



February 26, 2026

To whom it may concern:

Company Name: PACIFIC INDUSTRIAL CO., LTD.  
Name of Representative: Tetsushi Ogawa, President and Representative Director  
(Securities code: 7250; Prime Market of the Tokyo Stock Exchange, Premier Market of the Nagoya Stock Exchange)  
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### **Notice of Share Consolidation, Abolition of the Provision of Share Units and Partial Amendment to the Articles of Incorporation**

PACIFIC INDUSTRIAL CO., LTD. (the “Company” or “we”) hereby announces that at the board of directors meeting today (the “Board of Directors Meeting”), it was resolved that the extraordinary shareholders’ meeting (the “Extraordinary Shareholders’ Meeting”) shall be convened on March 24, 2026 and that the “Matters concerning Share Consolidation” shall be submitted as Agenda 1 and “Matters concerning Partial Amendment to the Articles of Incorporation” shall be submitted as Agenda 2 at this meeting.

The ordinary shares of the Company (the “Company Shares”) fall under the delisting criteria provided in the Securities Listing Regulations of the Tokyo Stock Exchange, Inc. (the “TSE”) and the Nagoya Stock Exchange (the “NSE”) in the course of the procedures above. Thereby, after the Company Shares are designated as delisted shares during the period from March 24, 2026 to April 12, 2026, the Company Shares are scheduled to be delisted as of April 13, 2026. Please take note that the Company Shares may not be traded on the prime market of the TSE and the premier market of the NSE after delisting.

#### **I. Share Consolidation**

##### **1. Purpose of and Reasons for Implementing the Share Consolidation**

As announced by the Company in its “Notice Regarding Implementation of MBO and Recommendation for Tender” dated July 25, 2025 (including the changes by the “(Amendment) Partial Amendment to the “Notice Regarding Implementation of MBO and Recommendation for Tender”” announced on July 28, 2025, the changes by the “(Amendment) Notice regarding the partial amendment to “Notice Regarding Implementation of MBO and Recommendation for Tender”” announced on September 8, 2025, the changes by the “(Amendment) Notice regarding the partial amendment to “Notice Regarding Implementation of MBO and Recommendation for Tender”” announced on September 24, 2025, the changes by the “(Amendment) Notice regarding the partial amendment to

“Notice Regarding Implementation of MBO and Recommendation for Tender” announced on October 8, 2025, the changes by the “(Amendment) Notice regarding the partial amendment to “Notice Regarding Implementation of MBO and Recommendation for Tender” announced on October 23, 2025, the changes by the “(Amendment) Notice regarding the partial amendment to “Notice Regarding Implementation of MBO and Recommendation for Tender” announced on November 7, 2025, the changes by the “(Amendment) Notice regarding the partial amendment to “Notice Regarding Implementation of MBO and Recommendation for Tender” announced on November 21, 2025, the changes by the “(Amendment) Notice regarding the partial amendment to “Notice Regarding Implementation of MBO and Recommendation for Tender” announced on December 8, 2025, the changes by the “(Amendment) Notice regarding the partial amendment to “Notice Regarding Implementation of MBO and Recommendation for Tender” announced on December 22, 2025, and the changes by the “(Amendment) Notice regarding the partial amendment to “Notice Regarding Implementation of MBO and Recommendation for Tender” announced on January 9, 2026; hereinafter the “Opinion Expression Notice”), CORE Inc. (the “Offeror”) has decided to implement tender offer (the “Tender Offer”) for the Company Shares and the Share Acquisition Rights (Note 1) as part of a series of transactions (the “Transactions”) aimed at privatizing the Company listed on the prime market of the TSE and the premier market of the NSE.

Furthermore, as indicated in our “Notice Regarding Result of the Tender Offer for the Company Shares, etc. by CORE Inc. and Changes in Parent Company and Largest Shareholder as a Major Shareholder” announced on January 27, 2026, the Offeror implemented the Tender from July 28, 2025 to January 26, 2026 and as a result, as of February 2, 2026 (the settlement commencement date), it has come to own 31,938,413 shares of the Company Shares (percentage of voting rights held: 55.26%)

- (Note 1) “Share Acquisition Rights” shall collectively mean the following share acquisition rights.
- (i) Share acquisition rights issued pursuant to the resolutions passed at the Company’s Board of Directors meeting held on June 18, 2011 (exercise period: from August 2, 2011 to July 31, 2061)
  - (ii) Share acquisition rights issued pursuant to the resolutions passed at the Company’s Board of Directors meeting held on June 23, 2012 (exercise period: from August 2, 2012 to July 31, 2062)
  - (iii) Share acquisition rights issued pursuant to the resolutions passed at the Company’s Board of Directors meeting held on June 15, 2013 (exercise period: from August 2, 2013 to July 31, 2063)
  - (iv) Share acquisition rights issued pursuant to the resolutions passed at the Company’s Board of Directors meeting held on June 14, 2014 (exercise period: from August 2, 2014 to July 31, 2064)
  - (v) Share acquisition rights issued pursuant to the resolutions passed at the Company’s Board of Directors meeting held on June 13, 2015 (exercise period: from August 4, 2015 to August 3, 2065)
  - (vi) Share acquisition rights issued pursuant to the resolutions passed at the Company’s Board of Directors meeting held on June 18, 2016 (exercise period: from August 2, 2016 to August 1, 2066)
  - (vii) Share acquisition rights issued pursuant to the resolutions passed at the Company’s Board of Directors meeting held on June 17, 2017 (exercise period: from August 2, 2017 to August 1, 2067)

- (viii) Share acquisition rights issued pursuant to the resolutions passed at the Company's Board of Directors meeting held on June 16, 2018 (exercise period: from August 2, 2018 to August 1, 2068)

(Note 2) "Percentage of voting rights held" means the ratio (rounded to the second decimal number below zero) towards the number of voting rights (577,915 units) pertaining to the number of the Company Shares (57,791,511 shares) which is obtained by the total number of issued shares of the Company as of September 30, 2025 (61,312,896 shares) set forth in the "Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)" (the Company's 2Q Financial Results"), as published by the Company on October 27, 2025, adding thereto (i) the number of the Company shares (118,400 shares) underlying 1,184 units of Share Acquisition Rights that remained outstanding as of September 30, 2025 (61,431,296 shares), and subtracting therefrom (ii) the number of treasury shares held by the Company as of January 27, 2026 (3,639,785 shares).

The details of the purpose and background of the Transactions including the Tender Offer and Share Consolidation (to be defined below) are as described in the Opinion Expression Notice, however, we will provide their description again as follows. The below description concerning the Offeror is based on the explanation received from the Offeror.

(i) Background to establishment of system to consider the Transaction

As stated in section "[2] The Background, Reasons and Decision-Making Process Leading to the Decision by the Offeror to Implement the Tender Offer" of "(2) Grounds and reasons for our opinion" of "3. Details of, and grounds and reasons for, our opinion on the Tender Offer" in the Opinion Expression Notice, the Company received a non-legally binding Letter of Intent (the "Letter of Intent") from Mr. Shinya Ogawa, Representative Director and Chairman of the Company, and Mr. Tetsushi Ogawa, Representative Director and President of the Company, on October 25, 2024, and, therefore, as stated in section "(3) Measures for Ensuring the Fairness of the Transaction and Measures for Avoiding Conflicts of Interest" of "3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the share consolidation, etc." below, in order to ensure the fairness of the Transaction, including the Tender Offer, in late October, 2024, based on published details and other relevant information related to transactions similar to the Transaction, and taking into account independence, expertise, and achievements, the Company appointed YAMADA Consulting Group Co., Ltd. ("Yamada Consulting") as its financial advisor and third-party valuation agency independent from the Offeror, Mr. Shinya Ogawa, Mr. Tetsushi Ogawa, and the Company (collectively, "Tender Offer-Related Parties"), and Anderson Mori & Tomotsune ("Anderson Mori & Tomotsune") as its legal advisor independent from the Tender Offer-Related Parties, and commenced establishment of a system for considering, negotiating, and making decisions regarding the Transaction from the perspective of enhancing the Company's corporate value and securing the interests of the minority shareholders of the Company from a position that is independent from the Tender Offer-Related Parties.

Moreover, because the Transaction qualifies as a management buyout (MBO) (Note 3) in which Mr. Shinya Ogawa and Mr. Tetsushi Ogawa, directors of the Company, will acquire the Company Shares from general shareholders through the Offeror and they will also have the nature as buyers whose interests

with respect to the price of tender offer, etc. per one share of the Company Share in this Tender Offer (the “Tender Offer Price”) are different from those of the Company and the Company’s general shareholders and there are structural issues involving conflicts of interest with the Company or the Company’s general shareholders, for purposes of exercising great care in the Company’s decision-making with regard to the Transaction, eliminating unreasonableness and the possibility of conflicts of interest in the decision-making process of the Company’s Board of Directors, and securing the fairness thereof, at the meeting of the Company’s Board of Directors held on October 28, 2024, the Company passed a resolution indicating that it would establish a special committee consisting of four outside directors of the Company that is independent from the Tender Offer-Related Parties and the results of the Transaction (Osamu Motojima (member of the Royal Swedish Academy of Engineering Sciences, Professor Emeritus at the National Institute for Fusion Science, an inter-university research institute, President of the Future Energy Research Association, Professor Emeritus at the Graduate University for Advanced Studies, Director-General Emeritus of the International Thermonuclear Experimental Reactor (ITER), Academic Advisor to Chubu University, President of the Ishikari Superconducting DC Power Transmission System (I-SPOT) approved by the Ministry of Economy, Trade and Industry, President of Chubu Gakuin University), Kan Kakiuchi (Managing Partner, Kakiuchi Law Office), Tomoyuki Shinkai (Managing Partner, Cosmos & Co.), and Masako Hayashi (Chairperson of Gifu Prefectural Public Safety Commission, Professor Emeritus at Gifu University)) (“Special Committee”). At the first meeting of the Special Committee, held on November 6, 2024, the Special Committee approved the Company’s appointment of Yamada Consulting as its financial advisor and third-party valuation agency and Anderson Mori & Tomotsune as its legal advisor after confirming that there were no issues with their independence from the Tender Offer-Related Parties, the results of the Transaction, and their expertise.

Further, as stated in section “[1] Establishment of an independent special committee at the Company, and procuring a report” of section “(3) Measures for Ensuring the Fairness of the Transaction and Measures for Avoiding Conflicts of Interest” of section “3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the share consolidation, etc.” below, at the first meeting of the Special Committee, held on November 6, 2024, the Special Committee confirmed that there were no issues in terms of independence and fairness of the system to be used for considering the Transaction, which the Company established internally.

(Note 3) The term “management buyout (MBO)” generally means transactions where the management of a target company invests all or part of the acquisition funds to acquire shares of the target company, on the premise of continuation of the target company’s business.

(ii) Background of consideration and negotiation

Pursuant to the aforementioned system, the Company received opinions, instructions, and requests from the Special Committee at important phases in negotiations with the Offeror, such as receiving opinions and instructions on the negotiation policy regarding the terms and conditions and other aspects of the Transaction, including the Tender Offer Price, and received advice from Yamada Consulting and Anderson Mori & Tomotsune, and engaged in repeated discussions and considerations with the Offeror as stated in section “[2] The Background, Reasons and Decision-Making Process Leading to the Decision by the Offeror to Implement the Tender Offer” of section “(2) Grounds and reasons for our opinion” of section “3. Details of, and grounds and reasons for, our opinion on the Tender Offer” in the Opinion

Expression Notice, based on the overview of the Tender Offer (including the purposes of the Transaction) as stated in the Letter of Intent, the impact of the Transaction on the Company, the details of management policies after the Transaction, and recent share price trends.

Specifically, on June 25, 2025, the Company received the first proposal from the Offeror, setting the Tender Offer Price at 1,600 yen and the price of tender offer, etc. per 1 unit of Share Acquisition Rights at 1 yen per Share Acquisition Right (the “Share Acquisition Rights Purchase Price”) (the “First Proposed Prices”), on the assumption that the Company would not pay interim dividends and year-end dividends for the fiscal year ending March 2026, and confirming that the Tender Offer Price includes a 22.14% premium over the closing price (1,310 yen) of the Company Shares on the TSE Prime Market as of June 24, 2025 (rounded off to the third decimal place; the same applies hereinafter to the calculation of premium rates over the share prices), a 22.61% premium over the simple average of the closing prices for the past one month (1,305 yen) (rounded off to the nearest whole number; the same applies hereinafter to the calculation of simple average of the closing prices), a 24.90% premium over the simple average of the closing prices for the past three months (1,281 yen), and a 19.85% premium over the simple average of the closing prices for the past six months (1,335 yen), respectively. In response to such proposal, after discussing the proposed prices at the Special Committee, the Company made a request to the Offeror on July 4, 2025 to increase the First Proposed Prices on the ground that it reached the conclusion that the proposed prices could not be said to be prices that give sufficient consideration to the interests of minority shareholders. In addition, the Company received the second proposal from the Offeror on July 7, 2025, setting the Tender Offer Price at 1,800 yen and the Share Acquisition Rights Purchase Price at 1 yen (the “Second Proposed Prices”), confirming that the Tender Offer Price includes a 34.23% premium over the closing price (1,341 yen) of the Company Shares on the TSE Prime Market as of July 7, 2025, a 35.85% premium over the simple average of the closing prices for the past one month (1,325 yen), a 40.73% premium over the simple average of the closing prices for the past three months (1,279 yen), and a 34.83% premium over the simple average of the closing prices for the past six months (1,335 yen), respectively. In response to such proposal, after discussing the details of the second proposal at the Special Committee, the Company made a request to the Offeror on July 10, 2025 to increase the Second Proposed Prices on the ground that it reached the conclusion that the proposed prices still could not be said to be prices that give sufficient consideration to the interests of minority shareholders, taking into consideration recent trends in premium levels in 167 tender offers conducted as part of management buyout (MBO) announced during the period from June 28, 2019, the day on which the Fair M&A Guidelines were published, to May 15, 2025 and recent changes in share prices of the Company. In addition, the Company received a proposal on July 16, 2025, setting the Tender Offer Price at 1,900 yen and the Share Acquisition Rights Purchase Price at 1 yen (the “Third Proposed Prices”), confirming that the Tender Offer Price includes a 37.18% premium over the closing price (1,385 yen) of the Company Shares on the TSE Prime Market as of July 15, 2025, a 41.69% premium over the simple average of the closing prices for the past one month (1,341 yen), a 46.49% premium over the simple average of the closing prices for the past three months (1,297 yen), and a 42.11% premium over the simple average of the closing prices for the past six months (1,337 yen), respectively. In response to such proposal, after discussing the details of the third proposal at the Special Committee, the Company made a request to the Offeror on July 18, 2025 to increase the Third Proposed Prices on the grounds that it reached the conclusion that the proposed prices still could not be said to be prices that give sufficient consideration to the interests of minority shareholders, taking

into consideration matters such as recent changes in share prices of the Company and the results of the calculation of the share value of the Company conducted by Yamada Consulting. In addition, the Company received a proposal on July 22, 2025, setting the Tender Offer Price at 1,970 yen and the Share Acquisition Rights Purchase Price at 1 yen (the “Fourth Proposed Prices”), confirming that the Tender Offer Price includes a 43.38% premium over the closing price (1,374 yen) of the Company Shares on the TSE Prime Market as of July 18, 2025, a 46.14% premium over the simple average of the closing prices for the past one month (1,348 yen), a 50.84% premium over the simple average of the closing prices for the past three months (1,306 yen), and a 47.12% premium over the simple average of the closing prices for the past six months (1,339 yen), respectively. In response to such proposal, after discussing the details of the fourth proposal at the Special Committee, the Company made a request to the Offeror on July 23, 2025 to increase the Fourth Proposed Prices on the grounds that it reached the conclusion that the proposed prices could not be said to be sufficient from the perspective of securing the interests of minority shareholders, taking into consideration matters such as recent changes in share prices of the Company and the results of the calculation of the share value of the Company conducted by Yamada Consulting. In addition, the Company received a final proposal on July 24, 2025, setting the Tender Offer Price at 2,050 yen and the Share Acquisition Rights Purchase Price at 1 yen (the “Final Proposed Prices”), confirming that the Tender Offer Price includes a 40.31% premium over the closing price (1,461 yen) of the Company Shares on the TSE Prime Market as of July 24, 2025, a 49.96% premium over the simple average of the closing prices for the past one month (1,367 yen), a 55.66% premium over the simple average of the closing prices for the past three months (1,317 yen), and a 52.87% premium over the simple average of the closing prices for the past six months (1,341 yen), respectively. In response to such proposal, after discussing the details of the final proposal at the Special Committee, the Company determined that the prices were appropriate in that the interests to be enjoyed by the Company shareholders were secured, and responded to accept the Final Proposed Prices.

### (iii) Decisions

Based on the foregoing circumstances, at the meeting of the Board of Directors held on July 25, 2025, the Company carefully discussed and considered from the perspectives of whether the Transaction, including the Tender Offer, contributes to the enhancement of the corporate value of the Company, whether the conditions of the Transaction, including the Tender Offer Price before the Change of Purchase Price (to be defined below), are fair and reasonable, whether the fairness of the procedures for the Transaction is ensured, and whether the Transaction is considered to be fair to the general shareholders of the Company, etc., based on the legal advice received from Anderson Mori & Tomotsune, the financial advice received from Yamada Consulting and the content of the stock valuation report on the results of the calculation of the share value received on July 24, 2025 (“Stock Valuation Report”), and with the utmost respect for the judgment of the Special Committee.

As a result thereof, based on the facts, etc. below, the Company has come to consider that the details of the initiatives designed by the Offeror described in “[2] The Background, Reasons and Decision-Making Process Leading to the Decision by the Offeror to Implement the Tender Offer” of section “(2) Grounds and reasons for our opinion” of section “3. Details of, and grounds and reasons for, our opinion on the Tender Offer” of the Opinion Expression Notice are rational and contribute to the enhancement of the corporate value of the Company.

As described in “[2] The Background, Reasons and Decision-Making Process Leading to the Decision by the Offeror to Implement the Tender Offer” of section “(2) Grounds and reasons for our opinion” of section “3. Details of, and grounds and reasons for, our opinion on the Tender Offer” of the Opinion Expression Notice, the Company expects the business environment to remain uncertain due to changes in the geopolitical situation, the tariff increase by the United States, rising energy prices, and rising raw material prices and logistics costs, etc., due to exchange rate fluctuations. Particularly in the automotive parts industry, to which the Company belongs, initiatives to develop new products and technologies in response to rapid advances in automotive technologies and changes in market needs, such as the replacement of parts due to the expansion of electric vehicles, further weight reduction, and higher performance, as well as to strengthen supply chains to ensure a stable supply are required. In the current automotive industry, the improvement of vehicle performance, such as reducing fuel consumption and reducing exhaust emissions, and extending cruising range, is required, and for the achievement thereof, efforts to develop vehicles featuring both weight reduction and high performance are being accelerated. Accordingly, even in the stamping product business, which is a major business of the Company, it is further required to utilize innovative technology which will meet the needs of the industry. The Company has adopted the “ultra-high-tensile strength steel cold stamping method” which is characterized by its low CO2 emissions, and has made efforts to supply high-quality stamping products that meet the needs of society and expectations of customers. Meanwhile, in the future, if the so-called “giga casting process”, which integrally molds with aluminum casting, is widely adopted in the battery electric vehicle (BEV) market, while the impact on the frame parts for the upper body of automobiles, which is the Company’s conventional business domain, will be limited, there is a possibility that other stamping product manufacturers whose focus has conventionally been centered on undercarriage parts will attempt to develop their business into the upper body field in the future, raising a concern that competition will intensify further in the entire market. Furthermore, in addition to structural changes in technology in the industry, further advancement of intensification of competition is expected in the future, due to severe price competition with domestic and overseas competitors, requests for price revisions from automobile manufacturers that are major business partners shifts to in-house production of parts by automobile manufacturers, and scale expansion among competitors, including reinforced alliances between existing competitors. Due to these factors, the business environment surrounding the Company is considered to become even more severe.

Therefore, while change in the environment surrounding the industry, acceleration of digitization, rise in resource prices and raw material prices and intensification of competitive environment, as described above, are expected, the initiatives required for enhancing the corporate value in the medium- to long-term are: enhancing technological development capabilities to continue to ensure a high competitive advantage, promoting DX in various processes such as automation in the production process and creation of a smart factory, creating new businesses in fields other than mobility, and nurturing and securing human resources to achieve the aforementioned initiatives. It is believed that it is necessary to address these initiatives in a drastic, flexible and consistent manner, and to execute strategies carrying certain business risks promptly and boldly.

In addition, as described in “[2] The Background, Reasons and Decision-Making Process Leading to the Decision by the Offeror to Implement the Tender Offer” of section “(2) Grounds and reasons for our

opinion” of section “3. Details of, and grounds and reasons for, our opinion on the Tender Offer” of the Opinion Expression Notice, Mr. Tetsushi Ogawa states that he is considering implementing the initiatives, such as (I) further strengthening of technological development capabilities with a view to carbon neutrality in the future, (II) strengthening supply chains for a stable and long-term supply of high-quality products, (III) creation of new businesses looking toward sustainable growth and (IV) nurturing and securing human resources to achieve sustainable management are being considered for dramatic management reforms. The Company also believes that it is necessary to execute initiatives (I) to (IV) above for the following reasons. With respect to (I) further strengthening of technological development capabilities with a view to carbon neutrality in the future, in order for the Company to achieve sustainable growth in the decarbonized era, it is necessary to increase its competitive advantage over competitors by taking advantage of its prompt development of products and technologies adapted to electrification of automobiles. With respect to (II) strengthening supply chains for a stable and long-term supply of high-quality products, in order to establish a stable system for supplying products amid changes in the environment caused by tariff reductions by the United States, rising labor costs, prices of raw materials and logistics costs, and other matters, it is necessary to improve efficiency dramatically by investing in DX in various processes throughout the supply chain. With respect to (III) creation of new businesses looking toward sustainable growth, amid the daily changes in the environment surrounding the automobile industry, in order for the Company to establish a solid business foundation, it is necessary not only to address intensification of competition, but also to develop new businesses that address changes in social and customer issues and needs. With respect to (IV) nurturing and securing human resources to achieve sustainable management, in the society where the working population is shrinking due to the declining birth rate and aging population, and interest in automobiles are decreasing at an accelerated rate, in order for the Company to achieve medium- to long-term growth, it is essential to secure and nurture human resources. Therefore, the Company believes that all of the initiatives should be promoted in order to enhance the corporate value of the Company in the medium- to long-term.

However, even if these initiatives lead to the significant growth and profit increase of the Company from a medium-to-long-term perspective, in the phase of promoting the initiatives, considerable time and upfront investment will be necessary. There is a risk that the initiatives will result in a decline in profit levels and deterioration of cash flows in the short-term. Further, the possibility of temporary difficulty in generating expected profits cannot be denied. Accordingly, if the Company executes these initiatives while maintaining its listing, there is a risk that the interests of the existing shareholders of the Company will be harmed due to decline in stock price and dividend. Therefore, the Company believes that it would be difficult to execute these initiatives while maintaining its listing.

If the Company is privatized, it may not be able to obtain financing through equity financing from the capital market. This also may have an impact on the Company’s ability to secure personnel and conduct transactions with its business partners through the improvement of the social credibility and name recognition that the Company has been enjoying as a listed company. However, the Company believes that the potential disadvantage to the Company’s ability to secure human resources and conduct transactions with business partners by going private is extremely limited. The reasons are that the Company does not currently anticipate the need for financing through the use of equity financing for the time being, and that the Company believes that it is possible to secure financing through cash flows generated from business and borrowings from financial institutions. The reasons are also that more than

60 years have passed since the Company had been listed on the stock exchange, and the Company has been able to secure its brand power and the creditworthiness of its business partners through the listing, and that the Company has already secured the creditworthiness and name recognition of its customers, business partners and employees through its business activities up until now.

Furthermore, human and monetary costs required for maintaining the Company's listing of its shares have continued to increase due to recent revisions to the Corporate Governance Code and strengthened regulations on the capital market, and the Company considers that these costs may be a heavy burden in promoting the Company's management. Although the costs of maintaining these listings have been increasing year by year, the believes that the Transaction will enhance its corporate value from a long-term perspective if the Company can reduce the costs of maintaining its listing and apply the proceeds from the Transaction to investments in the efficiency of its operations through utilization of IT and return them to its human resources.

Further, at the meeting of the Board of Directors held on July 25, 2025, the Company has determined that the Tender Offer Price before the Change of Purchase Price and other terms and conditions of the Tender Offer are appropriate for the Company's shareholders and that the Tender Offer offers the Company's shareholders a reasonable opportunity to sell their shares taking into consideration that the Tender Offer Price (2,050 yen) before the Change of Purchase Price (to be defined below) is, (a) from among the calculation results of Yamada Consulting of the share value of the Company Shares stated in section "[2] Obtaining of the Stock Valuation Report from the Company's independent financial advisor and third-party valuation agency" of section "(3) Measures for Ensuring the Fairness of the Transaction and Measures for Avoiding Conflicts of Interest" of section "3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the share consolidation, etc." below, above the upper limit of range of the calculation results by the average market price method, above the upper limit of range of the calculation results by the comparable company method, and above the median limit of its calculation results by the DCF Method, (b) a price reflecting a 40.31% premium on the closing price (1,461 yen) of the Company Shares on the Prime Market of the TSE on July 24, 2025, i.e. the business day immediately prior to the date of announcement of the Tender Offer, a 49.96% premium on the simple average closing price (1,367 yen) for the one month ending July 24, 2025, and a 55.66% premium on the simple average closing price (1,317 yen) for the last three months, and a 52.87% premium on the simple average closing price (1,341 yen) for the last six months, respectively, which are found to be reasonable as compared with the levels of premiums offered upon determining the purchase price in 167 tender offer cases conducted as part of MBO announced during the period from June 28, 2019, when the Fair M&A Guidelines were published, to May 15, 2025 (the average value (44.31%) of the premiums on the closing prices as of the business days preceding the announcement dates for those MBO transactions, the average value (46.99%) of the premiums on the simple average closing prices for the most recent one month, the average value (48.47%) of the premiums on the simple average closing prices for the most recent three months, and the average value (47.51%) of the premiums on the simple average closing prices for the most recent six months), (c) it is found that consideration is given to the interests of the general shareholders of the Company, such as that measures stated in "(3) Measures for Ensuring the Fairness of the Transaction and Measures for Avoiding Conflicts of Interest" of section "3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the share consolidation, etc." are taken to avoid the conflicts of interest,

(d) it was determined after the above-mentioned measures to avoid the conflicts of interest have been taken, and the Company and the Offeror have held consultation and negotiation multiple times which are equivalent to consultation and negotiation in an arm's length transaction, and more specifically, after the Company had conducted consultation and negotiation sincerely and continuously with the Offeror taking into consideration the consultation with the Special Committee, the contents of the calculation result related to the share value of the Company Shares and advice from a financial viewpoint provided by Yamada Consulting, and legal advice received from Anderson Mori & Tomotsune, (e) the Special Committee has confirmed in advance the negotiation policy, received a report on the status in a timely manner, given opinions, instructions and requests at the important phase of the negotiations, and expressed its opinion that the terms and conditions of the Transaction, including the Tender Offer Price before the Change of Purchase Price, are appropriate.

Additionally, the Tender Offer Price before the Change of Purchase Price is less than 2,877 yen (rounded to the nearest whole number) of net assets per share (the Tender Offer Price before the Change of Purchase Price represents a 28.75% (rounded to two decimal places) discount compared to this amount) calculated by dividing the Company's book value of net assets as of June 30, 2025, which is 165,900 million yen (rounded to the nearest hundred thousand), by the total number of issued shares after deducting treasury shares (57,673,249 shares). However, even if the Company were to liquidate, the book value of its net assets would not be converted into cash as it is. The land and buildings owned by the Company are the headquarters and factories, and considering that the buildings of the headquarters and factories have been in use for a significant period of time and are deteriorating, it is anticipated that they cannot be sold at their book value. Therefore, it is necessary to sell the land as vacant land. Demolition of the buildings would incur costs, and the removal of machinery and equipment would require significant additional costs for foundation work of removal associated with the sale. Additionally, considering the work-in-progress, products, and raw materials in the manufacturing process to be disposed, considerable impairment is expected. Furthermore, in the event of liquidation of the Company Group, including its subsidiaries, additional costs such as severance pay for employees, legal fees, and other professional expenses are expected to arise. Considering these factors, the amount ultimately distributed to the Company's shareholders is expected to be significantly reduced from the book value of net assets. Please note that the Company has not yet obtained an estimate based on liquidation, as liquidation is not currently planned. Therefore, we have not confirmed that the Tender Offer Price before the Change of Purchase Price exceeds the estimated liquidation value calculated by taking into account the estimated liquidation costs derived from a detailed analysis. Furthermore, the net asset value represents the liquidation value of the Company and does not reflect future profitability. Therefore, the Company considers it unreasonable to place significant emphasis on the net asset value when determining the enterprise value of the Company as a going concern.

In addition, with regard to the Share Acquisition Rights Purchase Price, the conditions for exercising the Share Acquisition Rights are stipulated that the Share Acquisition Rights may be exercised collectively only within ten days from the day after the day on which they lose their positions as a director of the Company (or by the next business day, if the tenth day falls on a holiday). Considering, among other things, that the Share Acquisition Rights cannot be exercised even if the Offeror acquires the Share Acquisition Rights through the Tender Offer, the Company has determined that setting each Share Acquisition Right Purchase Price at 1 yen is not unreasonable.

Based on this judgment, the Company believes that the Transaction will contribute to the enhancement of the corporate value of the Company and that the terms and conditions of the Transaction, including the Tender Offer Price before the Change of Purchase Price, are appropriate.

Based on the above, at the meeting of the Company's Board of Directors held on July 25, 2025, the Company passed a resolution indicating that the Company will express an opinion in support of the Tender Offer and recommend that the Company shareholders tender their shares in the Tender Offer and leave the decision on whether to tender Share Acquisition Rights to the holders of the Share Acquisition Rights (the "Share Acquisition Rights Holders") in the Tender Offer. This resolution by the Company's Board of Directors was passed on the premise that the Company Shares are scheduled to be delisted by the Offeror through the Tender Offer and series of transactions to make the Offeror the sole shareholder of the Company (the "Squeeze-out Procedures"; For details, please see section "(5) Post-Tender Offer Reorganization Policy (Matters Relating to Two-Step Acquisition)" of section "3. Details of, and grounds and reasons for, our opinion on the Tender Offer" in the Opinion Expression Notice.).

On September 8, 2025, the Company was notified by the Offeror that, having carefully considered the status of applications by the shareholders of the Company following the commencement of the Tender Offer and the outlook for future applications, it decided on September 8, 2025, to extend the Tender Offer Period to September 24, 2025, resulting in a total of 40 business days, in order to provide such shareholders with additional opportunities to consider applying for the Tender Offer and to enhance the likelihood of its successful completion.

On September 24, the Company was notified by the Offeror that, having carefully considered the status of applications by the shareholders of the Company following the commencement of the Tender Offer, the outlook for future applications, and the need to achieve the objectives of the Tender Offer smoothly, the Offeror decided on September 24, 2025, to extend the Tender Offer Period to October 8, 2025, resulting in a total of 50 business days, in order to provide such shareholders with additional opportunities to consider applying for the Tender Offer and to enhance the likelihood of its successful completion.

On October 8, 2025, the Company was notified by the Offeror that, having carefully considered the status of applications by the shareholders of the Company following the commencement of the Tender Offer, the outlook for future applications, and the need to achieve the objectives of the Tender Offer smoothly, the Offeror decided on October 8, 2025, to extend the Tender Offer Period to October 23, 2025, resulting in a total of 60 business days, in order to provide such shareholders with additional opportunities to consider applying for the Tender Offer and to enhance the likelihood of its successful completion.

On October 23, 2025, the Company was notified by the Offeror that it confirmed with Giken Kabushiki Kaisha ("Giken"), the Company's shareholder (number of shares owned: 2,344,994 shares, ownership percentage (Note 4): 4.06%) concerning its intent to tender in the Tender Offer, and on the same day that it orally agreed with Giken that it will tender all of the Company Shares held by it and that it will not revoke its intention ("Tender Agreement (Giken)"), that it decided to raise the Tender Offer Price from 2,050 yen to 2,919 yen (the "Change of Purchase Price"), and that it decided to extend the Tender Offer Period to November 7, 2025, which is the day 10 business days after October 23, 2025, resulting a total of 70 business days.

The Company carefully discussed and considered the Change of Purchase Price by the Offeror and, based on the opinions of the Special Committee regarding the Change of Purchase Price, determined that the Change of Purchase Price is to be made for a reasonable purpose and in a manner that takes into

consideration the interests of the general shareholders, and that increasing the feasibility of the Tender Offer through the Change of Purchase Price is desirable from the perspective of increasing the feasibility of the Transaction, which is deemed to contribute the enhancement of the corporate value of the Company, and also from the perspective of providing the general shareholders with an appropriate sale opportunity from the fact that (i) even if the Change of Purchase Price is premised, while change in the environment surrounding the automobile industry, acceleration of digitization, rise in resource prices and raw material prices and intensification of competitive environment are expected, the Transaction remains a reasonable option to address the initiatives required for enhancing the corporate value in the medium- to long-term, such as enhancing technological development capabilities to continue to ensure a high competitive advantage, promoting DX in various processes such as automation in the production process and creation of a smart factory, creating new businesses in fields other than mobility, and nurturing and securing human resources to achieve the aforementioned initiatives in a drastic, flexible and consistent manner, and to execute strategies carrying certain business risks promptly and boldly, and (ii) with respect to the Tender Offer Price of 2,919 yen after the Change of Purchase Price, there has been no material change in the current status and future outlook of the business of the Company, on which the Stock Valuation Report was based, since obtaining the Stock Valuation Report from Yamada Consulting on July 24, 2025, the Tender Offer Price after the Change of Purchase Price largely exceeds the upper limit of the per share value of the Company Shares as calculated using the DFC analysis in the Stock Valuation Report.

Furthermore, the Company carefully discussed and considered the Tender Agreement (Giken) by the Offeror and determined that the Tender Agreement (Giken) would not affect the purpose of the Transaction, which is to enhance the medium- to long-term corporate value of the Company. It was also determined that, as with the Change of Purchase Price, increasing the likelihood of the completion of the Tender Offer through the Tender Agreement (Giken) is desirable from the perspective of increasing the feasibility of the Transaction, which is deemed to contribute to enhancing the corporate value of the Company, and also from the perspective of providing the general shareholders with an appropriate opportunity to sell their shares.

Thus, the Company has adopted a resolution at the meeting of the Company's Board of Directors held on October 23, 2025 to express an opinion in support of the Tender Offer even taking into consideration the Change of Purchase Price and the Tender Agreement (Giken), and to maintain the opinion to recommend that the Company's shareholders tender their shares in the Tender Offer and to leave the decision on whether to tender Share Acquisition Rights to the Share Acquisition Rights Holders' in the Tender Offer.

On November 7, 2025, the Company was notified by the Offeror that it confirmed with PEC Holdings Corp. ("PEC Holdings"), the Company's shareholder (number of shares owned: 1,987,000 shares, ownership percentage: 3.44%) concerning its intent to tender in the Tender Offer, and on the same day that it orally agreed with PEC Holdings that it will tender all of the Company Shares held by it and that it will not revoke its intention ("Tender Agreement (PEC Holdings)") and, in connection therewith, that it decided to extend the Tender Offer Period to November 21, 2025, which is the day 10 business days after November 7, 2025, resulting in a total of 80 business days.

In this regard, from the facts that the market price of the Company Shares after the Change of Purchase Price exceeds the Tender Offer Price after the Change of Purchase Price, and that there were opinions from multiple shareholders of the Company including Effissimo Capital Management Pte. Ltd.

(“Effissimo”) that the value of the Company Shares should be re-calculated, the Company appointed Plutus Consulting Co., Ltd. (“Plutus”), a third-party valuation agency independent from the Tender Offer-Related Parties, in early November 2025 and obtained stock valuation report for the Company Shares dated November 20, 2025 from Plutus (“Additional Stock Valuation Report (Plutus)”) concerning the results of its calculation of the value of the Company Shares in order to confirm the appropriateness of the Tender Offer Price after the Change of Purchase Price and in order to provide further information to the Company’s shareholders. For details, please refer to section “[2] Obtaining of Stock Valuation Report from the Company’s independent financial advisor and third-party valuation agency” of section “(3) Measures for Ensuring the Fairness of the Transaction and Measures for Avoiding Conflicts of Interest” of section “3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the share consolidation, etc.” below.

On November 21, 2025, the Company was notified by the Offeror that in connection with acquiring a stock valuation report concerning the valuation results of the Company Shares from Plutus dated November 20, 2025, that it decided to extend the Tender Offer Period to December 8, 2025, which is the day 10 business days business days after November 21, 2025, resulting in a total of 90 business days.

On December 8, 2025, the Company was notified by the Offeror that it confirmed with ASAHI INDUSTRY Co., Ltd. (“ASAHI INDUSTRY”), the Company’s shareholder (number of shares owned: 319,346 shares, ownership percentage: 0.55%) concerning its intent to tender in the Tender Offer, and on the same day that it orally agreed with ASAHI INDUSTRY that it will tender all of the Company Shares held by it and that it will not revoke its intention and, in connection therewith, that it decided to extend the Tender Offer Period to December 22, 2025, which is the day 10 business days after December 8, 2025, resulting in a total of 100 business days.

On December 22, 2025, the Company was notified by the Offeror that it confirmed with ONODEN CO., LTD. (“ONODEN”), the Company’s shareholder (number of shares owned: 247,382 shares, ownership percentage: 0.43%) concerning its intent to tender in the Tender Offer, and on the same day that it orally agreed with ONODEN that it will tender all of the Company Shares held by it and that it will not revoke its intention and, in connection therewith, that it decided to extend the Tender Offer Period to January 13, 2026, which is the day 10 business days after December 22, 2025, resulting in a total of 110 business days.

On January 9, 2026, the Company was notified by the Offeror that it decided to raise the Tender Offer Price from 2,919 yen to 3,036 yen (the “Second Change of Purchase Price”), that it conclude a written agreement with Effissimo (the “Non-Tendering Agreement (Effissimo)”) whereby Effissimo will not tender any of the Company Shares over which it has investment authority as of January 9, 2026 (the “Non-Tendered Shares (Effissimo)”) in the Tender Offer, but that it will vote in favor of proposals related to the Squeeze-out Procedures at the Extraordinary Shareholders’ Meeting if the Tender Offer succeeds, that from the Non-Tendering Agreement (Effissimo) taking effect, that it decided to set the minimum number of shares planned for purchase in the Tender Offer from 35,841,900 shares (ownership ratio: 62.02%) to 25,337,400 shares (ownership ratio:43.84%), i.e., the number shares obtained after deducting 10,504,500 shares (ownership ratio: 18.18%) corresponding to the number of voting rights pertaining to Non-Tendered Shares (Effissimo) (105,045 units), and, in connection therewith, that it decided to extend the Tender Offer Period to January 26, 2026, which is the day 10 business days after January 9, 2026, resulting in a total of 119 business days.

Furthermore, following the commencement of the Tender Offer, and in response to Effissimo's submission of a large shareholding report in relation to the Company Shares on September 3, 2025, the Company held multiple constructive discussions with Effissimo from the same month and received opinions from Effissimo on measures to enhance the Company's corporate value over the medium-to-long term, the terms of the Tender Offer, and valuation of the Company Shares, among others, and the Company explained its views on the significance of the Transaction, the appropriateness of the Tender Offer Price, and valuation of the Company Shares. Thereafter, Effissimo requested to hold meetings with the Special Committee due to the Change in the Tender Offer Price, and the Company and the Special Committee held multiple meetings with Effissimo from October 29, 2025 onward. Through these discussions, and the examination and confirmation of the share value of the Company Shares that investors could consider, based on the dialogues between the Offeror and Effissimo described in section "[1] Establishment of an independent special committee at the Company, and procuring a report" of section "(3) Measures for Ensuring the Fairness of the Transaction and Measures for Avoiding Conflicts of Interest" of section "3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the share consolidation, etc." below, Effissimo made suggestions on the share value of the Company Shares that investors could consider. The Company came to recognize that there could be various assessments of the share value of the Company Shares and that it would be beneficial to conduct multifaceted examinations.

Thus, the Company has adopted a resolution at the meeting of the Company's Board of Directors held on January 9, 2026 to express an opinion in support of the Tender Offer even taking into consideration the Second Change of Purchase Price and the Non-Tendering Agreement (Effissimo), and to maintain the opinion to recommend that the Company's shareholders tender their shares in the Tender Offer and to leave the decision on whether to tender Share Acquisition Rights to the Share Acquisition Rights Holders' in the Tender Offer.

For details of such resolution of the Company's Board of Directors held on July 25, 2025, October 23, 2025, and January 9, 2026 above, please refer to section "[5] Approval of all Company directors (including Audit and Supervisory Committee Members) who do not have any interest," of section "(3) Measures for Ensuring the Fairness of the Transaction and Measures for Avoiding Conflicts of Interest" of section "3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the share consolidation, etc." below.

As stated above, the Tender Offer successfully completed, however, since the Offeror was unable to acquire all of the Company Shares and Share Acquisition Rights as a result of the Tender Offer (excluding the treasury shares held by the company and Non-Tendered Shares (Note 5) including shares with restrictions on transfer that were granted to the Company's directors and executive officers as restricted stock-based compensation (the "Restricted Shares") and the Company Shares delivered as a result of the exercise of the Share Acquisition Rights), the Company, by request from the Offeror, resolved at the Board of Directors Meeting on February 26, 2026 that the Company shall implement share consolidation (the "Share Consolidation") on condition that it obtains approval from the shareholders at the Extraordinary Shareholders' Meeting to make the Offeror the sole shareholder of the Company, and that it shall submit to the Extraordinary Shareholders' Meeting the agenda on Share Consolidation.

In this regard, the number of Company Shares to be held by the shareholders other than the Offeror is expected to be a fractional share less than one share.

(Note 4) “Ownership ratio” means the ratio to the number of the Company Shares (i.e. 57,791,649 shares; the “Total Number of Shares Adjusted for Dilutive Shares”) (any fraction less than one share is rounded to the second decimal number below zero; the same applies hereinafter with respect to the calculation of the Ownership Ratio), obtained by (i) adding the number of the Company Shares (i.e. 118,400 shares) underlying 1,184 units of Share Acquisition Rights remained outstanding as of June 30, 2025 to the total number of issued shares of the Company as of June 30, 2025 (i.e. 61,312,896 shares) set forth in the “Consolidated Financial Results for the First Quarter of the Year Ending March 31, 2026 (Based on Japanese GAAP)” (the “Company’s 1Q Summary Securities Report”), as published by the Company on July 25, 2025, and then (ii) subtracting the number of treasury shares held by the Company as of July 25, 2025 (i.e. 3,639,647 shares) from the resulting figure (i.e. 61,431,296 shares).

(Note 5) “Non-Tendered Shares” means, collectively, all of the Company Shares held by Mr. Shinya Ogawa, the Company’s Chairman and Representative Director, Mr. Tetsushi Ogawa, the Company’s President and Representative Director, and the OGAWA Science and Technology Foundation (number of shares owned: 1,000,000 shares; Ownership Ratio: 1.73%; the “Foundation”), of which Mr. Shinya Ogawa serves as the Chairman (Representative Director) and Mr. Tetsushi Ogawa serves as the Vice Director (Executive Director), and the Non-Tendered Shares (Effissimo).

## 2. Summary of the Share Consolidation

### (1) Schedule for Share Consolidation

(i)	Date of public notice for the record date for the Extraordinary Shareholders’ Meeting	January 16 (Friday), 2026
(ii)	Record date for the Extraordinary Shareholders’ Meeting	February 3, 2026 (Tuesday)
(iii)	Date of resolution by the Board of Directors	February 26, 2026 (Thursday)
(iv)	Date of the Extraordinary Shareholders’ Meeting	March 24, 2026 (Tuesday) (Scheduled)
(v)	Date of designation as delisting issue	March 24, 2026 (Tuesday) (Scheduled)
(vi)	Last trading date for the Company Shares	April 10, 2026 (Friday) (Scheduled)
(vii)	Date of delisting of the Company Shares	April 13, 2026 (Monday) (Scheduled)
(viii)	Date of effectuation of the Share Consolidation	April 15, 2026 (Wednesday) (Scheduled)

### (2) Details of the Share Consolidation

- (i) Class of shares to be consolidated  
Ordinary shares
- (ii) Ratio of consolidation  
27,814,216 shares are to be consolidated into 1 share
- (iii) Total number of issued shares to decrease  
57,673,109 shares

(Note 6) The Company resolved at its Board of Directors Meeting held today to cancel 3,639,785 shares of the Company’s treasury shares (corresponding to all of the Company’s treasury shares as of February

3, 2026) effective April 14, 2026 which is the date the Share Consolidation takes effect. Therefore, the “total number of issued shares to decrease” is indicated on the premises of the total number of issued shares after this cancellation.

- (iv) Total number of issued shares before effectuation  
57,673,111 shares  
(Note 7) This number is the total number of issued shares after cancellation of the treasury shares indicated in (Note 6).
- (v) Total number of issued shares after effectuation  
2 shares
- (vi) Total number of authorized shares on the effective date  
8 shares
- (vii) Treatment of fractional shares less than one share and amount of money expected to be paid to shareholders as a result of such treatment

As described in “1. Purpose of and Reasons for Implementing the Share Consolidation” above, by the Share Consolidation, the number of the Company Shares to be owned by the shareholders other than the Offeror is scheduled to become fractional shares less than one share.

With respect to the fractional shares less than one share occurring as a result of the Share Consolidation, the shares of a number equivalent to the total number thereof (if there are fractional shares less than one share in the total number thereof, such fractional shares shall be disregarded pursuant to the provisions of Article 235, Paragraph 1 of the Companies Act (Act No. 86 of 2005, as amended; the same hereinafter)) shall be sold in accordance with the provisions of Article 235 of the Companies Act and other relevant laws and regulations, and the proceeds obtained by the sale thereof shall be delivered to the shareholders. With respect to such sale, due to such matters as that the Share Consolidation is to be implemented as a part of the Transaction aimed at making the Offeror the sole shareholder of the Company and that since the Company Shares are scheduled to be delisted on April 13, 2026 and will become shares without a market price, it will be unlikely that a purchaser would appear by an auction, they are scheduled to be sold to the Tender Offeror with the permission of the court in accordance with the provisions of Article 234, Paragraph 2 of the Companies Act which is applied mutatis mutandis by Article 235, Paragraph 2 of the said Act.

If the permission of the court above is obtained as scheduled, the amount that may be delivered to each shareholder shall be the amount equivalent to the sales amount obtained by multiplying 3,036 yen, which is the same amount as the Second Change of Purchase Price, by the number of the Company Shares owned by the shareholders stated or recorded in the Company’s shareholder registry as of April 14, 2026, which is the day preceding the effectuation date of the Share Consolidation. If the permission of the court is not obtained or adjustment of fractions is necessary in the calculation, the amount actually paid may differ from the aforementioned amount.

- 3. Grounds for the amount of money expected to be paid to shareholders as a result of treatment of fractional shares resulting from the share consolidation, etc.
  - (1) Grounds for the amount of money expected to be paid to the shareholders as a result of the treatment of fractional shares resulting from the share consolidation, etc.

- (i) Matters that were considered to not harm interest of shareholders other than the parent company, etc. of there is such parent company, etc.

The Offeror and the Company, recognizing that this Tender Offer is conducted as part of the Transaction, which constitutes a so-called management buyout (MBO), and acknowledging the existence of structural conflicts of interest, have implemented the measures described in the section titled “(3) Measures for Ensuring the Fairness of the Transaction and Measures for Avoiding Conflicts of Interest.”

- (ii) Method of treatment of fractional shares less than one share, and the amount of money expected to be paid to shareholders as a result of such treatment and the reasonableness of such amount

As indicated in section “(vii) Treatment of fractional shares less than one share and amount of money expected to be paid to shareholders as a result of such treatment” of section “(2) Details of the Share Consolidation” of section “2. Summary of the Share Consolidation,” the Company expects that it will pay an amount equal to the number of Company Shares held by the shareholders multiplied by 3,036 yen which is the Tender Offer Price after the Second Change of Purchase Price.

With regard to the Tender Offer Price of 3,036 yen after the Second Change of Purchase Price, (i) as indicated in section “[2] Obtaining of the Stock Valuation Report from the Company’s independent financial advisor and third-party valuation agency” of section “(3) Measures for Ensuring the Fairness of the Transaction and Measures for Avoiding Conflicts of Interest,” from the situation after we obtained the Stock Valuation Report from Yamada Consulting on July 24, 2025 where there occurred no material change to the Company’s current situation of business and future outlook, this Tender Offer Price after the Second Change of Purchase Price significantly exceeds the per share value of the Company Shares as calculated using the DCF analysis in the Stock Valuation Report, (ii) this price represents a premium of 107.80% over the closing price of 1,461 yen for the Company Shares on the Tokyo Stock Exchange Prime Market on July 24, 2025, the business day immediately preceding the announcement date of the Tender Offer, and a premium of 122.09% over the simple average closing price of 1,367 yen for the past one month up to July 24, 2025, a premium of 130.52% over the simple average closing price of 1,317 yen for the past three months, and a premium of 126.40% over the simple average closing price of 1,341 yen for the past six months, and (iii) is a price for which measures were taken to ensure fairness of the Tender Offer as indicated in below “(3) Measures for Ensuring the Fairness of the Transaction and Measures for Avoiding Conflicts of Interest,” it was decided that this price is appropriate and this will provide a reasonable opportunity for the shareholders to sell their shares.

Furthermore, the Company acknowledges that there occurred no material changes to the conditions that are the basis for calculating the Tender Offer Price since it resolved at each of its Board of Directors Meeting held on July 25, 2025, October 23, 2025, and January 9, 2026 that it will express an opinion in support of the Tender Offer, and that it will recommend that the Company’s shareholders tender their shares in the Tender Offer and to leave the decision on whether to tender Share Acquisition Rights to the Share Acquisition Rights Holders’ in the Tender Offer, and that will maintain this opinion, until the Board of Directors Meeting on February 2026 at which it decided to convene the Extraordinary Shareholders’ Meeting.

From the above, the Company decided that the method of treating fractional shares and the amount of

money that is expected to be paid to the shareholders from treating fractional shares are fair.

- (iii) Disposition of material assets, assumption of material liabilities and other events affecting the status of company's assets that occurred to the Company after the end of the final business year

As indicated in above "1. Purpose of and Reasons for Implementing the Share Consolidation," the Offeror, as a result of conducting the Tender Offer from July 28, 2025 to January 26, 2026, has come to own 31,938,413 shares of the Company Shares (percentage of voting rights owned: 55.26%) as of February 2, 2026 (the Settlement Commencement Date of the Tender Offer).

Furthermore, the Company, at its Board of Directors Meeting held on February 26, 2026, resolved to cancel 3,639,785 shares of its treasury shares (which is equivalent to all of the treasury shares held by the company as of February 3, 2026) on April 14, 2026.

The above cancellation of treasury shares is conditioned on approval of the item for resolution concerning the Share Consolidation as proposed at the Extraordinary Shareholders' Meeting, and the Company's total issued shares after cancellation would be 57,673,111 shares.

(2) Prospects for Delisting

(i) Delisting

As indicated in above "1. Purpose of and Reasons for Implementing the Share Consolidation," on condition that approval is obtained from the shareholders at the Extraordinary General Meeting of Shareholders, the Company will implement Share Consolidation which would ultimately make the Offeror the sole shareholder of the Company. As a result, the Company Shares are expected to be delisted through prescribed procedures in accordance with the delisting criteria provided by the TSE and the NSE. As a schedule, the Company Shares will be designated as delisting shares for the period during March 24, 2026 to April 12, 2026 and these will be delisted on April 13, 2026. After the Company Shares are delisted, the Company Share cannot be traded on the prime market of the TSE and the premier market of the NSE.

(ii) Reason for delisting

As indicated in above "1. Purpose of and Reasons for Implementing the Share Consolidation," the Company has determined that taking the Company Shares private through the Transaction would contribute to the enhancement of the Company's corporate value.

(iii) Impact on minority shareholders and opinion thereon

As described in "(3) Measures for Ensuring the Fairness of the Transaction and Measures for Avoiding Conflicts of Interest" below, the Company consulted the Special Committee on whether the Transaction would be disadvantageous to minority shareholders of the Company, and received from the Special Committee the Written Report, Additional Written Report, and Additional Written Report (2) (as defined in "[1] Establishment of an independent special committee at the Company, and procuring a report" of "(3) Measures for Ensuring the Fairness of the Transaction and Measures for Avoiding Conflicts of Interest" below).

(3) Measures for Ensuring the Fairness of the Transaction and Measures for Avoiding Conflicts of Interest

Since the Share Consolidation will be implemented as the second step procedures of the so-called two-step acquisition for the Tender Offer, and this will be carried out as part of the Transaction falling under so-called management buyout (MBO), and there are structural issues of conflict of interest, etc., for the purpose of ensuring the fairness of the Tender Offer Price and eliminating unreasonableness and avoiding conflicts of interest in the decision-making process leading up to the decision to implement the Tender Offer, in order to ensure the fairness of the Transaction including the Tender Offer, the Offeror and the Company implemented the following measures.

[1] Establishment of an independent special committee at the Company, and procuring a report

(i) Background to establishment, etc.

In light of the fact that the Transaction will be carried out as part of what is known as a management buyout (MBO), and since it is assumed that the Offeror will carry out the Squeeze-out Procedures for the Company's general shareholders in the Transaction, and since the Offeror shares interests with Mr. Shinya Ogawa and Mr. Tetsushi Ogawa (Mr. Shinya Ogawa and Mr. Tetsushi Ogawa shall hereinafter collectively be referred to as the "Ogawas."), there are structural issues involving conflicts of interest between Mr. Shinya Ogawa and Mr. Tetsushi Ogawa, on one hand, and the Company or the Company's general shareholders, on the other, the Company established a Special Committee by resolution of the Board of Directors on October 28, 2024, in order to ensure the fairness of the entire process of examining and making decisions about the appropriateness of the Transaction and the validity of the terms and conditions of the Transaction. Prior to the establishment of the Special Committee, after the Company received the Letter of Intent from Mr. Shinya Ogawa and Mr. Tetsushi Ogawa on October 25, 2024, the Company explained to all of the Company's outside directors that the Company had received a Letter of Intent from Mr. Shinya Ogawa and Mr. Tetsushi Ogawa and that the Transaction falls within the category of a transaction in which structural issues involving conflicts of interest and information asymmetry exist due to the nature of the Transaction, and that it was necessary to take sufficient measures to ensure the fairness of the terms and conditions of the Transaction, including through the establishment of a Special Committee, when examining and negotiating the Transaction, in order to establish a system for examining, negotiating, and making decisions about the Transaction for purposes of enhancing the Company's corporate value and securing the interests of the Company's minority shareholders from a perspective independent from the Tender Offer-Related Parties.

In addition, in order to establish a system for examining, negotiating, and making decisions about the Transaction for purposes of enhancing the Company's corporate value and securing the interests of the Company's general shareholders from a perspective independent from the Tender Offer-Related Parties, starting in late October 2024, the Company appointed Anderson Mori & Tomotsune as a legal advisor and Yamada Consulting as a financial advisor and a third-party valuation agency to the Company, which are independent from the Tender Offer-Related Parties. Based on the legal advice received from Anderson Mori & Tomotsune on the decision-making process and method for the Transaction and other points to note when making decisions about the Transaction, the Company established a system for examining, negotiating, and making decisions about the Transaction for purposes of enhancing the Company's corporate value and securing the interests of the Company's

general shareholders from a perspective independent from the Tender Offer-Related Parties, and confirmed the independence, eligibility, and other matters of the Company's independent outside officers who were candidates for Special Committee members. On that basis, after obtaining the advice of Anderson Mori & Tomotsune and confirming that the candidates were independent from the Offeror, did not have material conflicts of interest with the general shareholders with regard to the success or failure of the Transaction, and were qualified to serve as committee members, in order to ensure a balance of knowledge, experience, and abilities on the Special Committee as a whole, and to constitute the Special Committee on an appropriate scale, the Company selected four candidates for the Special Committee members, who are Mr. Osamu Motojima (Audit & Supervisory Committee Member), Mr. Kan Kakiuchi (Audit & Supervisory Committee Member), Mr. Tomoyuki Shinkai (Audit and Supervisory Committee Member), and Ms. Masako Hayashi, who are independent outside directors of the Company, which was designated as the most suitable committee members in the "Fair M&A Guidelines" dated June 28, 2019 prepared by the Ministry of Economy, Trade and Industry. Furthermore, Mr. Osamu Motojima has been appointed as the Chairman of the Special Committee by mutual election among its members (The Special Committee members have not changed since its establishment. In addition, the remuneration to be paid to each member of the Special Committee does not include contingency fees that are to be paid subject to the fulfillment of conditions, including the successful completion of the Transaction.).

In addition, the Company established the Special Committee by resolution of the Board of Directors on October 28, 2024, and consulted the Special Committee on 1 whether the purpose of the Transaction was deemed reasonable (including whether the Transaction will contribute to enhancement of the Company's corporate value), 2 whether the fairness and appropriateness of the terms and conditions of the Transaction (including the purchase, etc. prices of the Tender Offer) has been ensured, 3 whether the fairness of the procedures related to the Transaction has been ensured, 4 whether the Transaction was considered not to be detrimental to the Company's minority shareholders in light of items 1 to 3 above, and 5 whether it was appropriate for the Company's Board of Directors to express its support for the Tender Offer and to recommend that the Company's shareholders tender their shares in the Tender Offer (items 1 to 5 are referred to collectively as the "Consultation Matters"). In addition, upon the establishment of the Special Committee, the Company's Board of Directors passed a resolution stating that (i) the Special Committee has the authority to nominate or approve (including subsequently approve) the Company's experts, including financial advisors and legal advisors (collectively, "Advisors"), (ii) the Special Committee has the authority to appoint its own Advisors if it deems it necessary to consider the Consultation Matters (If the Special Committee determines that it can trust the Company's Advisors and request professional advice based on the fact that the Company's Advisors have a high level of expertise and have no problems with independence, or other similar facts, the Special Committee may request professional advice from the Company's Advisors. In addition, the Company will bear the reasonable expenses of professional advice from the Advisors to the Special Committee's Advisors), (iii) the Special Committee has the authority to receive information necessary for the examination and determination of the Transaction from the Company's officers and employees and other persons deemed necessary by the Special Committee, (iv) the Special Committee has the authority to be substantially involved in the process of negotiating the terms and conditions of the Transaction by confirming the policy concerning the terms and

conditions of the Transaction in advance of the negotiations, receiving timely reports on the situation, expressing opinions at important moments, and issuing instructions or making requests, and (v) decisions about the Transaction made by the Company's Board of Directors will be made with full respect for the decisions of the Special Committee, and if the Special Committee determines that the terms and conditions of the Transaction are not appropriate, the Company's Board of Directors will not approve the Transaction on those transaction terms and conditions.

(ii) Background of the considerations

Meetings of the Special Committee were held a total of 13 times, over approximately 21 hours, from November 6, 2024 to July 24, 2025, and the Special Committee also made reports and shared information through e-mails and other means, deliberated, made decisions outside of meetings, and carefully examined the Consultation Matters.

Specifically, at the first meeting of the Special Committee, held on November 6, 2024, the Special Committee approved the Company's appointment of Yamada Consulting as its financial advisor and third-party valuation agency and Anderson Mori & Tomotsune as its legal advisor, after confirming that there were no issues with their independence and expertise, and also confirmed that the Special Committee can receive their expert advice as necessary.

In addition, the Special Committee approved the process of consideration of the Transaction (including the scope of officers and employees of the Company to be involved in consideration, negotiation and determination of the Transaction, and their duties), which the Company established internally, after confirming that there were no issues in terms of independence and fairness. In addition, the Special Committee has been examining measures to be taken to ensure the fairness of Transaction procedures, based on the legal advice received from Anderson Mori & Tomotsune.

Moreover, while taking into account the financial advice received from Yamada Consulting, the Special Committee received an explanation from the Company about the details, important assumptions, background of preparations, and other matters relating to the Company's business plan (including the fact that neither the Offeror nor Mr. Shinya Ogawa or Mr. Tetsushi Ogawa was involved in the preparation of that business plan), which Yamada Consulting used as the basis for calculation of the share value of the Company Shares, and after understanding the background of preparation thereof and the Company's current situation, from the perspective of identifying any unreasonable elements, the Special Committee confirmed that these matters were reasonable and approved them.

The Special Committee presented questions to the Offeror, as well as to Mr. Shinya Ogawa and Mr. Tetsushi Ogawa, and carried out question-and answer sessions through interviews and in writing with the Offeror as well as the Ogawas about the purpose and background of the Transaction, the managerial policy after the Transaction and specific measures relating thereto, the reasons why delisting the Company Shares is necessary for that purpose, the advantages and disadvantages of the Transaction, the structure of the Transaction, and the procedures, terms, and conditions of the Transaction. The Special Committee presented questions to the Company also, and carried out question-and answer sessions with the Company, through interviews and in writing, about the Company's business condition, management issues of which it is aware, the market environment, the purpose and significance of implementing the Transaction from the perspective of enhancing

corporate value, the impact on the Company's business, and whether the Company has any concerns about being delisted through the Transaction.

In addition, as stated in section "[2] Obtaining a stock valuation report from a financial advisor and third-party valuation agency independent from the Company" below, Yamada Consulting has calculated the share value of the Company Shares based on the business plan prepared by the Company, and the Special Committee received an explanation from Yamada Consulting about the results of the calculation of the share value, the method of calculating the share value of the Company, the reason for selecting that calculation method, and the details and important assumptions used in the calculations made using each calculation method. After carrying out question-and-answer sessions, deliberations, and consideration, the Special Committee has confirmed that these matters are reasonable.

Further, after the Company received a proposal from the Offeror on June 25, 2025 to set the Tender Offer Price at 1,600 yen per share and the Share Acquisition Rights Purchase Price at 1 yen, the Special Committee has engaged in continuous discussions and negotiations with the Offeror through the Company's financial advisor, Yamada Consulting, taking into account its financial advice, including the results of its calculation of the share value of the Company Shares and the policy for negotiation with the Offeror, etc., as well as the legal advice, etc. from Anderson Mori & Tomotsune on measures to ensure the fairness of the procedures in the Transaction.

Specifically, acting through Yamada Consulting, the Company repeatedly negotiated the Tender Offer Price on multiple occasions in response to the Offeror's proposal. During the consultation and negotiations, the Special Committee was substantially involved in the negotiation process with the Offeror, for example, by receiving timely reports from the Company on the background and details, etc. of the discussions and negotiations, discussing policies and other matters, and expressing opinions through the Special Committee.

In addition, the Special Committee received an explanation from Anderson Mori & Tomotsune about the details of each draft of the this Opinion Expression Notice and position statement concerning the Tender Offer scheduled to be published or submitted by the Company, as well as the details of the draft tender offer statement for the Tender Offer scheduled to be submitted by the Offeror, and has confirmed that the Offeror and the Company intend to make appropriate disclosures with the advice of their respective legal advisors.

### (iii) Details of decision

Based on the foregoing circumstances, after careful consideration and discussions on the Consultation Matters, upon a unanimous resolution by the committee members, the Special Committee submitted a written report (the "Report") to the Company's Board of Directors on July 25, 2025, to the effect that (a) The purpose of the Transaction is considered reasonable (The Transaction will contribute to the enhancement of the corporate value of the Company.), (b) The fairness and reasonableness of the terms and conditions of the Transaction, including the Tender Offer, are ensured, (c) The fairness of the procedures to be followed in connection with the Transaction is ensured., (d) Based on (a) to (c) above, the decision concerning the Transaction is considered to be fair to the Company's general shareholders, (e) It is reasonable for the Company's Board of Directors to state its

opinion in support of the Tender Offer, to recommend that the Company's shareholders tender their shares in the Tender Offer, and leave the decision on whether to tender Share Acquisition Rights to the Share Acquisition Right Holders. For the details of this report, please refer to Attachment 1 of "Notice Regarding Implementation of MBO and Recommendation for Tender" dated July 25, 2025.

Following the commencement of the Tender Offer, the Company continued to share information with the Special Committee regarding the changes in the Company's share price and the status of discussions between the Offeror and the Company's major shareholders, and maintained ongoing consultations with the Special Committee. Subsequently, upon the possibility arising that the Offeror might propose the Change of Purchase Price, the Company requested the Special Committee's opinion on whether the details of the recommendation of the Report above would remain unchanged assuming the Change of Purchase Price. The Special Committee convened on October 22, 2025 to deliberate on this matter and on the same date submitted an additional written report (the "Additional Written Report") to the Company's Board of Directors, stating that the details of the recommendation of the Report above remained unchanged assuming the Change of Purchase Price. For details of the Additional Written Report, please refer to Attachment 1 of "(Amendment) Notice regarding the partial amendment to "Notice Regarding Implementation of MBO and Recommendation for Tender"" announced on October 23, 2025.

Following the submission of the Additional Written Report, the Company continued to share information with the Special Committee regarding the changes in the Company's share price and the status of discussions between the Offeror and the Company's major shareholders, and maintained ongoing consultations with the Special Committee. Subsequently, as the Company appointed Plutus as the third-party valuation agency and obtained the Additional Stock Valuation Report (Plutus), the Special Committee held a meeting, confirmed Plutus's independence and expertise, and confirmed that there were no unreasonable points in the Additional Stock Valuation Report (Plutus) submitted to the Company and the underlying business plan.

At its 17th meeting held on December 3, 2025, the Special Committee determined that it would serve the interests of the Company's general shareholders for it to examine and confirm, as requested by the Offeror, the share value of the Company Shares that investors could expect. Accordingly, the Special Committee accepted this request and received an explanation regarding the Offeror's Estimate, which the Offeror had independently calculated based on discussions between the Offeror and Effissimo.

According to the Offeror, the Offeror's Estimate was prepared based on the DCF method, taking into consideration the Offeror's understanding of investors' perspectives on the Company's corporate value and share value, gained through discussions with investors, including Effissimo, as well as publicly available information about the Company and other information regarding listed companies. The main assumptions underlying the Offeror's Estimate include a WACC of 6.5% to 7.5% and a perpetuity growth rate of 0.0% to 2.0%.

According to the Offeror, the share value of the Company Shares based on the Offeror's Estimate ranges from 2,904 yen to 4,670 yen. The Special Committee was informed that this estimate represented the price range derived from a DCF analysis using assumptions, such as a discount rate and a perpetuity growth rate, considered reasonable from investors' perspectives.

The Special Committee held a Q&A session with the Offeror regarding the assumptions and the design of the parameters used in the Offeror's Estimate. Taking Yamada Consulting's advice, the Special Committee determined that the Offeror's Estimate is sufficiently reasonable as one estimate of the share value of the Company Shares.

In light of the foregoing, the Special Committee reached the following conclusions:

- ✓ The Special Committee, in its position of conducting deliberations to ensure the interests of general shareholders, has come to recognize that investors' perspectives regarding corporate value and share value should be respected, and that it is beneficial to conduct examinations that take investors' viewpoints into account, on the premise that some investors perform evaluations similar to the Offeror's Estimate. In other words, the Special Committee believes that the Offeror's Estimate is sufficiently reasonable as an investor-oriented perspective on the share value of the Company Shares, and that disclosure of the Offeror's Estimate by the Offeror and the Company will further serve the interests of the Company's shareholders in deciding whether to tender their shares in the Tender Offer.
- ✓ Although 2,919 yen, the Tender Offer Price after the Change of Purchase Price, is close to the lower end of the range indicated in the Offeror's Estimate, the Offeror explained that (1) this was the best price that the Offeror could offer from the perspective of increasing the likelihood of the successful completion of the Tender Offer with the understanding of the Company's general shareholders by offering them an opportunity to sell their shares at a price higher than the Tender Offer Price prior to the Change of Purchase Price (2,050 yen), and from the perspective of enhancing the Company's corporate value and of its financial foundation, in each case following the Transaction, and (2) the Offeror has a strong desire to continue contributing in various ways to all stakeholders that support the Transaction, including the Company's general shareholders, customers, business partners, and employees, as well as local communities, even after the Transaction, while aiming to enhance the Company's medium- to long-term corporate value. The Special Committee considers this explanation to be reasonable.
- ✓ However, 2,050 yen, the Tender Offer Price prior to the Change of Purchase Price, is far below the lowest price shown in the Offeror's Estimate, which was calculated by the Offeror with investors' perspectives in mind. In addition, it is true that, since the announcement of the Transaction, the market price of the Company Shares has exceeded the Tender Offer Price prior to the Change of Purchase Price (2,050 yen), that several shareholders of the Company have expressed their view that the Tender Offer Price prior to the Change of Purchase Price (2,050 yen) did not adequately reflect the Company's share value, and that, against the backdrop of the market price movements of the Company Shares and similar feedback from the Company's shareholders, the Offeror ultimately secured financing through financial institutions and third-party capital, and raised the Tender Offer Price to 2,919 yen, which significantly exceeds 2,050 yen.
- ✓ Given these circumstances, it may be difficult to conclude that the Tender Offer Price prior to the Change of Purchase Price (2,050 yen) was a price that meets investors' reasonable expectations regarding the share value of the Company Shares, and the Special Committee must take this fact seriously. The Special Committee has conducted its deliberations in relation to the process taken prior to the announcement of the Transaction based on general practices observed

in recent transactions similar to the Transaction, including the “Guidelines on Fair M&A Practices” and the “Guidelines for Corporate Takeovers,” with the aim of ensuring fairness and securing the common interests of shareholders. However, in light of the above facts, the Special Committee believes that, had the Company pursued or established best practices that went beyond such general practices and placed greater emphasis on investors’ perspectives (e.g., actively collecting external information concerning investors’ pricing perspectives and value calculations; requesting the Company to engage in price negotiations with the Offeror from a more investor-oriented perspective or conducting the Special Committee’s direct price negotiations (including requesting the Offeror to consider utilizing third-party capital) based on such information; obtaining valuation reports from multiple third-party valuation agencies (as obtained additionally by the Company in response to investor feedback); and conducting active market checks), it might have been possible to implement the tender offer at the Tender Offer Price after the Change of Purchase Price (2,919 yen) from the outset, which could have avoided the stock price movements and shareholders’ concerns following the announcement of the Transaction.

- ✓ In conclusion, based on the Offeror’s Estimate, the Special Committee determines that 2,919 yen, the Tender Offer Price after the Change of Purchase Price, remains a price sufficient for the Company to recommend that its shareholders tender their shares. In addition, the Special Committee believes that it is desirable to disclose an outline of the Offeror’s Estimate because (1) its disclosure by the Offeror and the Company will provide material for the Company’s shareholders when deciding whether to tender their shares in the Tender Offer, and (2) sharing externally the insights gained by the Special Committee through the Transaction is meaningful, as it may lead to better processes being realized for listed companies in future transactions similar to the Transaction.

After that, the Company continued to share information with the Special Committee regarding the changes in the Company’s share price and the status of discussions between the Offeror and the Company’s major shareholders, and maintained ongoing consultations with the Special Committee. Subsequently, upon the possibility arising that the Offeror might propose the Second Change of Purchase Price, the Company requested the Special Committee’s opinion on whether the details of the recommendation of the Additional Written Report above would remain unchanged assuming the Second Change of Purchase Price. The Special Committee convened on December 18, 2025 and January 9, 2026 to deliberate on this matter, and, on January 9, 2026, submitted an additional written report (the “Additional Written Report (2)”) to the Company’s Board of Directors, stating that the details of the recommendation of the Additional Written Report above remained unchanged assuming the Second Change of Purchase Price. For details of the Additional Written Report (2), including the reasons for the recommendation, please refer to Attachment 1 of “(Amendment) Notice regarding the partial amendment to “Notice Regarding Implementation of MBO and Recommendation for Tender”” announced on January 9, 2026.

[2] Obtaining a stock valuation report from a financial advisor and third-party valuation agency independent

from the Company

(i) Name of the valuation agency, and its relationship with the Company and Offeror

A. Yamada Consulting

The Company, in expressing its opinion on the Tender Offer, in order to ensure the fairness of its decision-making regarding the Tender Offer Price presented by the Offeror, the Company requested that Yamada Consulting, a financial advisor and third-party valuation agency independent from the Tender Offer-Related Parties, calculate the value of the Company Shares, and on July 24, 2025, obtained the Stock Valuation Report.

Yamada Consulting is not a related party to the Tender Offer-Related Parties and does not have any material interest in the Transaction, including the Tender Offer. A substantial portion of the remuneration to be paid to Yamada Consulting in connection with the Transaction will be transaction fees, to be paid subject to announcement of the Transaction and completion of the Squeeze-out Procedures. Taking into account general practices and other matters in similar transactions, the Company appointed Yamada Consulting as a financial advisor and third-party valuation agency for the Company, in accordance with the remuneration structure described above. In addition, the Special Committee approved Yamada Consulting as the financial advisor and third-party valuation agency of the Company after confirming at its first meeting held on November 6, 2024 that there were no problems with the independence and expertise of Yamada Consulting.

B. Plutus

The Company requested that Plutus, a third-party valuation agency independent from the Tender Offer-Related Parties, calculate the value of the Company Shares, and on November 20, 2025, obtained the Additional Stock Valuation Report (Plutus).

Plutus is not a related party to the Tender Offer-Related Parties and does not have any material interest in the Transaction, including the Tender Offer. In addition, the Special Committee approved Plutus as the third-party valuation agency of the Company after confirming at its 16th meeting held on November 15, 2025 that there were no problems with the independence and expertise of Plutus. The remuneration to be paid to Plutus in connection with the Transaction does not include any contingency fees that are to be paid subject to conditions, including the successful completion of the Transaction.

(ii) Outline of Valuation

A Yamada Consulting

Yamada Consulting considered valuation methods for the Tender Offer, and on the assumption that the Company is a going concern and based on the opinion that it is appropriate to evaluate the value of the Company Shares multilaterally, it calculated the per-share value of the Company Shares using (i) market price analysis, because the Company Shares are listed on the Prime Market of the TSE and the Premier Market of the NSE and market prices for those shares exist, (ii) comparable company analysis, because there are multiple listed companies comparable to the Company and it is possible to infer the value of the Company Shares through comparison with those comparable companies, and (iii) DCF analysis, so as to reflect the status of the Company's future business activities in the valuation. As stated in section "(6) Measures for Ensuring the Fairness of the Tender Offer Price, Measures for Avoiding Conflicts of Interest, and Other Measures for Ensuring the Fairness of the Tender Offer", the Company

has not obtained any opinions from Yamada Consulting concerning the fairness of the Tender Offer Price (fairness opinions), because the Offeror and the Company have taken measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest.

The range of the per-share value of the Company Shares calculated by Yamada Consulting using each of the methods above is as follows.

Market price analysis: 1,317 yen to 1,461 yen

Comparable company analysis: 668 yen to 1,804 yen

DCF analysis: 1,594 yen to 2,393 yen

Using the market price method, July 24, 2025 was set as the base date, and based on the 1,461 yen closing price for Company Shares on the TSE Prime Market on the base date, the simple average closing price of 1,367 yen over the preceding month, the simple average closing price of 1,317 yen over the preceding three months, and the simple average closing price of 1,341 yen over the preceding six months, the per-share value of the Company Shares was calculated to be in the range between 1,317 yen and 1,461 yen.

Using the comparable company method, Topre Corporation, G-TEKT CORPORATION and PRESS KOGYO CO., LTD. were selected as comparable listed companies operating businesses relatively comparable to that of the Company, and then, using an EBITDA multiple of the business value and the ratio of net income to market capitalization, the per-share value of the Company Shares was calculated to be in a range between 668 yen and 1,804 yen.

Using the DCF analysis, based on various factors such as the earnings forecast and investment plans prepared by the Company up to the period which is reasonably predictable at present, set out in the business plan for the period from the fiscal year ending March 2026 to the fiscal year ending March 2030 (“Business Plan”), financial information of the Company’s 1st Quarter of the fiscal year ending March 2026, as well as publicly disclosed information, Yamada Consulting calculated the Company’s corporate value and share value by discounting the free cash flow the Company is expected to generate after the 1st Quarter of the fiscal year ending March 2026 to the present value at a certain discount rate, and the per-share value of the Company Shares was calculated to be in a range between 1,594 yen and 2,393 yen. Yamada Consulting used the discount rate of 7.17% to 8.17%, which applied a weighted average cost of capital, and applied the perpetual growth method for calculation of the terminal value with a perpetual growth rate set as 0.0% to 1.0% after comprehensively considering the external environment and other matters, and the terminal value ranging from 115,087 million yen to 160,114 million yen.

The financial forecasts, based on the Business Plan that Yamada Consulting used as the basis for the calculation using the DCF analysis are as set forth below. The Business Plan that Yamada Consulting used for the DCF analysis does not include a business year in which a significant year-over-year increase or decrease in profit is expected, but includes a business year in which a significant year-over-year increase or decrease in free cash flow is expected. Specifically, for the fiscal year ending March 2026, significant capital expenditures are expected for the construction of a technology development center, investments in the renovation of factories, and the expansion of production capacity. As a result, capital expenditures for the fiscal year ending March 2026 are expected to increase by 9,247 million yen year over year, and capital expenditures for the fiscal year ending March 2027 are expected to decrease by 10,058 million yen year over year. Furthermore, capital expenditures for the fiscal year

ending March 2028 are expected to decrease by 3,888 million yen year over year. Based on the above, free cash flow for the fiscal year ending March 2026 is expected to decrease significantly year over year, free cash flow for the fiscal year ending March 2027 is expected to increase significantly year over year, and free cash flow for the fiscal year ending March 2028 is also expected to increase significantly year over year.

Please note that the Business Plan was prepared in reference to the basic materials for the Company's mid-term business plan announced in April 2023, in order to examine the reasonableness of the terms for the Transaction in consideration of the Company's future growth. It was prepared taking into account the current business environment, including the appreciation of the yen against the U.S. dollar and revision of plans for the number of automobiles produced in Japan and abroad. None of the Offeror, Mr. Shinya Ogawa or Mr. Tetsushi Ogawa were involved in the preparation of the Business Plan.

Also, because it is difficult at present to estimate the specific synergies that are expected to be achieved through implementation of the Transaction, those synergies are not reflected in the financial forecasts.

(JPY 1 million)

	FY ending March 2026 (9 months)	FY ending March 2027	FY ending March 2028	FY ending March 2029	FY ending March 2030
Sales	149,353	202,200	210,000	216,000	233,000
Operating profit	8,516	13,885	15,166	16,681	18,967
EBITDA	24,399	31,997	34,972	36,609	38,771
Free Cash Flow	▲11,028	5,275	10,659	13,368	14,015

When calculating the value of the Company Shares, Yamada Consulting used information provided by the Company, publicly disclosed information, and other information on an as-is basis, in principle, and on the assumption that all of those materials, information and the like were accurate and complete, and it has not independently verified their accuracy or completeness. Moreover, Yamada Consulting has not independently evaluated or assessed assets or liabilities (including off-balance-sheet assets and liabilities, and other contingent liabilities) of the Company, nor has it requested that any third-party agency appraise or assess them. In addition, it is assumed that information regarding the Company's financial forecast was prepared rationally by the Company, based on the best estimates and judgments available at present. However, Yamada Consulting had multiple question-and-answer sessions with the Company regarding the Business Plan that it used as the basis for the calculations, and after understanding the background to the preparation of that plan and the current situation of the Company, it confirmed the reasonableness of the Business Plan of the Company from the perspective of whether it contained any unreasonable matters. In addition, the calculation by Yamada Consulting reflected the foregoing information up to July 24, 2025. Although Share Acquisition Rights also are included in the purchases subject to the Tender Offer, as the Share Acquisition Rights Purchase Price is determined to be set at 1 yen, the Company has not obtained any valuation reports or opinions concerning the fairness of the Share Acquisition Rights Purchase Price

(fairness opinions) from any third-party valuation agency.

## B Plutus

Plutus considered valuation methods for the Tender Offer, and on the assumption that the Company is a going concern and based on the opinion that it is appropriate to evaluate the value of the Company Shares multilaterally, it calculated the per-share value of the Company Shares using (i) market price analysis, because the Company Shares are listed on the Prime Market of the TSE and the Premier Market of the NSE and market prices for those shares exist, (ii) comparable company analysis, because there are multiple listed companies comparable to the Company and it is possible to infer the value of the Company Shares through comparison with those comparable companies, and (iii) DCF analysis, so as to reflect the status of the Company's future business activities in the valuation.

The range of the per-share value of the Company Shares calculated by Plutus using each of the methods above is as follows.

Market price analysis:	1,317 yen to 1,461 yen
Comparable company analysis:	1,119 yen to 1,264 yen
DCF analysis:	1,773 yen to 2,453 yen

Using the market price method, considering that the Company's share price has trended upward since July 25, 2025, following the announcement on July 25, 2025 of the "Notice Regarding Implementation of MBO and Recommendation for Tender", July 24, 2025 was set as the base date, and based on the 1,461 yen closing price for Company Shares on the TSE Prime Market on the base date, the simple average closing price of 1,367 yen over the preceding month, the simple average closing price of 1,317 yen over the preceding three months, and the simple average closing price of 1,341 yen over the preceding six months, the per-share value of the Company Shares was calculated to be in the range between 1,317 yen and 1,461 yen.

Using the comparable company method, Topre Corporation, G-TEKT CORPORATION, PRESS KOGYO CO., LTD., and Daikyo Nishikawa Corporation were selected as comparable listed companies operating businesses relatively comparable to that of the Company, and then, using an EBITDA multiple of the business value, the per-share value of the Company Shares was calculated to be in a range between 1,119 yen and 1,264 yen.

Using the DCF analysis, based on various factors such as the earnings forecast and investment plans prepared by the Company up to the period which is reasonably predictable at present, set out in the business plan for the period from the fiscal year ending March 2026 to the fiscal year ending March 2030, as well as publicly disclosed information, Plutus calculated the Company's share value by discounting the free cash flow the Company is expected to generate after the 3rd Quarter of the fiscal year ending March 2026 to the discounted value at an appropriate discount rate considering the business risks, and the per-share value of the Company Shares was calculated to be in a range between 1,773 yen and 2,453 yen. Plutus used the discount rate of 8.5% to 9.8%, which applied a Weighted Average Cost of Capital (WACC), and applied the perpetual growth method and the multiple method for calculation of the terminal value, with a growth rate set as 0.0% for the perpetual growth method considering the theoretically assumed long-term changes in the environment, and the terminal value has been calculated as ranging from 141,098 million yen to 162,970 million yen. For the multiple method, an EBITDA

multiple was used, and the EBITDA multiple applied to the business value was set at 3.1 to 3.4 times, based on industry standards and other factors, resulting in a calculated terminal value of 121,354 million yen to 131,047 million yen.

The financial forecasts, based on the Business Plan that Plutus used as the basis for the calculation using the DCF analysis are as set forth below. The Business Plan that Plutus used for the DCF analysis does not include a business year in which a significant year-over-year increase or decrease in profit is expected, but includes a business year in which a significant year-over-year increase or decrease in free cash flow is expected. Specifically, for the fiscal year ending March 2026, significant capital expenditures are expected for the construction of a technology development center, investments in the renovation of factories, and the expansion of production capacity. As a result, capital expenditures for the fiscal year ending March 2026 are expected to increase by 10,200 million yen year over year, and capital expenditures for the fiscal year ending March 2027 are expected to decrease by 11,011 million yen year over year. Furthermore, capital expenditures for the fiscal year ending March 2028 are expected to decrease by 3,888 million yen year over year. Based on the above, free cash flow for the fiscal year ending March 2026 is expected to decrease significantly year over year, free cash flow for the fiscal year ending March 2027 is expected to increase significantly year over year, and free cash flow for the fiscal year ending March 2028 is also expected to increase significantly year over year.

Please note that the Business Plan was prepared in reference to the basic materials for the Company's mid-term business plan announced in April 2023, in order to examine the reasonableness of the terms for the Transaction in consideration of the Company's future growth. It was prepared taking into account the current business environment, including the appreciation of the yen against the U.S. dollar and revision of plans for the number of automobiles produced in Japan and abroad. None of the Offeror, Mr. Shinya Ogawa or Mr. Tetsushi Ogawa were involved in the preparation of the Business Plan.

Also, because it is difficult at present to estimate the specific synergies that are expected to be achieved through implementation of the Transaction, those synergies are not reflected in the financial forecasts.

(JPY 1 million)

	FY ending March 2026 (6 months)	FY ending March 2027	FY ending March 2028	FY ending March 2029	FY ending March 2030
Sales	96,879	202,200	210,000	216,000	233,000
Operating profit	4,268	13,885	15,166	16,681	18,967
EBITDA	16,039	31,997	34,972	36,609	38,771
Free Cash Flow	▲9,708	4,058	9,599	12,051	12,413

When calculating the value of the Company Shares, Plutus used information provided by the Company, publicly disclosed information, and other information on an as-is basis, in principle, and on the assumption that all of those materials, information and the like were accurate and complete, and it has not independently verified their accuracy or completeness. Moreover, Plutus has not independently

evaluated or assessed assets or liabilities (including off-balance-sheet assets and liabilities, and other contingent liabilities) of the Company, nor has it requested that any third-party agency appraise or assess them. In addition, it is assumed that information regarding the Company's financial forecast was prepared rationally by the Company's management excluding the Offeror, based on the best estimates and judgments available at present. However, Plutus had multiple question-and-answer sessions with the Company regarding the Business Plan that it used as the basis for the calculations, and after understanding that the Business Plan was reasonably prepared based on the best estimates and judgments of the Company's management (excluding the Offeror) available at present, and understanding the current situation of the Company, Plutus confirmed the reasonableness of the Business Plan of the Company from the perspective of whether it contained any unreasonable matters. In addition, the Special Committee has confirmed the reasonableness of the details, important assumptions, and background of preparations.

[3] Advice from a law firm independent from the Company

The Company appointed Anderson Mori & Tomotsune as a legal advisor independent from the Tender Offer-Related Parties in order to ensure the fairness of the Tender Offer Price and other aspects of the Transaction, including the Tender Offer, and received legal advice from that legal advisor with regard to the measures that should be taken to ensure the fairness of the Transaction procedures, various Transaction procedures, the decision-making method used by the Company for the Transaction, and the process thereof. Anderson Mori & Tomotsune is not related to the Tender Offer-Related Parties and does not have any material interest in the Transaction, including the Tender Offer. In addition, the remuneration to be paid to Anderson Mori & Tomotsune does not include any contingency fees that are to be paid subject to conditions, including the successful completion of the Transaction. Further, the Special Committee approved Anderson Mori & Tomotsune as the Company's legal advisor at its first meeting after confirming that there were no problems with the independence and expertise of Anderson Mori & Tomotsune.

[4] Establishment of an independent consideration framework at the Company

From the perspective of eliminating structural issues involving conflicts of interest, the Company has established an internal system for considering, negotiating, and making decisions regarding the Transaction from a position independent from the Tender Offer-Related Parties, excluding the Company.

Specifically, after receiving the Letter of Intent from the Ogawas on October 25, 2024, the Company determined that it would not have the Ogawas be involved in the Company's process of considering, negotiating, and making decisions about the Transaction, and then established a system for consideration of the Transaction, which consisted of officers and employees who were found to be independent from the Tender Offer-Related Parties, excluding the Company, including Mr. Hisashi Kayukawa (Senior Managing Officer, Member of the Board) and Mr. Terumi Noda (Senior Managing Officer, Member of the Board) Together with the Special Committee, this framework for consideration was used in the process of negotiating the Transaction conditions, including the Tender Offer Price, between the Company and the Offeror, and the process of preparing the Company's business plan, which will be the basis for the valuation of the Company Shares, and the foregoing treatment continued until today.

The framework of consideration (including the scope of officers and employees of the Company to

be involved in consideration, negotiation and decisions for the Transaction, and their duties) of the Transaction, which the Company established internally and which includes the foregoing treatment, takes into consideration advice from Anderson Mori & Tomotsune, and the Company received approval from the Special Committee of the fact that there are no problems in terms of its independence and fairness.

[5] Approval of all Company directors (including Audit and Supervisory Committee Members) who do not have any interest

Based on the legal advice received from Anderson Mori & Tomotsune, the financial advice received from Yamada Consulting, the content of the Stock Valuation Report, the content of multiple discussions held continuously with the Offeror, and other related materials, and with the utmost respect for the judgment of the Special Committee as expressed in the Report, the Company carefully discussed and considered whether the Transaction, including the Tender Offer, contributes to the improvement of the corporate value of the Company, and whether the conditions of the Transaction, including the Tender Offer Price before the Change of Purchase Price, are appropriate.

As a result thereof, as stated in section “1. Purpose of and Reasons for Implementing the Share Consolidation” above, at the meeting of the Company’s Board of Directors held on July 25, 2025, the Company passed a resolution that, from the perspective of resolving the management issues of the Company and providing opportunities to return profits to shareholders, the Transaction would contribute to the improvement of the corporate value of the Company, and in light of the results of calculation of the Stock Valuation Report, the premium level of the Tender Offer Price before the Change of Purchase Price, the process of negotiation with the Offeror, the process of determining the Tender Offer Price before the Change of Purchase Price, and other matters, it had determined that the conditions of the Transaction, including the Tender Offer Price before the Change of Purchase Price, were appropriate, that it would express an opinion in support of the Tender Offer, that it would recommend that the shareholders of the Company tender their shares in the Tender Offer, and that it would allow the Share Acquisition Right Holders to decide whether to tender their Share Acquisition Rights in the Tender Offer.

The Company has adopted a resolution, later, at the meeting of the Company’s Board of Directors held on October 23, 2025 to maintain to state our opinion in support of the Tender Offer and to recommend that shareholders tender their shares in the Tender Offer, and leave the decision on whether to tender Share Acquisition Rights to the Share Acquisition Rights Holders based on the grounds and reasons stated in section “1. Purpose of and Reasons for Implementing the Share Consolidation” above.

Then after that, the Company has adopted a resolution at the meeting of the Company’s Board of Directors held on January 9, 2026 to maintain to state our opinion in support of the Tender Offer and to recommend that shareholders tender their shares in the Tender Offer, and leave the decision on whether to tender Share Acquisition Rights to the Share Acquisition Rights Holders based on the grounds and reasons stated in section “1. Purpose of and Reasons for Implementing the Share Consolidation” above.

At the aforementioned meeting of the Company’s Board of Directors held on July 25, 2025, October 23, 2025, and January 9, 2026, out of nine directors of the Company, seven directors, excluding the Ogawas, participated in the deliberations and voting, and the aforementioned resolution was passed with the unanimous consent of all directors who participated the vote.

Mr. Shinya Ogawa, the Company’s Representative Director and Chairman, and Mr. Tetsushi Ogawa,

the Company's Representative Director and President, will continue to be involved in the management of the Company after the Transaction; therefore, in light of the fact that there is a conflict of interest with the Company, or a risk thereof, in the Transaction, these two people did not participate in deliberations and votes by the Company's Board of Directors in relation to the Transaction, including the aforementioned meeting of the Company's Board of Directors held on July 25, 2025, October 23, 2025, and January 9, 2026, and did not participate in any consideration of the Transaction or discussions and negotiations for the Transaction with the Offeror from the Company's position.

[6] Securing an objective state where the fairness of the Tender Offer is ensured

The Offeror has set the Tender Offer Period to 119 Business Days, while the minimum purchase period is 20 Business Days under laws and regulations. By setting the Tender Offer Period to be comparatively long compared to the minimum period under laws and regulations, the Offeror intends to ensure an opportunity for all shareholders and Share Acquisition Rights Holders of the Company to appropriately determine whether to tender their shares or Share Acquisition Rights in the Tender Offer, and to ensure an opportunity for a person making a competing acquisition offer to present competing acquisition offers, etc. to be made for the Company Shares, and thereby ensuring the fairness of the Tender Offer Price.

Additionally, the Offeror and the Company have not made any agreements with provisions that prohibit contact with a person making a competing acquisition offer, including transaction protection provisions, or any agreements that limit contact between such a person making a competing acquisition offer and the Company. Thus, by adjusting the above purchase period to ensure an opportunity for competing acquisition offers, it is considered that the fairness of the Tender Offer is thereby ensured.

As described in "1 Establishment of an independent special committee at the Company, and procuring a report" above, the Special Committee determined that not conducting the so-called aggressive market check (including the bidding procedures prior to the announcement of the Transaction), which investigates and reviews the existence of potential acquirers in the market, would not be particularly detrimental to the fairness of the Transaction in light of the details of the various measures implemented to ensure the fairness of the Transaction, including the Tender Offer, and other specific circumstances of the Transaction.

[7] Establishing the minimum number of shares planned for purchase to exceed the Majority of Minority Condition

The minimum number of shares planned for purchase in the Tender Offer (25,337,400 shares, ownership percentage: 43.84%) exceeds the number of shares (24,748,220 shares, ownership percentage: 42.82%), which is the sum of (i) the number of shares (19,849,498 shares, ownership percentage: 34.35%), which is equivalent to half the number of shares (39,698,995 shares) calculated by deducting the total number of shares (18,092,654 shares) of the 1,573,305 shares owned by Mr. Shinya Ogawa (Note 8) (ownership percentage: 2.72 %), 116,127 shares owned by Mr. Tetsushi Ogawa (Note 9) (ownership percentage: 0.20 %), 1,000,000 shares owned by the Foundation (ownership percentage: 1.73 %), and 10,504,500 Non-Tendered Shares (Effissimo) (ownership percentage: 18.18%), 2,344,994 shares owned by Giken (ownership percentage: 4.06%), 1,987,000 shares owned by PEC Holdings (ownership percentage: 3.44%), 319,346 shares owned by ASAHI INDUSTRY (ownership percentage:

0.55%), and 247,382 shares owned by ONODEN (ownership percentage: 0.43%) from the Total Number of Shares After Considering Potential Shares (57,791,649 shares), and (ii) the total number of shares (4,898,722 shares) owned by Giken, PEC Holdings, ASAHI INDUSTRY and ONODEN. The Tender Offer will not be completed successfully without the consent of the holders of a majority of the number of the Company Shares and Share Acquisition Rights owned by the Company shareholders who do not have any interest in the Offeror, which is known as the “Majority of Minority” condition, will be satisfied, and the Offeror thereby respects the decisions of the Company’s minority shareholders. Ogaki Kyoritsu Bank, Ltd. (“Ogaki Kyoritsu Bank”) and the Juroku Bank, Ltd. (“Juroku Bank”), shareholders of the Company, are independent third parties who do not have any interest in the Offeror and have not entered into any tendering agreement or any other important agreement regarding the Transaction, and the Third-Party Allotment Capital Increase for class A preferred shares (non-voting shares) (Note 10) to be allotted to Development Bank of Japan Inc. (“DBJ”), Ogaki Kyoritsu Bank, and Juroku Bank, the Third-Party Allotment Capital Increase by the Offeror for class B preferred shares (non-voting shares) (Note 11) to be allotted to DBJ, and the Third-Party Allotment Capital Increase for class D preferred shares (non-voting shares) (Note 12) to be allotted to Giken are intended to provide the Offeror with the necessary funds to implement the Transaction. Therefore, neither Ogaki Kyoritsu Bank, Ltd. nor the Juroku Bank, Ltd. falls under a shareholder of the Company who has interest in the Offeror when determining satisfaction the “Majority of Minority” condition.

(Note 8) The number of shares owned by Mr. Shinya Ogawa (1, 573,305 shares) stated above includes (i) Restricted Shares (25,600 shares), (ii) the number of Company Shares underlying the Share Acquisition Rights (893 units: 89,300 shares), and (iii) the Company Shares indirectly owned through the Company’s officers’ stock ownership plan (13,856 shares) (rounded down to the nearest whole number), which are owned by Mr. Shinya Ogawa as of July 25, 2025.

(Note 9) The number of shares owned by Mr. Tetsushi Ogawa (116,127 shares) stated above includes (i) Restricted Shares (19,000 shares), (ii) the number of Company Shares underlying the Share Acquisition Rights (176 units: 17,600 shares), and (iii) the Company Shares indirectly owned through the Company’s officers’ stock ownership plan (13,832 shares) (rounded down to the nearest whole number), which are owned by Mr. Tetsushi Ogawa as of July 25, 2025.

(Note 10) According to the Offeror, class A preferred shares are shares with no voting rights and preferred shares with a provision that entitles the holders thereof to receive dividends of surplus and distributions of residual assets in preference to ordinary shares, and include put options (right of the shareholders of class A preferred shares to request that the Offeror acquire the class A preferred shares in exchange for money) and acquisition clauses (right of the Offeror to acquire class A preferred shares from the shareholders of class A preferred shares in exchange for money); however, they do not include the right to request conversion to ordinary shares (right of the shareholders of class A preferred shares to request the delivery of the Offeror’s ordinary shares in exchange for the Offeror’s acquisition of class A preferred shares).

(Note 11) According to the Offeror, class B preferred shares are shares with no voting rights and preferred shares with a provision that entitles the shareholders thereof to receive dividends

of surplus and distribution of residual assets in preference to ordinary shares, and include put options (right of the shareholders of class B preferred shares to request that the Offeror acquire the class B preferred shares in exchange for money), acquisition clauses (right of the Offeror to acquire class B preferred shares from the shareholders of class B preferred shares in exchange for money), and the right to request conversion to ordinary shares (right of the shareholders of class B preferred shares to request the delivery of the Offeror's ordinary shares in exchange for the Offeror's acquisition of class B preferred shares).

(Note 12) According to the Offeror, class D preferred shares are shares with no voting rights and preferred shares with a provision that entitles the holders thereof to receive dividends of surplus and distributions of residual assets in preference to ordinary shares, and include put options (right of the shareholders of class D preferred shares to request that the Offeror acquire the class D preferred shares in exchange for money) and acquisition clauses (right of the Offeror to acquire class D preferred shares from the shareholders of class D preferred shares in exchange for money); however, they do not include the right to request conversion to ordinary shares (right of the shareholders of class D preferred shares to request the delivery of the Offeror's ordinary shares in exchange for the Offeror's acquisition of class D preferred shares). The Offeror considers that (i) determining the subscription price per share of class D preferred shares for the third-party allotment to Giken, the value of the Company's shares shall be assessed at the same price as the tender offer price and the subscription price will be set at a level that does not result in terms more favorable than the Tender Offer Price, and that (ii) this third-party allotment of class D preferred shares with Giken as the allottee is for the purpose of appropriating the funds that are necessary for executing the Transaction towards the Offeror which was considered independently regardless of whether Giken will tender in the Tender Offer and thus will not contradict the rules of uniformity of the Tender Offer Price.

#### 4. Future Outlook

As indicated in "(i) Delisting" of "(2) Prospects for Delisting" of "3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the share consolidation, etc.," the Company Shares are scheduled to be delisted.

#### 5. Matters concerning MBO, etc.

(1) Matters concerning Application of "Matters to be Observed Pertaining to Disclosure of MBO, etc."

As the Share Consolidation is to be conducted as part of the Transaction that falls under the so-called management buyout (MBO), the Share Consolidation is subject to the "Matters to be Observed Pertaining to Disclosure of MBO, etc." as provided in Article 441 of the Securities Listing Regulations.

(2) Status of Conformity with the Guidelines related to Measures for the Protection of Minority Shareholders upon executing transactions, etc. with Controlling Shareholders

As of February 26, 2026, the Offeror falls under the Company's parent company and the transaction concerning the Share Consolidation falls under transactions, etc. with controlling shareholders as this is a

transaction to make the Offeror the sole shareholder of the Company.

Although the report on corporate governance disclosed by the Company as of December 24, 2025 did not provide “Guidelines for Measures to Protect Minority Shareholders in the case of Transactions with Controlling Shareholders,” the Company’s basic policy is that when it conducts transactions with a controlling shareholder, it will confirm the appropriateness of the contents of the transaction such as by comparing this with the terms of general transactions and economic rationale, and it will appropriately ensure that the Company and minority shareholders are not disadvantaged when deciding on the terms of transactions with a controlling shareholder.

Therefore, even in conducting the Share Consolidation, as set forth in “(3) Measures for Ensuring the Fairness of the Transaction and Measures for Avoiding Conflicts of Interest” of “3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the share consolidation, etc.” the Company’s Board of Directors takes into account the Stock Valuation Report prepared by Yamada Consulting, the Company’s financial advisor, Additional Stock Valuation Report (Plutus) prepared by Plutus, a third-party valuation agency, legal advice from Anderson Mori & Tomotsune concerning the Company’s Board of Directors’ decision-making method and process and other matters including various procedures relating to the Transaction including the Share Consolidation, Written Report received from the Special Committee, and other relevant materials, and carefully discussed and reviewed, and the Company has appropriately responded to prevent disadvantages to minority shareholders, and it judges that it is in conformance with the guidelines.

(3) Matters concerning Measures for Ensuring the Fairness of the Transaction and Measures for Avoiding Conflicts of Interest

Please see “(3) Measures for Ensuring Fairness of the Transaction and Measures for Avoiding Conflicts of Interest” of “3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the share consolidation, etc.”

(4) Overview of opinion obtained from the Special Committee regarding the fact that the Transaction is not disadvantageous to the general shareholders

The Company, on July 25, 2025, October 22, 2025, and January 9, 2026, obtained from the Special Committee the Written Report, Additional Written Report, and Additional Written Report (2), respectively, which state the opinion of the committee that the Transaction is fair to the Company’s general shareholders. Please see “[1] Establishment of an independent special committee at the Company, and procuring a report” of “(3) Measures for Ensuring the Fairness of the Transaction and Measures for Avoiding Conflicts of Interest” of “3. Grounds for the amount of money expected to be paid to shareholders as a result of the treatment of fractional shares resulting from the share consolidation, etc.” above, Attachment 1 to the “Notice Regarding Implementation of MBO and Recommendation for Tender” dated July 25, 2025, Attachment 1 to the “(Amendment) Notice regarding partial amendment to “Notice Regarding Implementation of MBO and Recommendation for Tender”” dated October 23, 2025, and Attachment 1 to the “(Amendment) Notice regarding the partial amendment to “Notice Regarding Implementation of MBO and Recommendation for Tender”” dated January 9, 2026. Furthermore, since the Written Report, Additional Written Report, and Additional Written Report (2) concern the Transaction including the transaction pertaining to the Share Consolidation, the Company did not seek a new opinion from the Special Committee in implementing the Share

Consolidation.

## II. Abolition of the Provisions of the Number of Share Units

### 1. Reason for Abolition

In the event that the Share Consolidation is effectuated, the total number of issued shares of the Company shall become two shares, and there would be no need to provide for the number of share units.

### 2. Scheduled Date of Abolition

April 15, 2026

### 3. Conditions for Abolition

It shall be subject to the conditions that an agenda related to the Share Consolidation and an agenda related to partial amendment to the Articles of Incorporation regarding the abolition of the provisions of the number of share units are approved and passed as per the original proposal at the Extraordinary Shareholders' Meeting, and the Share Consolidation is effectuated.

## III. Partial Amendment to the Articles of Incorporation

### 1. Purpose of Amendment of the Articles of Incorporation

- (1) In the event that the agenda related to the Share Consolidation is approved and passed as per the original proposal and the Share Consolidation is effectuated, the total number of authorized shares of the Company Shares shall decrease to eight shares in accordance with the provisions of Article 182, Paragraph 2 of the Companies Act. In order to clarify such point, on the condition that the Share Consolidation is effectuated, Article 5 (Total Number of Authorized Shares) of the Articles of Incorporation shall be amended.
- (2) In the event that the agenda related to the Share Consolidation is approved and passed as per the original proposal and the Share Consolidation is effectuated, the total number of authorized shares of the Company shall become two shares, and there would be no need to provide for the number of share units. Accordingly, on the condition that the Share Consolidation is effectuated, in order to abolish the provisions of the number of share units of the Company Shares which are currently 100 shares per one share unit, Article 6 (Number of Share Units), Article 7 (Claim for Sale of Less than One Unit Share), and Article 8 (Rights Pertaining to Shares Less Than One Share Unit) shall be deleted in its entirety, the provision numbers shall be moved up accompanying such deletion, and Article 9 (Shareholder Registry Administrator) and Article 10 (Share Handling Regulations) shall be amended in the Articles of Incorporation,.
- (3) In the event that the agenda related to the Share Consolidation is approved and passed as per the original proposal and the Share Consolidation is effectuated, only the Tender Offeror shall become the Company's shareholder; therefore, the provisions related to the record date of the annual general shareholders meeting and the provisions related to the electronic provision system of the materials of the general shareholders meeting shall lose their necessity. Accordingly, on the condition that the Share

Consolidation is effectuated, the entire texts of Article 11 (Record Date) and Article 14 (Electronic Provision Measures, etc.) of the Articles of Incorporation shall be deleted, and the provision numbers shall be moved up accompanying such amendment.

2. Details of amendment to of the Articles of Incorporation

The details of the amendment are as follows. The amendment to the Articles of Incorporation shall take effect on April 15, 2026, the scheduled effectuation date of the Share Consolidation, on the condition that the agenda of Share Consolidation is approved and passed as per the original proposal at the Extraordinary Shareholders' Meeting and the Share Consolidation is effectuated.

(Underlines indicate the amended parts.)

Current Articles of Incorporation	Draft Amendment
<p>Article 5 (Total Number of Authorized Shares)</p> <p>The total number of authorized shares of the Company shall be <u>90,000,000</u> shares.</p>	<p>Article 5 (Total Number of Authorized Shares)</p> <p>The total number of authorized shares of the Company shall be <u>eight</u> shares.</p>
<p><u>Article 6 (Number of Share Units)</u></p> <p><u>The number of share units of the Company shall be 100 shares.</u></p>	<p>(Deleted)</p>
<p><u>Article 7 (Claim for Sale of Less than One Unit Share)</u></p> <p><u>The shareholders of the Company who hold shares less than one unit may claim for the sale of such number of shares (to make additional purchase) to constitute one unit share when aggregated with the less than one unit share held thereby in accordance with the share handling regulations.</u></p>	<p>(Deleted)</p>
<p><u>Article 8 (Rights Pertaining to Shares Less Than One Share Unit)</u></p> <p><u>The shareholders of the Company may not exercise any rights other than those set forth in the following items with respect to their fractional shares:</u></p> <p><u>(1) The rights specified in each item of Article 189, Paragraph 2 of the Companies Act;</u></p> <p><u>(2) The right to make a request for purchase of shares</u></p>	<p>(Deleted)</p>

<p><u>with put options;</u></p> <p><u>(3) The right to receive an allotment of newly issued shares and newly issued stock subscription rights in proportion to the number of shares held by the shareholder;</u></p> <p><u>(4) The right to make a request as specified in the following article.</u></p>	
<p>Article <u>9</u> (Shareholder Registry Administrator)</p> <p>(1) The Company shall have a shareholder registry administrator.</p> <p>(2) The shareholder registry administrator and its place of business shall be selected by resolution of the Board of Directors and publicly announced.</p> <p>(3) The Company’s shareholder registry and share acquisition right registry shall be kept at the office of the shareholder registry administrator. Matters concerning entries or records in the shareholder registry and share acquisition right registry, <u>the sale and additional purchase of shares less than one unit</u>, and other matters concerning shares and share acquisition rights shall be handled by the shareholder registry administrator and not by the Company.</p>	<p>Article <u>6</u> (Shareholder Registry Administrator)</p> <p>(1) The Company shall have a shareholder registry administrator.</p> <p>(2) The shareholder registry administrator and its place of business shall be selected by resolution of the Board of Directors and publicly announced.</p> <p>(3) The Company's shareholder registry and share acquisition right registry shall be kept at the office of the shareholder registry administrator. Matters concerning entries or records in the shareholder registry and share acquisition right registry, and other matters concerning shares and share acquisition rights shall be handled by the shareholder registry administrator and not by the Company.</p>
<p>Articles <u>10</u> (Share Handling Regulations)</p> <p>Entries or records in the Company’s shareholder registry and share acquisition right registry, <u>the sale and additional purchase of shares less than one unit</u>, and other handling of shares or share acquisition rights, as well as related fees, shall be governed by the “Share Handling Regulations” established by the Board of Directors, in addition to those stipulated by laws and regulations or the Articles of Incorporation.</p>	<p>Articles <u>7</u> (Share Handling Regulations)</p> <p>Entries or records in the Company’s shareholder registry and share acquisition right registry and other handling of shares or share acquisition rights, as well as related fees, shall be governed by the “Share Handling Regulations” established by the Board of Directors, in addition to those stipulated by laws and regulations or the Articles of Incorporation.</p>
<p><u>Article 11 (Record Date)</u></p>	<p>(Deleted)</p>

<p><u>(1) The Company shall deem shareholders with voting rights listed or recorded in the final shareholder register as of March 31 of each year to be shareholders entitled to exercise their rights at the annual general meeting of shareholders for that fiscal year.</u></p> <p><u>(2) Notwithstanding the preceding paragraph, when necessary, the Board of Directors may, by resolution and after prior public notice, designate a record date.</u></p>	
<p>Articles <u>12</u> through <u>13</u> (Provisions abbreviated)</p>	<p>Articles <u>8</u> through <u>9</u> (No change)</p>
<p><u>Article 14 (Electronic Provision Measures, etc.)</u></p> <p><u>(1) Upon convening the general shareholders meeting, the Company shall take electronic provision measures for information which are the contents of reference documents, etc. of the general shareholders meeting.</u></p> <p><u>(2) From among the matters for which it takes electronic provision measures, the Company shall be entitled to not describe on the document all or a part of the matters permitted not to describe on the document to be delivered to the shareholders who have made a claim to deliver the document on or before the record date of the voting rights, pursuant to the Ordinance of the Ministry of Justice.</u></p>	<p>(Deleted)</p>
<p>Articles <u>15</u> through <u>42</u> (Provisions abbreviated)</p>	<p>Articles <u>10</u> through <u>37</u> (No change)</p>

3. Schedule for amendment to the Articles of Incorporation  
April 15, 2026 (Wednesday) (scheduled)

End