April 11, 2025

To whom it may concern:

Company Name:	YOTAI REFRATORIES CO., LTD.
Representative:	Mitsuo Taguchi, President (Securities code: 5357, TSE Prime Market)
Inquiries:	Shinichiro Takebayashi, Senior Managing Director, General Manager of General Affairs Department of Head Office
Telephone:	+81-72-430-2100
Company Name	ASNF HOLDINGS GK
Representative:	Aso Corporation, representative member Iwao Aso, executive manager

**Notice concerning the Commencement of the Tender Offer for Shares of Common Stock of
YOTAI REFRATORIES CO., LTD. (Securities code: 5357) by ASNF HOLDINGS GK**

ASNF HOLDINGS GK announces that it decided today to acquire shares of common stock of YOTAI REFRATORIES CO., LTD. by way of a tender offer.

This document is released by YOTAI REFRATORIES CO., LTD. (the Target Company in the Tender Offer) upon request by ASNF HOLDINGS GK (the Tender Offeror) in accordance with Article 30, Paragraph 1, Item (4) of the Financial Instruments and Exchange Act Enforcement Order.

(Attachment)

Notice concerning the Commencement of the Tender Offer for Shares of Common Stock of YOTAI REFRATORIES CO., LTD.
(Securities code: 5357)

(Translation)

April 11, 2025

To whom it may concern:

Company name: ASNF HOLDINGS GK
Name of representative: Aso Corporation, Representative Member
Iwao Aso, Executive Manager

**Notice concerning the Commencement of the Tender Offer for Shares of Common Stock of
YOTAI REFRACTORIES CO., LTD. (securities code: 5357)**

ASNF HOLDINGS GK (the “Offeror”) hereby announces that the Offeror decided today to acquire shares of common stock of YOTAI REFRACTORIES CO., LTD. (securities code: 5357, listed on the Prime Market of the Tokyo Stock Exchange, Inc. (the “TSE”); the “Company”) (the “Company’s Stock”) by way of a tender offer (the “Tender Offer”) pursuant to the Financial Instruments and Exchange Act (Act No. 25 1948, as amended).

The Offeror is a limited liability company (*godo kaisha*) established on September 28, 2023 through capital contribution (investment ratio: 100%) by Aso Corporation (“Aso”; collectively with the Offeror, the “Offeror Parties”). As of today, the Offeror Parties do not hold any share of the Company’s Stock listed on the Prime Market of the TSE.

Recently, at the request of the Company, the Offeror has decided to conduct the Tender Offer for the Company’s Stock with the primary purposes of (i) acquiring all the shares of the Company’s Stock held by UGS Asset Management Co., Ltd. (“UGS Asset Management”), the Company’s second largest shareholder and major shareholder (number of shares held: 1,751,200 shares, shareholding ratio*: 9.50%), all the shares of the Company’s Stock held by Capital Gallery Co., Ltd. (“Capital Gallery”), the Company’s third largest shareholder (number of shares held: 1,408,700 shares, shareholding ratio: 7.64%), all the shares of the Company’s Stock held by Capital Management Ltd. (“Capital Management”), the Company’s fourth largest shareholder (number of shares held: 962,200 shares, shareholding ratio: 5.22%) (UGS Asset Management, Capital Gallery and Capital Management are hereinafter collectively referred to as the “Tendering Shareholders”; total number of shares held: 4,122,100 shares, total shareholding ratio: 22.37%; their total shares to be tendered shall be collectively referred to as the “Tendered Shares”), and a portion of the shares of the Company’s Stock held by Sumitomo Osaka Cement Co., Ltd. (“Sumitomo Osaka Cement”), the Company’s largest shareholder and major shareholder (number of shares held: 3,230,709 shares, shareholding ratio: 17.53%) (the shares to be tendered by Sumitomo Osaka Cement are hereinafter referred to as the “Sumitomo Osaka Cement Tendered Shares,” and the approach to the specific number of the Sumitomo Osaka Cement Tendered Shares is as described below), and (ii) thereby becoming the largest shareholder and major shareholder of the Company. Since the Offeror’s primary purposes of the Tender Offer are to acquire the Tendered Shares, it has provided for 20 business days, the statutory shortest period, as the period for the Tender Offer (the “Tender Offer Period”) as described in “(4) Tender Offer Period” below.

*(Note) The “shareholding ratio” is the ratio (rounded to two decimal places) of the number of shares held or to be held by a holder of shares to the total number of outstanding shares of the Company (18,429,575 shares) which is calculated by deducting the number of treasury shares held by the Company as of March 31, 2025 (1,164,425 shares), from the total number of issued shares of the Company as of the same date (19,594,000 shares), as reported by the Company on April 8, 2025. The same shall apply hereinafter.

In relation to the Tender Offer, the Offeror has entered into a Tender Offer Agreement with each of the Tendering Shareholders as of April 11, 2025, and it has been agreed that the Tendering Shareholders will tender the Tendered Shares in the Tender Offer.

In addition, on March 25, 2025, Aso requested Sumitomo Osaka Cement through the Company to tender the Sumitomo Osaka Cement Tendered Shares in the Tender Offer, and on March 28, 2025, received a response from Sumitomo Osaka Cement that it has accepted the request. The approach to the specific number of the Sumitomo Osaka Cement Tendered Shares is as described below.

- (i) If the number of share certificates, etc. tendered in the Tender Offer as of 12:00 on the last day of the Tender Offer Period (the “Reference Number of Tendered Shares”) is less than the minimum number of share certificates, etc. to be purchased in the Tender Offer of 6,143,192 shares (shareholding ratio: 33.33%), the number of the Sumitomo Osaka Cement Tendered Shares shall be the number of shares which is calculated by subtracting the Reference Number of Tendered Shares from 6,143,192 shares.
- (ii) If the Reference Number of Tendered Shares is 6,143,192 shares (shareholding ratio: 33.33%) or more, the number of Sumitomo Osaka Cement Tendered Shares shall be zero.

The outline of the Tender Offer is as follows.

- (1) Name of the Company

YOTAI REFRACTORIES CO., LTD.

- (2) Type of share certificates to be purchased

Common stock

- (3) Price of purchase

1,810 yen per share of the Company’s Stock

- (4) Tender Offer Period

From Monday, April 14, 2025 to Wednesday, May 14, 2025 (20 business days)

- (5) Commencement date of settlement

Wednesday, May 21, 2025

- (6) Number of share certificates, etc. to be purchased

Type of share certificates, etc.	Number of share certificates, etc. to be purchased	Minimum number of share certificates, etc. to be purchased	Maximum number of share certificates, etc. to be purchased
Common stock	6,531,334 (shares)	6,143,192 (shares)	6,531,334 (shares)
Total	6,531,334 (shares)	6,143,192 (shares)	6,531,334 (shares)

- (7) Tender offer agent

SMBC Nikko Securities Inc., 3-3-1 Marunouchi, Chiyoda-ku, Tokyo

For specific details of the Tender Offer, please refer to the Tender Offer Registration Statement to be filed by the Offeror on April 14, 2025 with respect to the Tender Offer.

End.

The Tender Offer is not being conducted, directly or indirectly, in or for the U.S., or by using the U.S. postal service or any other methods or means of interstate or international commerce (including, but not limited to, telephone, telex, facsimile, e-mail and Internet communications), nor is it being conducted through securities exchange facilities in the U.S. No shares may be tendered in the Tender Offer by any of the foregoing methods or means or through the foregoing facilities or from within the U.S. Neither the Tender Offer Registration Statement nor any related purchase documents will or may be sent or distributed in, to, or from the U.S. by mail or any other means. Tenders of shares in the Tender Offer that directly or indirectly violate any of the foregoing restrictions will not be accepted. When tendering shares in the Tender Offer, tendering shareholders, etc. (or their standing proxies in the case of non-Japanese shareholders) may be required to represent and warrant to the tender offer agent or sub-agent that they are not located in the U.S. at either the time of tendering or at the time of sending a tender application form; they have not received or sent, directly or indirectly, any information regarding the Tender Offer (including a copy thereof) in, to, or from within the U.S.; they have not used the U.S. postal service or any other methods or means of interstate or international commerce (including, but not limited to, telephone, telex, facsimile, e-mail, and Internet communications), directly or indirectly, in connection with the purchase or the signing or delivery of the tender application form, or a securities exchange facility in the U.S.; and that they are not acting as an agent or fiduciary or assignee of any other person without the discretionary authority (unless such other person has given them all instructions with respect to the purchase from outside the U.S.).