

[Translation]



October 8, 2025

To whom it may concern:

Company Name: Topcon Corporation

Representative: Takashi Eto, President and Chief
Executive Officer

(Securities Code: 7732, Prime Market of the Tokyo Stock Exchange)

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**Notice Concerning an Extraordinary Shareholders' Meeting on Share Consolidation,
Abolition of the Provision on Share Unit Numbers, and Partial Amendment to the Articles
of Incorporation**

At a meeting of the board of directors held today, Topcon Corporation (the "**Company**") resolved to convene an Extraordinary General Shareholders' Meeting (the "**Extraordinary Shareholders' Meeting**") scheduled for November 11, 2025, and to submit for resolution at the Extraordinary Shareholders' Meeting the following proposals: share consolidation, abolition of the provision regarding the number of shares constituting one unit the ("**Share Unit Numbers**"), and partial amendments to the Articles of Incorporation, as set forth below.

Please note that, in the course of the foregoing procedures, the Company's shares of common stock (the "**Company Shares**") will fall under to the delisting criteria set forth in the Securities Listing Regulations of Tokyo Stock Exchange, Inc. (the "**Tokyo Stock Exchange**"). As a result, the Company Shares are expected to be designated as securities to be delisted (*seiri meigara*) for the period from November 11, 2025, through December 1, 2025, and will be delisted as of December 2, 2025. Please also note that, following the delisting, the Company Shares will no longer be tradable on the Tokyo Stock Exchange Prime Market.

I Share Consolidation

1. Purpose and Reasons for the Share Consolidation

As stated in the Company's press release dated July 28, 2025, titled "Notice Concerning the Supporting Opinion and Tender Recommendation Opinion for the Commencement of the Tender Offer for Company Share Certificates by TK Co., Ltd. as part of the implementation of MBO, and capital participation by KKR Japan and JIC Capital, Ltd." (the "**Supporting Opinion Press Release**"), TK Co., Ltd. (the "**Tender Offeror**") resolved on July 28, 2025, to acquire all Company Shares listed on the Tokyo Stock Exchange Prime Market (including shares to be delivered upon exercise of the Share Options (Note 1), but excluding treasury shares held by the Company; the same applies below), all such Share Options, and all such ADRs (Note 2) (collectively, with the Company Shares and the Share Options, the "**Company Share Certificates**") as part of a series of transactions (the "**Transaction**") for the purpose of implementing a so-called Management Buyout (MBO) (Note 3), and decided to commence the Tender Offer on July 29, 2025.

(Note 1) "**Share Options**" refers to the Seventh Series Share Options issued based on a resolution of the board of directors of the Company held on June 25, 2021 (exercise period from April 1, 2024, to March 31, 2029).

(Note 2) "**ADRs**" refers to American depositary shares representing the Company Shares issued in the United States by Citibank, N.A. (the "**Depository Bank**").

(Note 3) "**Management Buyout (MBO)**" generally refers to a tender offer in which the tender offeror is an officer of the target company (including a tender offer in which the offeror conducts a tender offer at the request of an officer of the target company and has common interests with the officer) (Securities Listing Regulations, Article 441). The Tender Offer is subject to the "Matters to be Observed Pertaining to Disclosure of MBO, etc." set forth in Article 441 of the Securities Listing Regulations

As stated in the "Notice Regarding Results of Tender Offer for Company Securities by TK Co., Ltd. and Changes in Parent Company and Largest (Major) Shareholder" (the "**Tender Offer Results Press Release**") announced by the Company on September 11, 2025, the Tender Offeror conducted the Tender Offer during the tender offer period from July 29, 2025, until September 10, 2025 (the "**Tender Offer Period**"). As a result, as of September 18, 2025 (the commencement date for settlement of the Tender Offer), the Tender Offeror came to hold 84,748,472 Company Share Certificates, representing an ownership ratio (Note 4) of 80.32%.

(Note 4) "**Ownership Ratio**" means the percentage obtained by dividing the number of shares held by the Tender Offeror by the "**Total Number of Shares After Dilution**" (105,512,012 shares), which is calculated as follows: (i) the total number of issued shares of the Company as of

March 31, 2025 (108,382,642 shares), as stated in the Company's Annual Securities Report for the 132nd Fiscal Year filed on June 26, 2025 (the "**Company's Annual Securities Report**") less (ii) the number of treasury shares held by the Company as of March 31, 2025 (2,970,630 shares), as stated in the Company's Annual Securities Report, resulting in 105,412,012 shares, plus (iii) the number of shares (100,000) underlying the Share Options (1000 units) outstanding as of July 28, 2025 (rounded to the nearest second decimal place). The same applies hereinafter.

Subsequently, as described above, the Tender Offer was completed. However, given that the Tender Offeror was unable to acquire all of the Company Shares, the Share Options, and the ADRs through the Tender Offer, the Tender Offeror requested that the Company implement a share consolidation (the "**Share Consolidation**") to make the Tender Offeror the sole shareholder of the Company.

Accordingly, as stated in "(5) Policy for organizational restructuring after the Tender Offer (matters relating to a so-called "Two- Step Acquisition"))" in "3. Details of, and Grounds and Reasons for, the Opinion on the Tender Offer" in the Supporting Opinion Press Release, the Company, by a resolution of the board of directors dated October 8, 2025, resolved to submit to the Extraordinary Shareholders' Meeting a proposal for a Share Consolidation under which 21,087,000 shares of the Company Shares would be consolidated into one share, subject to the approval of the shareholders at the Extraordinary Shareholders' Meeting, for the purpose of making the Tender Offeror the sole shareholder of the Company. As a result of the Share Consolidation, the number of shares held by shareholders other than the Tender Offeror is expected to result in a fractional share of less than one share.

The details of the purpose and background of the Transaction, including the Share Consolidation, were set forth in the Supporting Opinion Press Release. However, a summary is provided below. Please note that the descriptions of the Tender Offeror in the information below are based on explanations provided by the Tender Offeror.

(1) Decision-making process leading to the decision by the Tender Offeror

The Company was established in September 1932 under the trade name of Tokyo Kogaku Kikai Kabushiki Kaisha (Tokyo Optical Co., Ltd.) for the purpose of domestically producing surveying instruments at the request of the Army Ministry, and its foundation originated from the surveying instrument division of K. Hattori & Co., Ltd. (currently Seiko Group Corporation). In 1989, the Company's trade name was changed to its current name, TOPCON CORPORATION. In May 1949, the Company was listed on the Tokyo Stock Exchange and the Osaka Securities Exchange ("OSE"), and in September 1986, it was designated for listing on the First Sections of both exchanges. Following its delisting from the OSE in March 2009, the Company changed its listing to the Prime Market of the TSE in April 2022, as a result of a restructuring of the Tokyo Stock Exchange market classification, where it

remains listed to date. As of July 28, 2025, the Company, together with its 59 consolidated subsidiaries, 5 equity method affiliates and 1 non-consolidated subsidiary, comprises a corporate group (the “Company Group”).

The Company Group has set forth its most important values shared globally across the Company Group in writing as the “TOPCON WAY” (Note 1), and has adopted as its management philosophy the goal of contributing to the enrichment of human life by solving the societal challenges within healthcare, agriculture, and infrastructure. As societal values continue to diversify, the Company is committed, through its business activities, to achieving a sustainable society by providing products and services that help to solve societal issues, while simultaneously pursuing a management policy that emphasizes the interests of all diverse stakeholders associated with the Company Group. The Company Group, in accordance with this management policy the Company primarily engages in the following businesses:

(Note 1) The “**TOPCON WAY**” represents the Company’s commitment to addressing societal issues related to healthcare, agriculture, and infrastructure through its business activities, thereby contributing to the creation of a prosperous society. To this end, the Company is committed to continuous innovation through cutting-edge technology, operating as a global company that respects diversity, and making compliance a top priority in order to remain a trusted entity among all its stakeholders.

(i) Positioning Business

The Positioning Business provides machine control products and GNNS (Note 2) products that automatically control construction and agricultural machinery to construction companies (civil engineering and building), farmers, and manufacturers of construction and agricultural machinery. The Company believes that there are social issues such as a shortage of skilled workers due to the increase in global infrastructure demand in construction, food shortages due to the global population increase in agriculture, and an aging population and a decrease in skilled workers based on our core technologies such as ICT automation construction technology (Note 3), precision 3D position measurement (Note 4), and sensing (Note 5), the Company will contribute to improving productivity and quality in the construction and agricultural fields, and to resolving the shortage of skilled workers, through ICT automation construction in the construction field and IT agricultural solutions (Note 6) that realize digitization and automation in the agricultural field.

In order to achieve this, the Company develops and offers a range of products that incorporate its proprietary technologies, including surveying instruments and laser products that incorporate the advanced optical technologies the positioning company (Note 7) has, cutting-edge GNSS receivers, machine control products designed to automate construction and agricultural machinery, as well as related software and cloud-based solutions (Note 8).

(Note 2) “**GNSS**” refers to the Global Navigation Satellite System.

(Note 3) “**ICT automated construction technology**” refers to technology that uses information and

communication technology to automate and improve the efficiency of construction work carried out by construction machinery at construction sites.

- (Note 4) “**Precise three-dimensional position measurement**” refers to technology that precisely measures the dimensions, shape, and positional relationships of objects in three-dimensional space.
- (Note 5) “**Sensing**” refers to technology that uses sensors to collect information on the state of objects.
- (Note 6) “**IT agricultural solutions**” refers to solutions that aim to automate and improve the efficiency of agriculture by using IT technology to automate the operation of agricultural machinery, etc.
- (Note 7) “**Smart infrastructure business**” and “positioning company” refer to the existing reporting segments that make up the positioning business.
- (Note 8) “**Related software and cloud solutions**” specifically refers to cloud data management services that can be used to manage data such as the operating status of construction machinery and the progress of construction work at construction sites, and the operating status of agricultural machinery and the growth of crops in agriculture.

(ii) Eye Care Business

The Eye Care Business provides ophthalmologists and opticians with ophthalmic examination and diagnostic equipment and related services. The Company believes that there are social issues in healthcare, such as the increase in eye diseases due to the aging of the population and changes in lifestyle, the rising cost of medical care, and the shortage of doctors. To solve these issues, the Company will contribute to the early detection and early treatment of eye diseases by using the unique fully-automatic screening equipment (Note 9) and digital optometry system to easily obtain the fundus images and examination data necessary for diagnosis, and furthermore, by building a new system that integrates and manages the acquired images and test data using a data management system (Note 10) that utilizes the cloud.

As a product group that utilizes our company’s unique technology to achieve this, we are developing various ophthalmic instruments for ophthalmologists and opticians, testing and diagnostic instruments such as fully-automatic fundus cameras and OCT (Note 11), and related software and cloud solutions.

- (Note 9) “**Fully automatic screening equipment**” refers to ophthalmic examination and optometry equipment that can be used to automatically perform tests with simple operations such as pressing a button, even if the user is not an expert.
- (Note 10) “**Cloud-based data management systems**” specifically refer to data management solutions such as Topcon Harmony, which can manage ophthalmological examination data, including fundus images, on the cloud.
- (Note 11) “**OCT**” stands for Optical Coherence Tomography.

In addition, the Company Group has leveraged the optical technologies common to all of its businesses to design, manufacture, and sell optical products and device products for the cutting-edge space and defense industries that the Company Group has cultivated since its founding. Specific examples include the Company Group's research, development, and manufacturing of optical units for LIDAR mounted on the Small Lunar Lander for Investigating Moon (SLIM) (Note 12), optical units for Flash LIDAR mounted on the new H-II Transfer Vehicle (HTV-X) (Note 13), direct-aiming devices mounted on Japan Ground Self-Defense Force tanks, and optical units for infrared detection devices mounted on Japan Maritime Self-Defense Force patrol aircraft. In the interests of Japan's national security, and for the purpose of restricting investment in the Company by foreign investors, the Company's space and defense business is classified among the designated sectors under the Foreign Exchange and Foreign Trade Act requiring prior notification (i.e., sectors subject to regulation for inward direct investment where there is a risk of undermining national security, disrupting public order, or hindering the protection of public safety).

(Note 12) **“Optical units for LIDAR”** refers to the optical components used in LIDAR (a technology that uses laser light to measure the distance to objects and generate a 3D map of the surrounding environment).

(Note 13) **“Optical units for Flash LIDAR”** refers to the optical components used in Flash LIDAR (a technology that, like a camera flash, illuminates a wide area at once and generates a 3D map of the surrounding environment instantly by receiving the reflected light with a sensor).

Looking ahead to 2032, when the Company will commemorate its 100th anniversary, it has adopted a vision of transforming itself into a “a 100-year venture positioned for sustainable growth,” and has identified the following two areas as the key sources of the Company Group's competitiveness, in respect of which it is further accelerating its efforts:

Preserving our strength as a manufacturer while simultaneously pursuing the global expansion of our solutions business

The Company will maximize mutual synergies between Japan and the U.S. by establishing an organizational structure that optimally integrates Japan's hardware-focused product development and manufacturing capabilities with the development and deployment capabilities of new solutions businesses that evolve in response to market needs, primarily in the U.S.

Ensuring sustainable business growth across all business segments, we will continue to make appropriate upfront investments and reinvestments aimed at creating new businesses.

We will continue to make appropriate investments in the creation of new businesses that will serve as the foundation for future growth and in the research and development of new technologies, and we plan to maximize business growth across all business segments.

Currently, the Company Group is promoting sustainable growth in each business in line with the three

pillars of its “Medium-Term Management Plan 2025,” a three-year plan whose implementation began in fiscal 2023, which are as follows: “Deepening Customer Orientation” (i.e., to remain a company indispensable to its customers), “Fundamental Reform” (i.e., to establish an efficient organization and strengthen profitability), and “DX Acceleration” (i.e., to continue developing the next wave of growth businesses).

At the same time, the Company believes that the operating environment surrounding the Company Group remains uncertain due to the prolonged monetary tightening in various countries, particularly in Europe and the U.S., declining expectations for monetary easing, and the impact of geopolitical risks and other factors. The eye care business continues to perform well, particularly in North America and Europe.

However, the Company believes that the deteriorating financial situation of hospitals in China and a decline in tenders due to anti-corruption measures in China are expected to adversely affect performance.

In the positioning business, the Company believes that investment restraint by agricultural machinery manufacturers due to sustained global inflation and the prolonged decline in grain prices is expected to continue in the near term. Additionally, the Company believes that the continued uncertainty surrounding trade, finance, and industrial policies under the new U.S. administration has led to further investment caution. As a result, instability in the business market is expected to continue.

In addition to this business environment, the Company believes that the positioning business is expected to face a slowdown in the growth of OEM and aftermarket markets due to major manufacturers increasingly internalizing their production, as well as product commoditization and intensifying price competition driven by the rise of emerging manufacturers. Given this business environment and market changes, the Company recognizes the following as its management challenges for the purpose of enhancing corporate value over the medium to long term: developing and launching new products for small and medium-sized construction machinery and mid-range products; implementing further structural reforms to enhance and stabilize profitability; and accelerating growth investments in the eye care business in order to develop new services and cultivate new markets.

In light of the recognition of the management issues described above, the Company has continued to consider and implement various measures aimed at realizing growth strategies, and has concluded that, in order to achieve further growth and enhance its corporate value, it is necessary to pursue a long-term, sustainable business transformation. Accordingly, in order to accelerate fundamental initiatives beyond conventional business transformation measures, the Company reviewed its capital policy, including the possibility of taking the Company Shares private. As a result, the Company has concluded that, although it expects to improve its corporate value over the long term, sustained, long-term investment would be required to address the management issues facing our Group. In particular, given that uncertain operational risks can arise in developing new business, the Company recognized that, in the near term our Group’s earnings and cash flow could be adversely affected. The Company believes that if these measures were implemented while it remained listed, the capital markets might not fully appreciate them

in the short term, potentially causing adverse effects, such as a decline in the market price of the Company Shares, thereby disadvantaging the Company's current shareholders. Therefore, starting from around July 2024, the Company came to view taking the Company private (thereby distancing itself from the capital markets, while refreshing its shareholder composition, and establishing a robust and stable management system under which shareholders and management are aligned, thus allowing for agile and dynamic decision-making) as a superior option. Through this approach, the Company would address the above management issues by leveraging external management resources in addition to its own management efforts. The Company believes that the disadvantages of taking its shares private generally include (i) the inability to raise funds through equity financing on the capital markets and (ii) the inability to enjoy the benefits of being a listed company, such as increased name recognition and social credibility. However, with respect to (i), even after the Transaction is completed, it will be possible to secure funds by using the Company's own funds and borrowing from financial institutions, taking into account the current financial situation of the Company, etc., and there is no immediate need to do so, at least for the time being. Regarding (2), since the Company has been operating as a listed company for a long time, and the Company already has sufficient name recognition and social credibility in its relationships with business partners, the impact of delisting is considered to be limited, and we have determined that the expected benefits of going private outweigh the disadvantages of going private.

In addition, giving the evolving business environment surrounding the Company as described above, the Company concluded that the continued leadership on overall management of Takashi Eto ("Mr. Eto"), the Company's President and CEO, would be beneficial for our Group's long-term growth. Such leadership would include playing a responsible role in formulating and promoting the Company's management policy, capital policy, and overseas strategy, while fostering relationships and deepening collaboration with key business partners. If the Company were to go private, the Company determined that a Management Buyout (MBO), under which Mr. Eto would continue to be involved in the management of the Company for a certain period while aligning his interests with the Tender Offeror after the Company goes private, would be a strong option. After consultation with all key members of the Company's management other than Mr. Eto and some outside directors, they concurred with this view on approximately in July 2024. Therefore, in order to begin specific consideration of wide-ranging, long-term measures to enhance corporate value, including a possible Management Buyout (MBO), in July 2024, the Company appointed J.P. Morgan Securities Japan Co., Ltd. ("**J.P. Morgan**") as the Company's financial advisor and third-party appraiser for the consideration of measures to enhance corporate value, and Nagashima Ohno & Tsunematsu as the Company's legal advisor, after ensuring that there were no issues regarding their independence. The Company engaged in repeated discussions in relation to its growth strategy, including potential capital transactions involving Company Shares, with several investment funds, including Kohlberg Kravis Roberts & Co. L.P. (including affiliates and related funds; "KKR"), an investment advisory firm established under the laws of Delaware, U.S., as partners to

promote long-term corporate value enhancement. Furthermore, in view of the importance of ensuring fairness and transparency in the review process when considering management options for the purpose of enhancing long-term corporate value, and anticipating the possibility of the Company pursuing the option of going private, which may be carried out by way of a Management Buyout (MBO) involving a squeeze-out, it was resolved at the meeting of the Company's board of directors held on July 30, 2024, to establish a strategic special committee (the "**Strategic Special Committee**") consisting of five (5) outside directors of the Company (Naoko Yamazaki (outside director of FANUC CORPORATION, 12th Space Development and Utilization Committee of the Ministry of Education, Culture, Sports, Science and Technology (temporary member of the Science and Technology Council)), Yoshiharu Inaba (director and chairman of FANUC CORPORATION), Naoki Hidaka (former representative director and former executive vice president of SUMITOMO CORPORATION, outside director of BROTHER INDUSTRIES, LTD.), Katsuhiro Teramoto (former president and former representative director of Nabtesco Corporation), Hajime Nakai (former managing executive officer of Mizuho Securities Co., Ltd., former representative director and former senior managing executive officer of Central Glass Co., Ltd.) who are recognized as being independent from the Tender Offeror, other affiliated companies, and other entities as specified in the Enforcement Rules for Securities Listing Regulations (TSE) (the "**Enforcement Rules**"), and being independent from the success or failure of the Transaction. As such, each member has the expertise and qualifications to consider the issues relating to the Transaction. At the meeting of the Strategic Special Committee held on the same day, the Strategic Special Committee approved the respective appointments of Nagashima Ohno & Tsunematsu as the legal advisor and J.P. Morgan as the financial advisor and third-party appraiser of the Company in connection with the Transaction, both of which are independent of potential candidates of the Company's partners and the Transaction. The Strategic Special Committee appointed Nakamura, Tsunoda & Matsumoto as its independent legal advisor at the meeting of the Strategic Special Committee held on November 27, 2024. From the perspective of further enhancing the corporate value of the Company and maximizing the interests of the Company's shareholders, the Company determined that it would be desirable to select a partner via a bidding process targeting multiple candidates expected to express an interest in acquiring the Company Shares, and at a meeting of the Strategic Special Committee held on July 30, 2024, such policy was approved after deliberation thereon. In light of the foregoing, in mid-August of the same year, with the aim of selecting a partner that would be beneficial to the Company, the Company decided to implement a bidding process ("**Take-Private Process**") for participation in the Company's going-private transaction through a tender offer, premised upon a Management Buyout (MBO) in which Mr. Eto would remain involved in the management of the Company for a certain period while sharing aligned interests with the Tender Offeror after the Company goes private. Accordingly, the Company then invited three (3) investment funds, each with extensive track records in Japan and overseas, including KKR (collectively, the "**Candidates**") and has commenced the Take-Private Process. In selecting the Candidates, the

Company initially compiled a list of more than 50 potential candidates including investment funds and operating companies and narrowed down the list based on certain selection criteria, such as investment track record in the healthcare sector, which is the pillar of the Company's growth strategy, in Japanese manufacturing industry, and in global companies, etc., while interviewing the promising candidates. As a result, three (3) investment funds were selected.

On the other hand, in early July 2024, the Company, who was considering tackling management issues with the use of external management resources, consulted with KKR regarding its financial and business strategies, and from early July 2024, KKR has held ongoing discussions with the Company on multiple occasions regarding measures that will contribute to accelerating business growth and enhancing corporate value for future growth. In mid-August 2024, KKR was approached by J.P. Morgan, financial advisor to the Company, to participate in the process to take the Company private through the Take-Private Process, and KKR began considering whether to participate in the Take-Private Process. KKR has extensive investment experience in the global eye care (Note 1) and industrial fields, and through its discussions with the Company to date, KKR strengthened its view that there is significant room for accelerating the Company's business growth and increasing its corporate value for future growth by utilizing KKR's global network, and in mid-August 2024, it decided to participate in the Take-Private Process. Subsequently, pursuant to the confidentiality agreement entered into between KKR and the Company on August 13, 2024 in order for KKR to proceed with consideration of the Take-Private Process, and based on the sales and operating income results of the Company Group as a whole and by segment, past performance and future plans for major cash flow items, the status of the Company assets and liabilities as disclosed by the Company, and based on various publicly available information, KKR conducted an initial review. Although it was still at a preliminary stage prior to the conducting of due diligence based on information provided by the Company, KKR came to believe that the Company has strong competitiveness, growth potential, and high potential, primarily in the eye care business, based on deepening its understanding of the industry characteristics and growth potential of the market for each business segment to which the Company belongs, the competitive advantage that the Company has established in the market for each business segment, the direction of the Company's growth strategy, and the potential for improving corporate value and stock value, and on September 13, 2024, KKR submitted a non-legally binding proposal ("**Take-Private Process Proposal Dated September 13**") to J.P. Morgan. In the Take-Private Process Proposal Dated September 13, KKR proposed the implementation of the Company Take-Private Transaction with a tender offer price of 3,000 yen per Company Share, and a purchase price per Share Option at the amount obtained by multiplying the difference between such tender offer price and the exercise price per Share Option by the number of the Company Shares underlying each Share Option. The tender offer price in the Take-Private Process Proposal Dated September 13 includes a premium of 105.55% (figures are rounded to the nearest two decimal places; the same shall apply hereinafter in the calculation of premiums) on the closing price of the Company Shares

on the TSE Prime Market on September 12, 2024 (such date being the business day immediately preceding September 13, 2024) (1,459.5 yen), 100.53% on the simple average of the closing prices for the preceding one month (from August 13, 2024 to September 12, 2024) (1,496 yen), 83.37% on the simple average of the closing prices for the preceding three months (from June 13, 2024 to September 12, 2024) (1,636 yen), and 76.99% on the simple average of the closing prices for the preceding six months (from March 13, 2024 to September 12, 2024) (1,695 yen) (figures are rounded to the nearest three decimal places; the same shall apply hereinafter in the calculation of simple average of closing prices).

(Note 1) “**Global eye care field**” refers to a field which includes business and support activities related to the provision of ophthalmic care on a global scale.

Subsequently, from mid-September 2024 until late November 2024, KKR continued to engage in constructive discussions with the management of the Company regarding business strategies that would contribute to maximizing the corporate value of the Company. In light of the content of the discussions with the management of the Company to date, KKR submitted a non-legally binding proposal to the Company Strategic Special Committee and board of directors on November 26, 2024, which included a description of the tender offer price on the assumption that the Company Shares will be delisted (“**Take-Private Process Proposal Dated November 26**”). In the Take-Private Process Proposal Dated November 26, KKR set a tender offer price of 3,200 yen per Company Share, and a purchase price per Share Option at the amount obtained by multiplying the difference between such tender offer price and the exercise price per Share Option by the number of the Company Shares underlying each Share Option. The tender offer price in the Take-Private Process Proposal Dated November 26 includes a premium of 104.60% on the closing price of the Company Shares on the TSE Prime Market on November 25, 2024 (such date being the business day immediately preceding November 26, 2024) (1,564.0 yen), 106.05% on the simple average of the closing prices for the preceding one month (from October 28, 2024 to November 25, 2024) (1,553 yen), 106.85% on the simple average of the closing prices for the preceding three months (from August 26, 2024 to November 25, 2024) (1,547 yen), and 98.27% on the simple average of the closing prices for the preceding six months (from May 27, 2024 to November 25, 2024) (1,614 yen).

Subsequently, from late November 2024 until early January 2025, KKR continued to engage in constructive discussions with the management of the Company regarding business strategies that would contribute to maximizing the corporate value of the Company. In light of the content of the discussions with the management of the Company to date, KKR submitted a non-legally binding proposal to the Company Strategic Special Committee and board of directors on January 6, 2025, which included a description of the tender offer price on the assumption that the Company Shares will be delisted (“**Take-Private Process Proposal Dated January 6**”). In the Take-Private Process Proposal Dated January 6,

KKR set a tender offer price of 3,800 yen per Company Share, and a purchase price per Share Option at the amount obtained by multiplying the difference between such tender offer price and the exercise price per Share Option by the number of the Company Shares underlying each Share Option. The tender offer price in the Take-Private Process Proposal Dated January 6 includes a premium of 33.87% on the closing price of the Company Shares on the TSE Prime Market on December 30, 2024 (such date being the business day immediately preceding January 6, 2025) (2,838.5 yen), 54.53% on the simple average of the closing prices for the preceding one month (from December 12, 2024 to December 30, 2024) (2,459 yen), 103.43% on the simple average of the closing prices for the preceding three months (from October 1, 2024 to December 30, 2024) (1,868 yen), and 119.53% on the simple average of the closing prices for the preceding six months (from July 1, 2024 to December 30, 2024) (1,731 yen). In addition, a premium of 116.34% was given on the closing price on December 9, 2024 (1,756.5 yen), which is the business day immediately preceding December 10, 2024 when speculative reports were made by some news outlets that the Company was conducting the Take-Private Process, having invited multiple investment funds, including KKR, which triggered a fluctuation in the Company's stock price (**"Take-Private Process Speculative Reports"**), a premium of 139.45% was given on the simple average of the closing prices for the preceding one month (from November 10, 2024 to December 9, 2024) (1,587 yen), 142.50% on the simple average of the closing prices for the preceding three months (from September 10, 2024 to December 9, 2024) (1,567 yen), and 136.32% on the simple average of the closing prices for the preceding six months (from June 10, 2024 to December 9, 2024) (1,608 yen).

Subsequently, from late January to early February 2025, KKR conducted due diligence of the Company's business, finance and legal affairs, etc., taking into account the downward revision in the Company's business plan announced on January 30, 2025, and conducted interviews, etc. with the Company's management regarding its business strategy, and proceeded with considering the acquisition of Company Shares. KKR has come to believe that substantial growth of the Company is possible through the Transaction and it expected that there will be synergies, but no dyssynergies, by forming a strategic partnership between the Company, which it believes has advanced technology, abundant human capital, and a solid customer base, and KKR, which it believes has abundant human and capital resources, experience in both the eye care and industrial fields, and a global network, with, in the eye care field in particular, expansion of sales channels through collaboration with major eye care retailers and eye clinic chains in which KKR has invested, and the utilization of KKR's global network of experts with extensive knowledge in the field, by delisting the Company Shares, based on further deepening its understanding of the Company's medium- to long-term growth and future vision, in addition to deepening its understanding of the industry characteristics and growth potential of the each business segment to which the Company belongs, the competitive advantage that the Company has established in the markets for each business segment, the direction of the Company's medium- to long-term growth strategy, and the

potential for improving corporate value and stock value. On February 25, 2025, based on a multifaceted and comprehensive analysis of the Company's business and financial status, and upon analyzing the value of the Company Shares in comparison with the market share prices and profitability of multiple listed companies that are relatively similar to the Company in terms of business contents, business scale, earnings status, etc., KKR submitted a non-legally binding proposal regarding this matter ("**Take-Private Process Proposal Dated February 25**") to the Company, including a description of the tender offer price. In the Take-Private Process Proposal Dated February 25, KKR set a tender offer price of 3,100 to 3,300 yen per Company Share, and a purchase price per Share Option at the amount obtained by multiplying the difference between such tender offer price and the exercise price per Share Option by the number of the Company Shares underlying each Share Option. The tender offer price in the Take-Private Process Proposal Dated February 25 includes a premium of 8.85 to 15.87% on the closing price of the Company Shares on the TSE Prime Market on February 21, 2025 (such date being the business day immediately preceding February 25, 2025) (2,848.0 yen), 8.47 to 15.47% on the simple average of the closing prices for the preceding one month (from January 22, 2025 to February 21, 2025) (2,858 yen), 20.44 to 28.21% on the simple average of the closing prices for the preceding three months (from November 22, 2024 to February 21, 2025) (2,574 yen), and 51.07 to 60.82% on the simple average of the closing prices for the preceding six months (from August 22, 2024, to February 21, 2025) (2,052 yen). In addition, a premium of 76.49 to 87.87% was given on the closing price on December 9, 2024 (1,756.5 yen), which is the business day immediately preceding December 10, 2024 when the Take-Private Process Speculative Reports were made, which triggered a fluctuation in the Company's stock price, a premium of 95.34 to 107.94% was given on the simple average of the closing prices for the preceding one month (from November 10, 2024 to December 9, 2024) (1,587 yen), 97.83 to 110.59% on the simple average of the closing prices for the preceding three months (from September 10, 2024 to December 9, 2024) (1,567 yen), and 92.79 to 105.22% on the simple average of the closing prices for the preceding six months (from June 10, 2024 to December 9, 2024) (1,608 yen).

As KKR subsequently received a request from the Company to resubmit its proposal by February 28, 2025, including a revision to the tender offer price proposed in the Take-Private Process Proposal Dated February 25, KKR submitted a revised, non-legally binding proposal to the Company Strategic Special Committee and board of directors on the same day, which included a description of the tender offer price on the assumption that the Company Shares will be delisted ("**Take-Private Process Proposal Dated February 28**"). In the Take-Private Process Proposal Dated February 28, KKR set a tender offer price of 3,300 yen per Company Share, and a purchase price per Share Option at the amount obtained by multiplying the difference between such tender offer price and the exercise price per Share Option by the number of the Company Shares underlying each Share Option. The tender offer price in the Take-Private Process Proposal Dated February 28 includes a premium of 16.71% on the closing price of the Company

Shares on the TSE Prime Market on February 27, 2025 (such date being the business day immediately preceding February 28, 2025) (2,827.5 yen), 15.99% on the simple average of the closing prices for the preceding one month (from January 28, 2025 to February 27, 2025) (2,845 yen), 24.25% on the simple average of the closing prices for the preceding three months (from November 28, 2024 to February 27, 2025) (2,656 yen), and 58.05% on the simple average of the closing prices for the preceding six months (from August 28, 2024, to February 27, 2025) (2,088 yen). In addition, a premium of 87.87% was given on the closing price on December 9, 2024 (1,756.5 yen), which is the business day immediately preceding December 10, 2024 when the Take-Private Process Speculative Reports were made, which triggered a fluctuation in the Company's stock price, a premium of 107.94% was given on the closing prices for the preceding one month (from November 10, 2024 to December 9, 2024) (1,587 yen), 110.59% on the simple average of the closing prices for the preceding three months (from September 10, 2024 to December 9, 2024) (1,567 yen), and 105.22% on the simple average of the closing prices for the preceding six months (from June 10, 2024 to December 9, 2024) (1,608 yen).

Subsequently, on March 3, 2025, KKR was notified by the Company that KKR was granted exclusive negotiation rights for the Transaction. After continuing discussions with the Company from early to late March 2025 regarding practical measures toward the implementation of the Transaction, such as the coordination of the business and financial information of the Company necessary towards completion of the procedures with the domestic and overseas competition authorities and authorities with jurisdiction over inward direct investment, KKR submitted a legally binding final proposal for the Transaction on March 26, 2025 to implement the Transaction by setting the tender offer price of the Company Shares at 3,300 yen per Company Share and a purchase price per Share Option at the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price for the Share Options per Company Share by the number of the Company Shares underlying each Share Option. And on March 28, 2025, since KKR and the Company have reached an agreement to implement the Transaction, with the Tender Offer Price set at 3,300 yen (the “**Tender Offer Price**”), the Share Option Purchase Price set at 193,400 yen, and the purchase price for the Company Shares related to the ADSs represented by the ADRs set at the same as the Tender Offer Price, the Tender Offeror decided to implement the Tender Offer.

Furthermore, on March 17, 2025, TK Investment L.P. (“**KKR Fund**”), a limited partnership established under the laws of Ontario, Canada on March 7, 2025, which is indirectly operated by KKR entered into a confidentiality agreement with ValueAct Japan Master Fund, L.P., ValueAct Strategic Master Fund IV, L.P. and ValueAct Strategic Global Master Fund, L.P. (ValueAct Japan Master Fund, L.P., ValueAct Strategic Master Fund II, L.P., ValueAct Strategic Master Fund IV, L.P. and ValueAct Strategic Global Master Fund, L.P. are collectively referred to as “**VAC**”), a shareholder of the Company, and commenced negotiations with VAC regarding the tendering of the number of Company Shares held by VAC

(15,425,800 shares; shareholding; 14.62%, “**Shares Agreed For Tender in the Tender Offer**”) with the aim of enhancing the likelihood of successfully completing the Tender Offer. Subsequently, given that VAC has held Company Shares over a mid to long term period and possesses expertise regarding the Company business and measures to enhance the corporate value of the Company, KKR also took into account the possibility of VAC sharing such expertise with KKR, and began discussions regarding the non-tender of a portion of the Shares Agreed For Tender or reinvestments in KKR Fund. Subsequently, on April 16, 2025, TK Holdings Co., Ltd. (“**Tender Offeror Parent Company**”), a stock company established on March 26, 2025, and KKR Fund entered into the agreement (“**Tender Offer Agreement (VAC)**”) with VAC which included the following terms: (i) VAC will tender all of the Shares Agreed For Tender in the Tender Offer, and (ii) subject to the successful completion of the Tender Offer, VAC will invest an amount determined by VAC, up to a maximum of JPY 28,050,000,000, in KKR Fund on the settlement commencement date of the Tender Offer and acquire limited partner interests in KKR Fund. Subsequently, on July 24, 2025, the Tender Offeror communicated to the Company that necessary procedures and approvals under domestic and foreign competition laws and foreign investment laws and regulations (collectively, the “**Clearance Procedures**”; the completion of such Clearance Procedures, including the expiration of any applicable statutory waiting periods, and the decisions or approvals of any necessary decisions or approvals from judicial or administrative authorities is referred to as the “**Clearance**” below), excluding the Clearance Procedures regarding competition law in the EU, Vietnam, Albania, and Ukraine, and the Clearance Procedures regarding inward direct investment in Japan, the U.S., Italy, and Spain (the “**Unobtained Clearance**”), would be obtained by July 29, 2025, that all conditions precedent (the “**Conditions Precedent**”) to the commencement of the Tender Offer under the tender offer agreement (the “**Tender Offer Agreement**”) entered into by Company with the Tender Offeror, the Tender Offeror Parent Company, and the KKR Fund on March 28, 2025, excluding the Clearance, would be satisfied as of the same date, and that, based on the review status in each country and confirmation with local law firms, the Clearance is expected to be obtained by around mid-to-late August 2025 for the EU competition law Clearance Procedures, by around the end of July to early August 2025 for the Vietnam competition law Clearance Procedures, by around the end of July to early August 2025 for the Albania competition law Clearance Procedures, by around early August 2025 for the Ukraine competition law Clearance Procedures, by around early August 2025 for the Japan inward direct investment Clearance Procedures, by around early August 2025 for the United States inward direct investment Clearance Procedures, by around the end of July to early August 2025 for the Italy inward direct investment Clearance Procedures, and by around the early August 2025 for the Spain inward direct investment Clearance Procedures, and it was certain that all of the Unobtained Clearance are expected to be obtained by August 26, 2025, which is the deadline by which an extension of the Tender Offer Period pursuant to Article 27-8, Paragraph 8 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, including subsequent revisions) (the “**Act**”) is not required even if the Tender Offeror submits an

amended statement for the Tender Offer as required to obtain the Unobtained Clearance, and consequently, the Tender Offeror had determined that the situation was such that Tender Offer could be commenced, and desired to commence the Tender Offer on July 29, 2025, after agreeing with the Company to waive the requirement to obtain the Unobtained Clearance from the Conditions Precedent. Subsequently, on July 28, 2025, the Tender Offeror, the Tender Offeror Parent Company, and KKR Fund entered into an agreement with the Company to waive the requirement to obtain the Unobtained Clearance from the Conditions Precedent. Following the above developments, the Tender Offeror has confirmed that all of the Conditions Precedent (excluding acquisition of the Unobtained Clearance, which has been waived by mutual agreement between the Tender Offeror, the Tender Offeror Parent Company, KKR Fund, and the Company) have been satisfied. Therefore, on July 28, 2025, the Tender Offeror decided to commence the Tender Offer on July 29, 2025. Further, even considering the circumstances for the period from March 28, 2025, the date of announcement of the “Notice Concerning the Supporting Opinion and Tender Recommendation Opinion for the Planned Commencement of the Tender Offer for Company Share Certificates by TK Co., Ltd. as part of the implementation of MBO, and capital participation by KKR Japan and JIC Capital, Ltd.”, until July 28, 2025, the Tender Offeror has determined that there have been no significant changes in the factors considered in determining the Tender Offer Price, and therefore, the Tender Offeror has decided that it is unnecessary to change the Tender Offer Price determined on March 28, 2025.

(Note 1)

- (1) the Company’s board of directors has adopted a resolution expressing its opinion in support of the Tender Offer (“**Supporting Opinion**”), and its opinion recommending that the Company shareholders and Seventh Series Share Option holders tender in the Tender Offer (“**Tender Recommendation Opinion**”), and the contents of which have been published by the Company, and not been changed or withdrawn;
- (2) the Strategic Special Committee established for the Transaction (as defined in “(ii) Discussion Between the Tender Offeror and the Company, and the Process of Decision-making by the Tender Offeror, etc.” in “(II) Background, purpose, and decision-making process leading to the decision by the Tender Offer and management policy after the Tender Offer” in “(2) Grounds and reasons the for opinions” below; the same shall apply hereinafter) established in connection with the Transaction (as defined in “(1) Outline of the Tender Offer” in “1. Purpose of the Purchase” below; the same shall apply hereinafter) has reported to the board of directors of the Company that it is appropriate to express the Supporting Opinion (“**Supporting Report**”) and the Tender Recommendation Opinion (“**Tender Recommendation Report**”), and that report has not been changed or withdrawn;
- (3) there are no lawsuits pending before judicial or administrative authorities seeking to restrict or prohibit the Transaction, and no judgements have been made by a judicial or administrative

authority restricting or prohibiting any of the Transactions, and there are no specific risks of the foregoing;

- (4) all of the representations and warranties of the Company set forth in the Tender Offer Agreement (Note 2) are true and accurate in material respects;
- (5) obligations to be performed or complied with by the Company by the commencement date of the Tender Offer under the Tender Offer Agreement (Note 3) have been performed or complied with in all material respects;
- (6) no circumstances have arisen that would permit the withdrawal of the Tender Offer under Tender Offer Agreement (Note 4);
- (7) there are no material facts (those set forth in Article 166, paragraph (2) of the Act) concerning the business or other particulars related to the Company that have not been disclosed (having the meaning set forth in paragraph (4) of the same article) by the Company or facts concerning the implementation and cancellation (having the meaning set forth in Article 167, paragraph (2) of the Act) of a tender offer, etc. for the shares, etc. of the Company that have not been disclosed (having the meaning in paragraph (4) of the same article); and
- (8) acquisition of all Clearance has been completed (Note 5);

(Note 2) For details of the representations and warranties of Company under the Tender Offer Agreement, please refer to “(I) Tender Offer Agreement” in “4. Details of material agreements between the Tender Offeror and the Company’s shareholders, directors, etc. concerning tendering in the Tender Offer” below.

(Note 3) For details of the obligations of the Company under the Tender offer Agreement to be performed or complied with by the commencement date of the Tender Offer, please refer to “(I) Tender Offer Agreement” in “4. Details of material agreements between the Tender Offeror and the Company’s shareholders, directors, etc. concerning tendering in the Tender Offer” below.

(Note 4) The circumstances that would permit the withdrawal of the Tender Offer under the Tender Offer Agreement are a material change in the business or assets of the Company or its subsidiaries as set forth in the proviso of Article 27-11, Paragraph 1 of the Act or other circumstances that would seriously impede the achievement of the purpose of a tender offer (limited to the occurrence of any of the matters set forth in Article 14, paragraph (1), item (i) (a) through (i) as well as (l) through (r) of the Order, the matters set forth in Article 14, paragraph (1) item (iii), (a) through (h) and (j) of the Order (refers to (i) where it was discovered that any of the statutory disclosure documents submitted by the Company in the past contained a false statement regarding a material matter or omitted a material matter that should have been included, where the Tender Offeror is unaware of the false statement or omission and could not become aware of the same despite having used a reasonable degree of

care, and (ii) the occurrence of any of the matters set forth in (a) through (g) of the same item with respect to an important subsidiary of the Company) and the matters set forth in Article 14, paragraph (2), items (iii) through (vi) of the Order, excluding the circumstances contemplated in the Tender Offer Agreement).

(Note 5) The Tender Offeror, considering legal advice from local law firms, has carried out the procedures and responses necessary under domestic and overseas laws and regulations pertaining to competition (Japan, the United States, the European Union, Vietnam, Morocco, Taiwan, Turkey Albania, Egypt, Germany, Ukraine, United Arab Emirates, Brazil, Australia and Austria), and inward direct investment (Japan United States, Australia, Austria, Belgium, France, Germany, Italy, Spain Canada and United Kingdom) required towards obtaining Clearance.

2. Summary of Share Consolidation

(1) Schedule of Share Consolidation

Public Notice of Record Date for Extraordinary Shareholders' Meeting	Friday, September 12, 2025
Record Date for Extraordinary Shareholders' Meeting	Tuesday, September 30, 2025
Date of Board of Directors' Resolution	Wednesday, October 8, 2025
Date of Extraordinary Shareholders' Meeting	Tuesday, November 11, 2025 (scheduled)
Date of Designation as Securities to be Delisted	Tuesday, November 11, 2025 (scheduled)
Final Trading Date of Company Shares	Monday, December 1, 2025 (scheduled)
Date of Delisting of Company Shares	Tuesday, December 2, 2025 (scheduled)
Effective Date of Share Consolidation	Thursday, December 4, 2025 (scheduled)

(2) Details of Share Consolidation

(i) Type of Shares to be Consolidated

Common shares

(ii) Consolidation Ratio

The Company Shares will be consolidated at a ratio of 21,087,000 shares to 1 share.

(iii) Total Number of Issued Shares to be Decreased

105,435,035 shares (Note 1)

(Note 1) At a board of directors' meeting held today, the Company resolved to cancel

3,005,002 shares of treasury stock as of December 3, 2025, representing the total number of treasury stock held by the Company as of September 30, 2025 (2,971,480 shares) plus 33,522 shares of restricted stock scheduled to be acquired by the Company without consideration on December 3, 2025. Accordingly, the “Total Number of Issued Shares to be Decreased” is stated based on the total number of issued shares after such cancellation.

(iv) Total Number of Issued Shares Before the Effective Date

105,435,040 shares (Note 2)

(Note 2) At a board of directors’ meeting held today, the Company resolved to cancel 3,005,002 shares of treasury stock as of December 3, 2025, representing the total number of treasury stock held by the Company as of September 30, 2025 (2,971,480 shares) plus 33,522 shares of restricted stock scheduled to be acquired by the Company without consideration on December 3, 2025. Accordingly, the “Total Number of Issued Shares Before the Effective Date” is the total number of issued shares after such cancellation.

(v) Total Number of Issued Shares After Effective Date

5 Shares

(vi) Total Number of Authorized Shares as of the Effective Date

20 shares

(vii) Method for handling fractional shares less than one share, and the amount of money expected to be paid to shareholders as a result of such handling

(a) Whether the planned method of handling is that under Article 235, Paragraph 1 of the Companies Act or Article 234, Paragraph 2 of the same Act as applied *mutatis mutandis* under Paragraph 2 of the same Article, and the reason for that choice

As stated in “1. Purpose and Reason for the Share Consolidation” above, as a result of the Share Consolidation, the number of shares of the Company held by shareholders other than the Tender Offeror is expected to become a fractional share of less than one share.

Regarding fractions of less than one share resulting from the Share Consolidation, the total number of such fractional shares (including any fractions less than one share resulting from the application of Article 235, Paragraph 1 of the Companies Act (Act No. 86 of 2005; including

subsequent amendments; the same applies hereinafter; and if the total number of such fractions includes a fraction less than one share, such fraction shall be discarded.) shall be sold in accordance with the provisions of Article 235 of the Companies Act and other relevant laws and regulations, and the proceeds from such sale shall be distributed to the shareholders who incurred the fractions in proportion to their respective fractions. Regarding this sale, the Company notes that it is conducted as part of the Transaction aimed at taking the Company private through the Share Consolidation, and that the Company Shares are scheduled to be delisted on December 2, 2025. and that they will be shares lacking a market price, consequently making it unlikely that a buyer would emerge through an auction. Therefore, based on the provisions of Article 234, Paragraph 2 of the Companies Act as applied *mutatis mutandis* under Article 235, Paragraph 2 of the same Act, the Company plans to sell the shares to the Tender Offeror Parent Company with court approval.

The sale price in this case is expected to be set at the amount equivalent to the sum of 3,300 yen (the Tender Offer Price) multiplied by the number of Company Shares held by the shareholders listed or recorded in the final shareholder register of the Company as of December 3, 2025, the day before the effective date of the Share Consolidation, provided that the necessary court approval is obtained as scheduled. This amount will be distributed to each shareholder. However, if court approval is not obtained or if fractional adjustments are necessary in the calculation, the actual amount paid may differ from the above amount.

(b) Name of the person expected to purchase the shares subject to sale
TK Holdings Co., Ltd. (Tender Offeror Parent Company)

(c) The method by which the person expected to become the purchaser of the shares subject to sale will secure funds for payment of the sale proceeds, and the reasonableness of this method

The Tender Offeror Parent Company intends to fund the acquisition of the Company Shares corresponding to the total number of fractional shares less than one share resulting from the Share Consolidation through cash on hand and capital contributions.

The Company has confirmed the methods for securing funds by the Tender Offeror Parent Company by reviewing the Tender Offer Registration Statement submitted by the Tender Offeror on July 29, 2025 (including any amendments made by subsequent amendments to the Tender Offer Registration Statement) and the certificate of contribution attached thereto. Furthermore, according to the Tender Offeror Parent Company, no events have occurred that would impede payment of the proceeds from the sale of the Company Shares, and it is unaware of any potential future events that could cause such an impediment.

Accordingly, the Company has determined that the method of securing funds for payment of

the proceeds from the sale of the Company Shares corresponding to the total number of fractional shares less than one share resulting from the Share Consolidation by the Tender Offeror Parent Company is appropriate.

(d) Estimated timing of the sale and the distribution of proceeds to shareholders

Following the Share Consolidation taking effect, the Company plans to file an application with the court around mid-December 2025, seeking permission to sell the aggregate number of fractional shares less than one share resulting from the Share Consolidation to the Tender Offeror Parent Company. This application will be made pursuant to the provisions of Article 234, Paragraph 2 of the Companies Act, as applied *mutatis mutandis* under Article 235, Paragraph 2 of the same Act. The timing of obtaining such permission may vary depending on the circumstances, etc. of the court. However, upon obtaining court approval, the Company expects to sell the aforementioned shares to the Tender Offeror Parent Company around early January 2026. Subsequently, after completing the necessary preparations to distribute the proceeds from this sale to the shareholders, the Company anticipates distributing the proceeds to the shareholders around March 2026.

The Company has determined that, considering the period required for the series of procedures related to the sale from the effective date of the Share Consolidation, the sale of the Company Shares equivalent to the total number of fractions less than one share resulting from the Share Consolidation and the distribution of the proceeds from such sale will each be conducted at the respective times as described above.

3. Matters concerning the amount of money expected to be distributed to shareholders due to fractional share adjustments in connection with the Share Consolidation and the appropriateness of such amount

(1) Basis and reasons for the amount of money expected to be distributed to shareholders due to fractional share rounding

- ① Method for handling fractional shares less than one share, the amount of money expected to be paid to shareholders as a result of such method, and matters concerning the appropriateness of such amount

As stated above in “(a) Whether the planned method of handling is that under Article 235, Paragraph 1 of the Companies Act or Article 234, Paragraph 2 of the same Act as applied *mutatis mutandis* under Paragraph 2 of the same Article, and the reason for that choice” under “⑦ Method for handling fractional shares less than one share, and the amount of money expected to be paid to shareholders as a result of such handling” in “(2) Details of the Share Consolidation” in “2. Overview of the Share Consolidation,” the amount of money expected to be paid to shareholders as a result of fractional share treatment is expected to be calculated by multiplying

the number of shares of the Company held by shareholders listed or recorded in the final shareholder register of the Company as of December 3, 2025, the day before the effective date of the Share Consolidation, by 3,300 yen, which is the same amount as the Tender Offer Price.

After considering the following points, the Board of Directors of the Company believes that (i) the Transaction, including the Tender Offer, is expected to enhance the corporate value of the Company; and in addition, has determined that, (ii) the Tender Offer Price, the Purchase Price for Stock Acquisition Rights, the Purchase Price for ADRs, and other terms and conditions of the Tender Offer are beneficial to the shareholders of the Company, the holders of the Stock Acquisition Rights, and the holders of the ADRs; and (iii) the Tender Offer provides the shareholders of the Company, the holders of the Stock Acquisition Rights, and the holders of the ADRs with a reasonable opportunity to sell their Company Shares, the Stock Acquisition Rights, and the ADRs.

- (a) The Tender Offer Price is the highest price proposed in the final proposal submitted by the Candidates.
- (b) The Tender Offer Price has been agreed upon after implementing each of the measures to ensure the fairness of the terms and conditions of the Transaction, including the Tender Offer Price, which are described in “(4) Measures to ensure the fairness of the Tender Offer and avoid conflicts of interest” below, and as a result of conducting sufficient negotiations with KKR over a long period of time under the competitive environment of the Take-Private Process, with sufficient involvement of the Strategic Special Committee.
- (c) The Tender Offer Price exceeds (i) the maximum value of the calculation result of the average market price method, and (ii) the median value of the DCF method, which represents the intrinsic value of the Company Shares as calculated in the Share Valuation Report. Also, the Company received an opinion (the “**Fairness Opinion**”) on March 28, 2025 from J.P. Morgan, to the effect that the Tender Offer Price is fair to the Company’s common shareholders (excluding the Tender Offeror, Tender Offeror Parent Company, KKR and their related companies) from a financial point of view, under the assumptions set forth in “(6) Measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest, and other measures to ensure the fairness of the Tender Offer” below.
- (d) The Tender Offer Price reflects (i) a premium of 3.45% on JPY 3190.0, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on March 27, 2025, the business day immediately preceding March 28, 2025, (ii) a premium of 14.15% on JPY 2,891, the simple average of the closing prices for the preceding one (1) month (from February 28 to March 27, 2025), (iii) a premium of 15.79% on JPY 2,850, the simple average of the closing prices for the preceding three (3) months (from December 28, 2024 to March 27, 2025), and (iv) a premium

of 42.30% on JPY 2,319, the simple average of the closing prices for the preceding six (6) months (from September 28, 2024 to March 27, 2025). The Company's share price has fallen from JPY 1,756.5, the closing price on December 9, 2024, the business day before the first speculative media reports regarding the Take-Private Process were published on December 10, 2024, there was a significant increase of 51.24% from the closing price on December 9, 2024, the business day before the date of the publication of the relevant speculative media reports on December 10, 2024, to the closing price on December 11, 2024, which was the business day after the date of the publication of the relevant speculative media reports, and it is reasonable to assume that this reflects to a considerable extent the expectations regarding the implementation of the Transaction. The tender offer price also represents (v) a premium of 87.87% on JPY 1,756.5, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on December 9, 2024, the business day immediately preceding December 10, 2024, the day on which the speculative media reports regarding the Take-Private Process that triggered the change in the price of the Company Shares were published, (vi) a premium of 107.94% on JPY 1,587, the simple average of the closing prices for the preceding one (1) month (from November 11, 2024 to December 9, 2024), (vii) a premium of 110.59% on JPY 1,567, the simple average of the closing prices for the preceding three (3) months (from September 10, 2024 to December 9, 2024), and (viii) a premium of 105.22% on JPY 1,608, the simple average of the closing prices for the preceding six (6) months (from June 10, 2024 to December 9, 2024). The Tender Offer Price is higher relative to the level of premium added when determining the purchase price of the tender offers, etc. in the 74 cases (excluding cases where tender offers were not implemented or failed) of other recent Management Buyout (MBO) cases (those that targeted domestic listed companies and were announced between June 28, 2019, when the “Fair M&A Guidelines – Enhancing Corporate Value and Securing Shareholders’ Interests” were published by the Ministry of Economy, Trade and Industry, and March 17, 2025) (the average and median of the premiums on the closing price on the business day preceding the date of announcement were 46.56% and 41.97%, respectively; the simple average and median of the premiums on the simple average of closing prices for the preceding one (1) month were 49.68% and 44.20%, respectively; the simple average and median of the premiums on the simple average of closing prices for the preceding three (3) months were 52.21% and 45.79%, respectively; and the simple average and median of the premiums on the simple average of closing prices for the preceding six (6) months were 52.17% and 47.28%, respectively). Furthermore, the Company's share price increased by 7.4% from JPY 2,970.0 yen, the closing price on March 26, 2025, the business day before the second speculative media reports regarding the Take-Private Process were published on March 27, 2025, to JPY 3,190.0, the closing price on March 27, 2025, the day of the said speculative media reports, it is reasonable to assume that expectations regarding the implementation of the Transaction have been further factored in. The

Tender Offer Price also represents (ix) a premium of 11.11% on JPY 2,970.0, the closing price of the Company Shares on the Prime Market of the Tokyo Stock Exchange on March 26, 2025, the business day immediately preceding March 27, 2025, which was the day on which the second speculative media reports regarding the Take-Private Process that triggered the change in the price of the Company Shares were published, (x) a premium of 14.90% on JPY 2,872, the simple average of the closing prices for the preceding one (1) month (from February 27, 2025 to March 26, 2025), (xi) a premium of 15.99% on JPY 2,845, the simple average of the closing prices for the preceding three (3) months (from December 27, 2024 to March 26, 2025), and (xii) a premium of 43.10% on JPY 2,306, the simple average of the closing prices for the preceding six (6) months (from September 27, 2024 to March 26, 2025).

- (e) The Tender Offer Price has been determined to be appropriate in the March 28, 2025 Report obtained from the Strategic Special Committee, as stated in “A. March 28, 2025 Report” in “(IV) Establishment of an independent special committee and obtainment of a report from the special committee by the Company” of “(4) Measures to ensure the fairness of the Tender Offer and avoid conflicts of interest” below.
- (f) Since the purchase price of the Share Options has been determined to be the difference between the Tender Offer Price of 3,300 yen and the exercise price per the Company Share for each Share Option multiplied by the number of Company Shares to be issued for each Share Option, and the Tender Offer price of 3,300 yen for ADRs is the same as the Tender Offer Price, it can be said that sufficient consideration was given to the interests of the holders of the Share Options and ADR Holders, for the same reasons as the Tender Offer Price.
- (g) Regarding the Tender Offer Period, although the Tender Offer Period is generally planned to be set at 21 business days, as it is expected to take approximately 4 months from the announcement of the scheduled commencement of the Tender Offer to the actual commencement of the Tender Offer, it can be said that, as well as ensuring that the Company’s shareholders, the Share Options Holders and the ADR Holders will have an opportunity to make an appropriate decision as to whether to tender their shares in the Tender Offer, it is ensured that persons other than the Tender Offeror are given the opportunity to make competing tender offers for the Company Share Certificates.
- (h) The Tender Offeror is planning to implement a Securities Cash-out Demand or a Share Consolidation promptly after completion of the settlement of the Tender Offer, and it is clear that, in the case that cash is paid to the Company’s shareholders, Share Option Holders and ADR Holders who did not tender their shares in the Tender Offer, the price will be calculated so that it will be the same as the price they would have received if they had tendered their shares in the Tender Offer. In addition, if a Securities Cash-out Demand is implemented, it will be ensured that

the Company's shareholders, the Share Option Holders and the ADR Holders who received the Company Shares related to the American Depositary Shares ("ADSs") deposited at the Depositary Bank and represented by ADRs issued in the United States by the Depositary Bank will have the right to file a petition with the court to determine the price, and if a Share Consolidation is implemented, it will be ensured that the Company's shareholders will have the right to demand the buyback of their shares and the accompanying right to file a petition with the court to determine the buyback price.

Furthermore, at a meeting of the board of directors held on July 28, 2025, the Company resolved to express its support for the Tender Offer and to recommend to its shareholders, holders of Share Options, and holders of ADRs to tender their securities in the Tender Offer. We have confirmed that, since then, until the meeting of the board of directors held on October 8, 2025, at which the convening of the Extraordinary General Shareholders' Meeting was decided, no factors have arisen that would necessitate a change in our judgment regarding the Transaction.

Based on the above, we have determined that the amount of cash expected to be delivered to shareholders as a result of the fractional share adjustment arising from the Share Consolidation is appropriate.

② Disposal of Significant Assets, Assumption of Substantial Liabilities, and Other Events
Significantly Affecting the Company's Assets that Occurred on the Last Business Day of
the Final Fiscal Year

(a) Tender Offer

As described in "1. Reasons for the Share Consolidation" above, the Tender Offeror conducted the Tender Offer with a tender offer period from July 29, 2025, to September 10, 2025. As a result of the Tender Offer, the Tender Offeror came to own 84,748,472 Company Shares (ownership ratio: 80.32%) as of September 18, 2025 (the commencement date of the settlement of the Tender Offer).

(b) Cancellation of Treasury Stock

At a meeting of the board of directors held on October 8, 2025, the Company resolved to cancel 3,005,002 shares of treasury stock (representing the total number of treasury stock held by the Company as of September 30, 2025 (2,971,480 shares) plus the number of shares of restricted stock scheduled to be acquired by the Company without consideration in the future (33,522 shares) as of December 3, 2025. The cancellation of these treasury shares is conditional upon the proposal regarding the Share Consolidation being approved as originally proposed at the Extraordinary General Shareholders' Meeting. Following the cancellation, the total number of issued shares of the Company will be 105,435,040 shares.

(2) Expected Delisting

① Delisting

As stated in “1. Purpose and Reasons for the Share Consolidation” above, subject to obtaining shareholder approval at the Extraordinary General Shareholders’ Meeting, the Company plans to implement the Share Consolidation, after which the Company's shareholders will consist solely of the Tender Offeror. Consequently, the Company Shares are expected to be delisted from the Tokyo Stock Exchange pursuant to the prescribed procedures, in accordance with the Tokyo Stock Exchange’s delisting criteria.

The schedule is as follows: the Company Shares are expected to be designated as delisting candidates during the period from November 11, 2025, to December 1, 2025, and will be delisted on December 2, 2025. After the delisting, Company Shares will no longer be tradable on the Tokyo Stock Exchange Prime Market.

② Reasons for Aiming for the Delisting

As stated in “1. Purpose and Reasons for the Share Consolidation” above, the Company has concluded that the implementation of the Transaction to take the Company’s shares private will contribute to the enhancement of the corporate value of the Group.

③ Impact on Minority Shareholders and Our Approach

As described in “④ Establishment of an Independent Special Committee within the Company and Obtaining Reports from the Special Committee” of “(3) Measures to Ensure Fairness of the Transaction and Measures to Avoid Conflicts of Interest” below, specifically under “A. Report dated March 28, 2025,” “B. Supplementary Report dated April 16, 2025,” and “C. Additional Report dated July 28, 2025,” the Company received from the Strategic Special Committee the March 28, 2025 Report, the April 16, 2025 Supplementary Report, and the July 28, 2025 Supplementary Report, all stating that the Transaction is not disadvantageous to minority shareholders, on March 28, 2025, April 16, 2025, and July 28, 2025, respectively.

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

The Share Consolidation is conducted as the second step of a so-called two-step acquisition following the Tender Offer. Given that the Tender Offer is conducted as part of the Transaction, which constitutes a so-called management buyout (MBO), and considering that a structural conflict of interest may arise, among other matters, the Company and the Tender Offeror have taken the following measures to ensure the fairness of the Tender Offer price, the Share Option purchase price and the ADR purchase price, as well as to eliminate arbitrariness in decision-making relating to the Transaction, and secure the fairness,

transparency, and objectivity of the Company's decision-making process.

Among the measures described below, those relating to measures that have been implemented by the Tender Offeror are based on explanations received from the Tender Offeror.

I. Receipt and consideration of proposals from a number of potential purchasers

In consideration of the Transaction, the Company, based on the advice of the Strategic Special Committee, has conducted so-called active market checks (including bidding processes prior to the announcement of the Transaction) to investigate and consider the existence of potential buyers in the market. Through the bidding processes, the Company has endeavored to promote and maintain a competitive environment among potential buyers by receiving proposals from multiple potential buyers and proceeding with negotiations while comparing and considering them.

II. Obtainment by the Company of a share price valuation report and the Fairness Opinion from an independent third-party appraiser

(i) Name of appraiser and its relationship with the listed company and the Tender Offeror

In forming its opinion with respect to the Tender Offer, in order to ensure the fairness and objectivity of the terms and conditions of the Transaction, including the Tender Offer Price, the Company requested that J.P. Morgan evaluate the value of the Company Shares and also provide a fairness opinion stating that the Tender Offer Price is fair to the holders of the Company Shares (other than the Tender Offeror, the Tender Offeror Parent Company, KKR and its affiliates) from a financial perspective. J.P. Morgan is a financial advisor and third-party valuation firm that is independent from the Tender Offeror, the Tender Offeror Parent Company, KKR and the Company, and is not affiliated with the Tender Offeror, the Tender Offeror Parent Company, KKR or the Company, and does not have any material interests in relation to the Transaction, including the Tender offer, that should be disclosed herein. The compensation to J.P. Morgan in relation to the Transaction includes a success fee payable on the condition that the Transaction is completed. The Company, considering general business practices in similar transactions and the financial burden that would arise for the Company if the Transaction were not completed, has determined that the inclusion of a success fee conditioned on the Transaction's completion does not negate J.P. Morgan's independence. Based on this assessment, the Company has appointed J.P. Morgan as its financial advisor and third-party valuation firm under the aforementioned compensation structure.

(ii) Outline of valuation

As of March 28, 2025, the Company obtained a valuation report concerning the value of the Company Shares (the "**Valuation Report**") from J.P. Morgan, based on the assumptions described in the note in

“(III) Outline of the Fairness Opinion” below. Additionally, as of March 28, 2025, the Company obtained the Fairness Opinion from J.P. Morgan, stating that the tender offer price is fair for the Common shareholders of the Company (other than the Tender Offeror, the Tender Offeror Parent Company, KKR and its affiliates) from a financial perspective, based on the assumptions described in the notes below. J.P. Morgan reviewed the Company’s financial condition and trends in the market price of the Company Shares and other factors, and concluded that it would be appropriate to use a multifaceted approach, and considered which valuation methods should be adopted from among multiple share valuation methods. J.P. Morgan evaluated the value of the Company Shares using the market share price analysis, since there is a market price for the Company Shares, and the DCF analysis, in order to reflect the future business activities in the valuation. The Valuation Report and the Fairness Opinion were prepared solely for the purpose of providing information and support to the Board of directors of the Company (in its capacity as such) in its consideration of the Transaction. The ranges of the equity value per share of the Company Shares calculated by J.P. Morgan based on the above methods are as follows:

Market share price analysis: JPY 2,319 – JPY 3,190.0

DCF analysis: JPY 2,790 – JPY 3,512

Under the market share price analysis, the range of the equity value per share of the Company Shares has been calculated to be JPY 2,319 to JPY3,190.0, with March27, 2025 as the valuation base date, based on the closing price of the Company Shares on the Prime Market of the TSE on the Valuation Date (JPY3,190.0), the simple average of the closing price of the Company Shares for the most recent one month (from February 28, 2025 to March 27, 2025) (JPY2,891), the simple average of the closing price for the most recent three months (from December 28, 2024 to March 27, 2025) (JPY2,850), and the simple average of the closing price for the most recent six months (from September 28, 2024 to March, 27, 2025) (JPY2,319).

Under the DCF analysis, J.P. Morgan conducted a sum-of-the-parts analysis by categorizing the businesses of the Company group into the Positioning Business and the Eye Care Business, and evaluating the value of each business respectively. For the Positioning Business, the business plan prepared by the Company for the purpose of the Transaction for the fiscal years from the fiscal year ending March 2026 to the fiscal year ending March 2031 was used. For the Eye Care Business, the business plan prepared by the Company for the purpose of the Transaction for the fiscal years from the fiscal year ending March 2026 to the fiscal year ending March 2033 was used (these two business plans are hereinafter collectively referred to as the “Business Plan”). Based on the earnings projections and investment plans in the Business Plan (Note 1), the free cash flow expected to be generated by each of the Company’s businesses from the fiscal year ending March 2026 onwards is discounted to its present value using a specific discount rate applied to each business, which provides the business value of each business. By summing the business values of the two businesses, the overall business value of the Company was determined, resulting in a range of the

equity value per share of the Company Shares calculated to be JPY 2,790 to JPY3,512. The discount rates used were the weighted average cost of capital (WACC), which is the weighted average of the cost of equity capital and the cost of debt, ranging from 8.0% to 8.5% for the Positioning Business, and from 10.5% to 11.0% for the Eye Care Business. For the calculation of terminal value (Note 2), a perpetual growth rate method was used for both the Positioning Business and the Eye Care Business. The perpetual growth rates were determined based on factors such as the medium- to long-term growth outlook of each business, GDP growth rates in relevant countries and inflation rates. The range of perpetual growth rates applied to the Positioning Business were 2.0% to 3.0%, and 2.5% to 3.5% for the Eye Care Business.

(Note 1) In the Business Plan, the projection period for the Positioning Business was set from the fiscal year ending March 2026 to the fiscal year ending March 2031, covering six years, while the projection period for the Eye Care Business was set from the fiscal year ending March 2026 to the fiscal year ending March 2033, covering eight years. This difference in the length of projection period is because the Company has determined that for the Positioning Business the period during which it can reasonably forecast and expect performance to stabilize is six years. In contrast, for the Eye Care Business, which anticipates the development of new services and the exploration of new markets, the Company has determined that such period is eight years.

(Note 2) Terminal value for each business at the end of the final period of the projection period in the DCF analysis is as follows.

	Positioning Business	Eye Care Business
Terminal Value (Unit: million JPY)	158,251～197,333	391,316～475,461

This business plan has been newly prepared by the management of the Company for the purpose of objectively and reasonably verifying the appropriateness of the terms and conditions of the Transaction. Furthermore, from the perspective of avoiding any suspicion of a conflict of interest from the Company's standpoint, Mr. Eto did not participate in any of the formulation of this business plan as he is scheduled to acquire common shares of the Tender Offeror Parent Company using a portion of the consideration he will receive upon the completion of the Tender Offer through the tendering of the Company Shares he holds in the Tender Offer.

In the Business Plan, revenue of the Positioning Business is expected to increase throughout the projection period due to the introduction of new products in the Smart Infrastructure Business, expansion of sales in the Asian region, and the expansion of OEMs for small and medium-sized construction and agricultural machinery manufacturers in the Positioning Company. Additionally, operating margin of the Positioning Business is expected to expand throughout the projection period due to reductions in manufacturing costs, optimization of the supply chain, and organizational restructuring, along with the accompanying reduction

in selling, general, and administrative expenses.

Revenue of Eye Care Business is expected to increase throughout the projection period due to the introduction of new health checkup and eye examination equipment, the launch of Healthcare from the Eye (Note 3) from the fiscal year ending March 2026 utilizing the partnership with Microsoft, and the accompanying expansion of sales of screening equipment such as OCT and fundus cameras. Furthermore, operating margin of the Eye Care Business is expected to expand throughout the projection period due to the expansion of the highly profitable solutions business and the economies of scale resulting from increased sales.

(Note 3) **“Healthcare from the Eye”** refers to solutions that enable early detection of diseases and reduction of medical expenses by conducting eye examinations utilizing AI, which can diagnose not only eye diseases but also systemic diseases. The realization of Healthcare from the Eye will allow the expansion of the screening business to a market that includes not only ophthalmologists but also primary care physicians.

The financial projections in the Business Plan are not based on the assumption of executing the Transaction, and do not reflect the synergy effects expected to be realized through the execution of the Transaction, as it is currently difficult to specifically estimate their impact on earnings. The Business Plan covers the fiscal years for the Positioning Business where a significant increase in free cash flow is anticipated (a 57.2% increase in the fiscal year ending March 2030 compared to the previous fiscal year). This is because the increase in free cash flow for that fiscal year is expected as a result of ongoing efforts to reduce selling, general and administrative expenses in the Positioning Business. Additionally, for the Eye Care Business, the fiscal years where a significant increase in operating profit is anticipated (an increase of 85.9%, 58.3%, and 36.8% compared to the previous year in the fiscal years ending March 2027, March 2029, and March 2031, respectively) are covered. This is because continuous sales growth and improvement in operating profit margins are expected throughout the planning period for the Eye Care Business, including the current fiscal year, driven by the expansion of customer markets and service areas.

In the Business Plan, the financial projections for the fiscal year ending March 2026 fall short of some of the financial targets set forth in the Company’s Mid-term Business Plan announced on May 12, 2023 (Positioning Business: revenue of JPY 166 billion, operating margin of over 16%; Eye Care Business: revenue of JPY 83 billion, operating margin of over 10%). This is because the Business Plan has been newly prepared in connection with the execution of the Transaction as an objective and reasonable financial forecast that reflects the current situation, taking into account changes in the business environment since the formulation of the aforementioned Mid-term Business Plan and the current business conditions.

The summary of financial projections for each of the Company’s businesses, which were used as

assumptions in the DCF analysis, are as follows:

Positioning Business (Unit: million JPY)

	FY ending March 2026	FY ending March 2027	FY ending March 2028	FY ending March 2029	FY ending March 2030	FY ending March 2031
Revenue	131,510	145,355	157,682	169,698	181,417	188,475
Operating income	9,091	11,079	13,317	15,308	16,666	17,460
EBITDA	21,617	24,592	26,169	24,621	29,690	26,305
Free Cash flow	11,500	9,924	9,751	7,139	11,221	8,550

Eye Care Business (Unit: million JPY)

	FY ending March 2026	FY ending March 2027	FY ending March 2028	FY ending March 2029	FY ending March 2030	FY ending March 2031	FY ending March 2032	FY ending March 2033
Revenue	87,798	106,125	124,856	140,699	155,532	177,485	200,581	223,019
Operating income	5,223	9,709	10,807	17,112	21,252	29,067	37,374	46,419
EBITDA	9,912	14,946	16,600	23,565	28,877	37,014	45,854	55,432
Free Cash flow	2,691	5,719	5,909	11,880	15,681	17,925	23,253	29,540

(iii) Outline of the Fairness Opinion

As stated above, as of March 28, 2025, the Company obtained a Fairness Opinion from JP Morgan, which stated that the Tender Offer Price of JPY 3,300 per share is fair to the holders of the Company Shares (other than the Tender Offeror, the Tender Offeror Parent Company, KKR and its affiliates) from a

financial perspective, based on the assumptions outlined below. The Fairness Opinion was issued by JP Morgan following its analysis and review of the Business Plan and other financial information submitted by the Company, as well as question and answer sessions with the Company and the Strategic Special Committee. The preparation of the Fairness Opinion also involved a review of the valuation results of the Company Shares conducted by J.P. Morgan, question and answers sessions with the Company and the Strategic Special Committee regarding the background and reasons for supporting the Tender Offer, and approval by a Valuation & Fairness Opinion Committee of J.P. Morgan composed of professionals from J.P. Morgan's Investment Banking Division and other departments, in accordance with J.P. Morgan's internal procedures.

(Note) In expressing the opinions stated in the Fairness Opinion and evaluating the value of the Company Shares in the Valuation Report upon which those opinions are based, J.P. Morgan assumed that all information, including public information, information provided by the Strategic Special Committee, the Company, and the Tender Offeror, and information discussed with the Strategic Special Committee, the Company, and the Tender Offeror, as well as any other information that J.P. Morgan reviewed or had reviewed on its behalf, is accurate, reasonable and complete. J.P. Morgan has not independently verified the accuracy, reasonableness and completeness of that information (nor does it assume any responsibility or obligation to do so). J.P. Morgan has not conducted any evaluation or assessment of any assets or liabilities of the Tender Offeror or the Company and/or its affiliates and no such evaluation or assessment has been conducted on its behalf. Additionally, J.P. Morgan has not evaluated the creditworthiness of the Tender Offeror or the Company under any laws or regulations related to insolvency, suspensions of payments, or similar matters. In relying on the financial analyses and forecasts submitted by the Company or derived therefrom, J.P. Morgan assumed that those analyses and forecasts were reasonably prepared based on the best estimates and judgments of the management of the Company regarding the future performance and financial condition of the Company as of the time of the preparation of the Valuation Report and the Fairness Opinion. J.P. Morgan does not express any opinion on those analyses or forecasts or on the assumptions on which they are based. Additionally, J.P. Morgan assumes that the Transaction, including the Tender Offer, will be executed as described in the Tender Offer Agreement, and that the final version of the Tender Offer Agreement will not differ in any material respect from the draft submitted to J.P. Morgan. J.P. Morgan has also assumed that the representations and warranties made by the Company, the Tender Offeror, the Tender Offeror Parent Company, KKR and /or its affiliates in the Tender Offer Agreement and the related agreements are and will be true and correct in all respects material to J.P. Morgan's analysis. J.P. Morgan is not an expert in legal, regulatory, tax, accounting, or similar matters and has relied on the judgment of the advisors of the Company on those matters. Further, J.P. Morgan

assumes that all important consents and approvals from governments, regulatory authorities, and other parties required for the execution of the Transaction will be obtained without adversely affecting the benefits expected to be enjoyed by the Company from the execution of the Transaction.

The Fairness Opinion and the underlying valuation results in the Valuation Report are necessarily based on the information available to J.P. Morgan as of the date of the Fairness Opinion and on the economic, market, and other conditions as they existed on that date. Events occurring after that date might affect the content of the Fairness Opinion and the underlying valuation results set out in the Valuation Report. However, J.P. Morgan is under no obligation to revise, change, or reaffirm its analysis or opinions. The Fairness Opinion only expresses an opinion that the Tender Offer Price is fair to the holders of the Company Shares (other than the Tender Offeror, the Tender Offeror Parent Company, KKR and its affiliates) from a financial perspective under certain conditions. It does not express an opinion on the fairness of the Tender Offer Price to the holders of any type of the Company's securities, creditors, or other stakeholders of the Company, nor does it express any opinion on the appropriateness of the Company's decision to proceed with the Transaction. Additionally, the Fairness Opinion and the underlying valuation results in the Valuation Report do not constitute a recommendation to the Company or its Board of directors, or to the Tender Offeror or its Board of directors, regarding any specific tender offer price, nor do they recommend that any specific tender offer price is the only appropriate price. Furthermore, J.P. Morgan does not express any opinion on the amount or nature of any compensation related to the Tender Offer Price in the Transaction for any officers, directors, employees, or any parties involved in the Tender Offer or any related parties in any position, nor does it express an opinion on the fairness of any such compensation. Further, J.P. Morgan does not express any opinion regarding the future trading price of the Company Shares.

The business plans and financial projections of the Company furnished to J.P. Morgan by the Company (the "Financial Forecasts") were prepared by the management of the Company. The Company has not publicly disclosed the Financial Forecasts provided to J.P. Morgan in connection with J.P. Morgan's preparation of the Fairness Opinion, and its evaluation of the value of the Company Shares on which the Fairness Opinion was based, nor were the Financial Forecasts prepared for the purpose of public disclosure. The Financial Forecasts are inherently uncertain and depend on numerous variables and assumptions beyond the control of the Company's management. These include, but are not limited to, factors related to general economic conditions, competitive conditions, and prevailing interest rates. Therefore, actual performance might differ significantly from the Financial Forecasts. The opinions expressed in the above-mentioned Fairness Opinion, and the results of the evaluation of the value of the Company Shares and the summary of the valuation methods outlined in the Valuation Report upon which those opinions are based, do not encompass all the analyses conducted or data referenced by J.P. Morgan. The Fairness Opinion and the Valuation Report were prepared through a complex process, so any partial or summarized description

of certain analysis results in those documents will not necessarily accurately represent the entirety of the analysis. The results of the analysis by J.P. Morgan must be considered as a whole, and relying on only a part or a summary of those results without considering the analysis results in their entirety might result in an incorrect understanding of the processes underlying the analysis and opinions of J.P. Morgan. In expressing its opinion, J.P. Morgan has considered each analysis and factor holistically and comprehensively, without assigning undue weight to any specific analysis or factor. Moreover, J.P. Morgan does not express an opinion on whether any particular analysis or factor was the primary basis for its opinion, or the extent to which any individual analysis or factor contributed to its opinion.

J.P. Morgan is a financial advisor and third-party valuation firm of the Company in connection with the Transaction, including the Tender Offer, and is expected to receive compensation from the Company for its services as financial advisor and third-party valuation firm. A substantial portion of this compensation will become payable only if the Transaction, including the Tender Offer, is completed. Further, the Company has agreed to indemnify J.P. Morgan for certain liabilities that might arise out of its services. During the two years preceding the date of the Fairness Opinion, J.P. Morgan and its affiliates have had investment banking relationships with the Company for which J.P. Morgan and its affiliates have received customary compensation. Such services during such period have included acting as financial advisor to the Company under an ongoing strategic defense advisory mandate. During such period, neither J.P. Morgan nor its affiliates have had any other material financial advisory or other material commercial or investment banking relationships with the Company. During the two years preceding the date of the Fairness Opinion, J.P. Morgan and its affiliates have had commercial or investment banking relationships with KKR and certain of its affiliates and portfolio companies, for which J.P. Morgan and its affiliates have received customary compensation. Such services during such period have included providing financial advisory services, debt syndication, debt underwriting and equity underwriting services to those entities. In addition, J.P. Morgan's commercial banking affiliate is an agent bank and a lender under outstanding credit facilities of KKR and its affiliates and of the KKR's portfolio companies, for which it receives customary compensation or other financial benefits. During the two years preceding the date of the Fairness Opinion, J.P. Morgan and its affiliates have had investment banking relationships with JICC for which J.P. Morgan and its affiliates have received customary compensation. Such services during such period have included acting as buy-side financial advisor to JICC in its acquisition of JSR Corporation, which transaction closed in June 2024.

In addition, J.P. Morgan and its affiliates hold, on a proprietary basis, less than 1% of outstanding common stock of each of the Company and KKR. In the ordinary course of their businesses, J.P. Morgan and its affiliates may trade the debt and equity securities or financial instruments (including derivatives, bank loans or other obligations) of the Company or KKR and its affiliates for its own account or for the accounts of customers and, accordingly, J.P. Morgan and those affiliates may at any time hold long or short positions in such securities.

III. Obtainment by the Company of Advice from an independent law firm

In order to ensure the fairness, objectivity and appropriateness of the decision-making process of the Company's board of directors regarding the Transaction, including the Tender Offer, the Company selected Nagashima Ohno & Tsunematsu, as a legal advisor independent from a related party of the Tender Offeror, Tender Offeror Parent Company, KKR and the Company, and has received the necessary legal advice from this firm on the method and process for decision making by the Company's board of directors, including the various procedures related to the Transaction, and on other points of note. Furthermore, Nagashima Ohno & Tsunematsu is not a related party of the Tender Offeror, Tender Offeror Parent Company, KKR or the Company, and does not have any material interests in the Transaction. In addition, the fees to be paid to Nagashima Ohno & Tsunematsu are calculated by multiplying an hourly rate by the number of hours worked, regardless of the outcome of the Transaction, and do not include any contingency fee subject to the successful completion of the Transaction. The Special Strategic Committee has confirmed that there are no issues of independence or expertise with the legal counsel appointed by the Company.

IV. Establishment of an independent special committee and obtainment of advisory reports from the special committee by the Company

A. March 28, 2025 Report

(i) Background to Establishment

As described in “(1)Decision-making process leading to the decision by the Tender Offeror ” above, the Company believes that, in evaluating management options for the long-term enhancement of its corporate value, it is essential to ensure the fairness and transparency of such evaluation process. Furthermore, if the Company were to decide to go private, it would also consider doing so through a Management Buyout (MBO), on the assumption that such a transaction would involve a squeeze-out. Accordingly, by resolution of the board of directors at its meeting held on July 30, 2024, the Company established the Strategic Special Committee, composed of five of the Company's outside directors (Ms. Naoko Yamazaki, Mr. Yoshiharu Inaba, Mr. Naoki Hidaka, Mr. Katsuhiro Teramoto, and Mr. Hajime Nakai), who are deemed to be independent from the Tender Offeror, other related companies, and other parties specified in the implementation rules, and who are independent from the outcome of the Transaction. The members of this Strategic Special Committee are expected to receive compensation for their services as committee members, in addition to their regular compensation as directors. However, such compensation is fixed and payable regardless of the content of the advisory report, thereby

ensuring the independence of the members of the Strategic Special Committee from the outcome of this transaction. Subsequently, following Mr. Eto's expression of his intent at the Strategic Special Committee to pursue taking the Company private through a Management Buyout (MBO), and given that the proposal for the Transaction is being developed on the basis of a Management Buyout (MBO), the board of directors of the Company, at its meeting held on January 30, 2025, resolved to consult the Strategic Special Committee on the following matters (collectively, **"Matters for Consultation"**):

1. The reasonableness of the purpose of the Transaction (including whether the Transaction will contribute to the enhancement of the Company's corporate value);
2. The appropriateness of the terms and conditions of the Transaction;
3. The fairness of the procedures related to the Transaction;
4. Whether the Transaction would be disadvantageous to the Company's general shareholders; and
5. Whether the Company's Board of directors should express an opinion in support of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer.

In addition, in referring the Matters for Consultation to the Strategic Special Committee, the Company's Board of directors also resolved that: (i) in making its decision regarding the Transaction, it would fully respect the Strategic Special Committee's conclusions, and if the Strategic Special Committee determines that the terms of the Transaction are not appropriate and that the Board of directors should not approve the Transaction, the Board of directors would not approve the Transaction; (ii) the Strategic Special Committee may collect any information necessary to examine the Matters for Consultation (including requiring the attendance of directors, employees, and any other persons it deems necessary to attend its meetings); (iii) at the Company's expense, the Strategic Special Committee may independently retain or appoint financial advisors, legal advisors, third-party valuation firms, and any other advisors (and may also seek professional advice from the Company's advisors); (iv) the Strategic Special Committee has the authority to negotiate with the Tender Offeror; and (v) the Strategic Special Committee is granted such other authority as is necessary to examine the Matters for Consultation.

(ii) Process of Consideration

The Strategic Special Committee held 17 meetings between July 30, 2024, and March 28, 2025 to deliberate on the Matters for Consultation.

Specifically, the Strategic Special Committee reviewed various materials, including the Share Valuation Report, the Fairness Opinion, the press release regarding the Company's announcement of its opinion on the Transaction (the "**Company Press Release**"), the draft Tender Offer Agreement, and a series of other materials distributed to the Strategic Special Committee in connection with its review of the Transaction and the negotiation of the Tender Offer Price, including the proposal documents received from each Candidate during the Take-Private Process.

In addition, in order to examine the Matters for Consultation, the Strategic Special Committee conducted multiple rounds of interviews with the Company regarding the Transaction, during which it confirmed the Company's current assessment of its business, the significance and purpose of the Transaction, and the potential impact of the Transaction on the Company. The members of the Strategic Special Committee also interviewed Mr. Eto regarding the significance and purpose of the Transaction and the status of discussions with the Candidate during the Take- Private Process.

In addition, the members of the Strategic Special Committee received an explanation from the Company regarding the Business Plan, conducted a question-and-answer session, and interviewed J.P. Morgan, from which it received a detailed explanation of the share valuation methods and processes used in the valuation of the Company Shares, as well as the considerations taken into account in such valuation.

Furthermore, in relation to the background of the negotiations on the terms and conditions of the Tender Offer (including the Tender Offer Price), J.P. Morgan and the Company provided the Strategic Special Committee with detailed explanations of the content of the Take- Private Process and the status of negotiations between the Company and the Candidates in the Take- Private Process. The members of the Strategic Special Committee themselves also took an active role in such negotiations by expressing their views on the negotiations each time an explanation was provided.

Separately, the Strategic Special Committee received explanations from Nagashima Ohno & Tsunematsu, the Company's legal advisor, regarding the contemplated structure of the Transaction, the measures implemented in the Company's decision-making process to avoid conflicts of interest, and the implementation status of such measures, as well as the status and details of the negotiations on the Tender Offer Agreement. The Strategic Special Committee also received legal advice from Nakamura, Tsunoda & Matsumoto, its legal advisor, on matters such as the manner in which the Strategic Special Committee should be managed.

(iii) Details of Determination

In light of the background above and after careful deliberation and consideration of the Matters for Consultation, as of March 28, 2025, the Strategic Special Committee, with the unanimous consent of all Committee members, submitted the March 28, 2025 Report to the Company's Board of directors outlining, in essence, the following:

a. Content of Advisory Report

1. The Transaction will contribute to the enhancement of the Company's corporate value, and its purpose is reasonable.
2. The fairness and appropriateness of the terms and conditions of the Transaction (including the method of implementing the Transaction and the adequacy of the consideration) have been ensured.
3. The fairness of the procedures for the Transaction has been ensured.
4. In light of Items 1. through 3. above, the decision to implement the Transaction is not considered to be disadvantageous to the Company's general shareholders.
5. It is considered reasonable for the Company's Board of directors to express its opinion in support of the Tender Offer and to recommend that the Company's shareholders and Stock Acquisition Right holders tender their shares in the Tender Offer.

b. Reasons for the Advisory Report

I. Reasonableness of the purpose of the Transaction

Based on the following considerations, the Transaction is considered to contribute to the enhancement of the Company's corporate value, and its purpose is considered to be reasonable.

- In order to achieve further growth and enhance the Company's corporate value, it is necessary to pursue a long-term, sustainable business transformation. However, such transformation may adversely affect the Company Group's earnings and cash flow in the short term and may not be fully appreciated by the capital markets, which tend to prioritize short-term performance. Accordingly, in order to accelerate fundamental transformation initiatives, it is also considered reasonable to take the Company private,

thereby establishing a management structure under which specific shareholders, serving as partners, and management are aligned.

- Among the possible methods of taking the Company private, as to proceeding using a Management Buyout (MBO), the sophisticated management expertise is particularly important to cultivate new businesses, such as the eye care solutions business, which require the careful management of various risks. Given that Mr. Eto is well-versed in the Company's business characteristics, it is believed to be a beneficial option for enhancing the Company's corporate value that he remains involved in the Company's management post-Transaction and lead the business transformation efforts.
- KKR has expressed its intention to support the Company's management policy following the Transaction, which involves protecting the Company's strengths as a manufacturer, the source of its corporate value, while simultaneously pursuing global expansion of its solution business and aiming for sustainable business growth in each sector through appropriate up-front investments and reinvestments for new business creation.
- In addition, as JICC is expected to make an indirect minority investment in the Company through the Transaction, the Company is also expected to receive ongoing support from JICC for its businesses, including those in the space and defense sectors.
- As for the potential disadvantages associated with the Transaction, they typically include those associated with taking a company private, such as (1) the inability to raise capital through equity financing from capital markets and (2) the loss of benefits typically enjoyed by listed companies, such as enhanced name recognition and public trust. However, in relation to (1), given the Company's current financial situation and related circumstances, it is believed that the Company can secure the necessary funding through its internal resources and borrowings from financial institutions. Therefore, at least in the short term, there is no pressing need for equity financing. In relation to (2), given the Company's long history as a listed company, it has already established sufficient name recognition and public trust in its relationships with its business partners. Accordingly, the impact of delisting is considered limited. As a result, the benefits expected from implementing the Transaction are considered to outweigh the potential disadvantages.

II. Appropriateness of the terms and conditions of the Transaction

Taking into consideration the points set out below, the fairness and appropriateness of the terms and conditions of the Transaction (including its method of implementation and the adequacy

of the consideration) are considered to be ensured from the perspective of the Company's general shareholders.

A. Ensuring the status of negotiations

It is presumed that agreement on the Transaction was reached as a result of objective and consistent discussions between the Company and KKR, equivalent to those between independent parties, with the active involvement of the Strategic Special Committee. No circumstances were found that would call into question the transparency or fairness of the decision-making process.

B. Relationship between the Share Price Valuation and the Tender Offer Price

(a) Business Plan

Given that the valuation results provided by J.P. Morgan, which served as the main source of information in evaluating the fairness and appropriateness of the Tender Offer Price, were based on the Business Plan, the Strategic Special Committee reviewed both (i) the procedures involved in preparing the Business Plan, including confirming that no parties with a conflict of interest in relation to the Transaction were involved in preparing the Business Plan and (ii) the content of the Business Plan, including whether the Business Plan was based on excessively conservative estimates.

The Eye Care Business is expected to take more time than the Positioning Business for various measures to come to fruition, and if both businesses are planned for the same period, the future potential of the Eye Care Business may not be properly reflected in the Business Plan. Accordingly, the Eye Care Business is planned through the fiscal year ending March 31, 2033, while the Positioning Business is planned through the fiscal year ending March 31, 2031. In this way, it is recognized that the Business Plan sets a reasonable period for each business in light of the actual state of the Company's business and future prospects.

In addition to the downward revision on January 30, 2025 of the earnings forecast for the fiscal year ending March 2025, the Company has revised the Business Plan based on the latest earnings and future prospects before the commencement of the Final Bidding Procedures. These revisions reflect a rational outlook based on the current situation, including the fact that the recovery of the Positioning Business in North America is slower than expected and the delay in the progress of the Eye Care Business's solution business, a new business. The Company has re-examined items that it had previously thought would be achieved at an earlier stage, and now expects that they will take longer to grow than initially expected.

As such, the revisions to the Business Plan are made based on objective progress in performance, etc., and are not made arbitrarily to push down the plan or change the content of the business as envisaged in the Business Plan before the revision, so they are not considered unreasonable.

As a result of this review, the Strategic Special Committee concluded that no arbitrary pressure was exerted by the Tender Offeror in the process of preparing the Business Plan or its content, and that the Business Plan is reasonable.

(b) Calculation method

According to the question and answer correspondence with the Strategic Special Committee and the explanations regarding the Share Valuation Report provided to J.P. Morgan and the Strategic Special Committee, the average market price method and the DCF method, which are calculation methods used by J.P. Morgan, are calculation methods generally used in calculating the value of shares in transactions of the same type as the Transaction, and there were no unreasonable points in the reasons why J.P. Morgan used each of these calculation methods. Accordingly, there was deemed to be no unreasonable points regarding J.P. Morgan having used each of these calculation methods to calculate the value of the shares of the Company.

In the average market price method, J.P. Morgan adopted the closing price on the record date (March 27, 2025), the simple average closing prices for the last one-month period, the simple average closing prices for the last three-month period, and the simple average closing prices for the last six-month period. It is common for the average market price method to adopt the closing price on the record date, the simple average closing prices for the last one-month period, the simple average closing prices for the last three-month period, and the simple average closing prices for the last six-month period, and there are no unreasonable points in the calculation results of the average market price method.

In addition, J.P. Morgan conducted a Sum of the Parts analysis in which the Company Group's businesses were classified into the Positioning Business and the Eye Care Business for the purpose of valuing the businesses using the DCF method. There is nothing unreasonable about the adoption of a Sum of the Parts analysis as the Business Plan sets a reasonable period for each business, and the Eye Care Business includes the new solution business, which is different in nature from the Positioning Business as stated in B. (a) above.

Also, in the calculation process of the DCF method, free cash flow is calculated by adding and subtracting general items, and as this is consistent with the financial figures in the Business Plan, it is considered to be reasonable. The adoption of WACC as the discount rate, the basis

for the adoption of the risk-free rate, equity risk premium and beta value figures in that case, and the adoption of the perpetuity method for the terminal value are also considered to be common methods in practice, and no unreasonable points are found.

Based on the above, there are no unreasonable points in the content of the calculation by J.P. Morgan.

(c) Share Price Valuation of Company Shares

The value of the Company Shares based on each of the calculation methods in the Share Valuation Report prepared by J.P. Morgan is as follows.

Calculation Method	Value per Share
Average market price method	2,319 yen to 3,190.0 yen
DCF method	2,790 yen to 3,512 yen

As stated above, the Tender Offer Price (3,300 yen per share) is (i) higher than the maximum valuation result calculated using the average market price method and (ii) higher than the mid-range valuation result calculated using the DCF method that represents the intrinsic Share Value of the shares of the Company.

(d) Obtaining Fairness Opinion

The Company has received the Fairness Opinion dated as of March 28, 2025 from J.P. Morgan.

In light of the fact that nothing particularly unreasonable was found in the valuation results of the Company Shares as calculated by J.P. Morgan, etc., it may be considered for there to be nothing particularly unreasonable in the issuing process or contents of the Fairness Opinion, and the Strategic Special Committee believes that the Fairness Opinion can be assessed positively as a measure to ensure fairness.

(e) Review of premiums

The Tender Offer Price is the amount obtained by adding the below listed respective premiums to the closing price of the Company Shares on the Tokyo Stock Exchange through December 9, 2024, which is the business day prior to December 10, 2024, December 10, 2024 being the day on which speculative reports regarding the Take-Private Process published.

Reference Price	Share Price	Premium
Closing price	1,756.5 yen	87.87%
Average closing price for previous 1 month	1,587 yen	107.94%
Average closing price for previous 3 months	1,567 yen	110.59%
Average closing price for previous 6 months	1,608 yen	105.22%

Also, the Tender Offer Price is the amount obtained by adding the below listed respective premiums to the closing price of the Company Shares on the Tokyo Stock Exchange through March 26, 2025, which is the business day prior to March 27, 2025, being the day on which second speculative reports regarding the Take-Private Process were made to the public.

Reference Price	Share Price	Premium
Closing price	2,970.0 yen	11.11%
Average closing price for previous 1 month	2,872 yen	14.90%
Average closing price for previous 3 months	2,845 yen	15.99%
Average closing price for previous 6 months	2,306 yen	43.10%

In addition, the Tender Offer Price is the amount obtained by adding the following respective premiums to the closing price of the Company Shares on the Tokyo Stock Exchange through March 27, 2025 (the “**Day Immediately Preceding Tender Offer Announcement Date**”).

Reference Price	Share Price	Premium
Closing price on Day Immediately Preceding Tender Offer Announcement Date	3,190.0 yen	3.45%
Average closing price for previous 1 month from Day Immediately Preceding Tender Offer Announcement Date	2,891 yen	14.15%
Average closing price for previous 3 months from Day Immediately Preceding Tender Offer Announcement Date	2,850 yen	15.79%
Average closing price for previous 6 months from Day Immediately Preceding Tender Offer Announcement Date	2,319 yen	42.30%

The premiums in recent cases of the same type that were used for reference (out of the Management Buyout (MBO) cases announced between June 28, 2019, when the Ministry of Economy, Trade and Industry published its “Guidelines for Fair M&A - Towards Improving Corporate Value and Securing Shareholder Profits,” and March 17, 2025, 74 cases were successfully concluded) by the Strategic Special Committee are as follows.

Premium	Average Value	Middle Value
Closing price on Day Immediately	46.56%	41.97%

Preceding Tender Offer Announcement Date		
Average closing price for previous 1 month from Day Immediately Preceding Tender Offer Announcement Date	49.68%	44.20%
Average closing price for previous 3 months from Day Immediately Preceding Tender Offer Announcement Date	52.21%	45.79%
Average closing price for previous 6 months from Day Immediately Preceding Tender Offer Announcement Date	52.17%	47.28%

Based on the above, although the premium of the Tender Offer Price based on the day immediately prior to the announcement is lower than the premium levels of similar cases in recent times, the impact of the two speculative reports regarding the Take-Private Process should not be underestimated in light of the movement of the Company's share price, and the premium of the Tender Offer Price based on the business day prior to the date of the first speculative report is significantly higher than the average and median values of similar cases in recent times, so it is recognized that the Tender Offer Price is sufficiently premium compared to similar cases.

(f) Advantages over other Candidates

The Transaction was selected from among the proposals received from several potential Candidates after undergoing the Take-Private Process, which is a bidding procedure. None of the other Candidates made a final proposal for the Transaction with a Tender Offer Price that was higher than in the proposal from KKR.

Accordingly, implementation of the Transaction by the Company is considered as being the selection of the most favorable terms for the ordinary shareholders of the Company from among the options that could realistically be adopted by the Company.

c. Reasonableness of scheme, etc.

In the Transaction, the Tender Offer, which will use cash as consideration, is planned as the first step, followed by a squeeze-out through a securities cash-out demand or a share consolidation as the second step after completion of the Tender Offer. This transaction scheme, including the cash consideration, is common in Management Buyouts (MBOs) sponsored by investment funds and does not harm the interests of the general shareholders of the Company. In addition, as a result of considering the main issues under the Tender Offer Agreement (including the conditions precedent to the commencement of the Tender Offer) based on the advice of Nagashima Ohno & Tsunematsu and of Nakamura, Tsunoda & Matsumoto, it was confirmed that the Tender Offer Agreement did not contain any agreement that would harm the interests of the general shareholders, and that there were no unreasonable points in executing the Transaction based on the Tender Offer Agreement.

In the Transaction, it is planned that Mr. Eto will subscribe for shares of the Tender Offeror Parent Company after the Transaction and reinvest a portion of the consideration received for tendering in the Tender Offer in the Tender Offeror Parent Company (“**Reinvestment**”) within the scope of the consideration acquired by tendering to the Tender Offer. The valuation of the Company Shares, which will be used as the basis for determining the price to be paid per share of the Tender Offeror Parent Company in the Reinvestment, is expected to be 3,300 yen, the same price as the Tender Offer Price, and it is not expected that any issuance will be made at a price lower than the Tender Offer Price. In light of the fact that the Transaction is a Management Buyout (MBO), there is a rationality to Mr. Eto's decision to conduct the Reinvestment after the Transaction, and from the perspective of ensuring the interests of general shareholders, there is no expected unfair transfer of value to Mr. Eto through the Reinvestment, and there are no unreasonable points in the terms of the Reinvestment.

Based on these considerations, the Transaction scheme can be said to be reasonable.

d. Reasonableness of Share Option Purchase Price

Since the Share Option Purchase Price was determined to be the difference between (i) the Tender Offer Price of 3,300 yen and the exercise price per Company Share for each Share Option (ii) multiplied by the number of Company Shares to be issued upon exercise of each such Share Option, for the same reasons as for the Tender Offer Price, the Share Option Purchase Price is considered to have been determined after the interests of the Share Option Holders had been sufficiently considered.

e. Reasonableness of Tender Offer price for ADS

In addition, the Tender Offer also covers the ADS represented by the ADR. Since the Tender Offer price for ADS was determined to be the same as the Tender Offer Price of 3,300 yen, for the same reasons as for the Tender Offer Price, the Tender Offer price for ADS is considered to have been determined after the interests of the ADR Holders had been sufficiently considered.

III. Fairness of Transaction procedures

Based on the fact that the following measures have been taken for the Transaction and that these measures have actually been effectively implemented, the fairness of the procedures for the Transaction has been ensured and it is considered that sufficient consideration has been given to the interests of the general shareholders of the Company through fair procedures in the Transaction.

A. Establishment of Strategic Special Committee.

The Company has established a Strategic Special Committee, which consists of five (5) independent outside directors of the Company who are deemed to be independent from the Tender Offeror, other related companies, and other parties specified in the implementation rules, and who are independent from the outcome of the Transaction. Each member is independent from the Company in light of the criteria for independence of outside directors of the Company, none of them has any material conflict of interest with any of the Candidates, including KKR, and each member is considered to be independent from all of the Candidates, including KKR. In addition, not only does each member have considerable knowledge of the business activities of the Company as outside directors of the Company, they also have abundant experience and deep insight in various fields, and therefore, each of them is considered to have the expertise and qualifications to consider the Matters for Consultation.

The members of the Strategic Special Committee are expected to receive, in addition to their regular executive compensation, compensation for their duties as members of the Strategic Special Committee, but since the compensation for their duties as members of the Strategic Special Committee is a fixed amount and will be paid regardless of the content of the report, the independence of the members of the Strategic Special Committee from the success or failure of the Transaction is also ensured.

The Strategic Special Committee (i) received advice from the legal advisor of the Strategic Special Committee, Nakamura, Tsunoda & Matsumoto, and the legal advisor of the Company,

Nagashima Ohno & Tsunematsu, from a legal perspective on decision-making processes regarding the Transaction and operating procedures of the Strategic Special Committee; (ii) received explanations from the Company regarding the Business Plan and engaged in question-and-answer activities regarding the same; (iii) received a letter of intention and other proposals from each of the Candidates and, at Strategic Special Committee meetings, engaged in question-and-answer activities with Mr. Eto regarding the purpose of the Transaction and his view on the proposals from each of the Candidates; (iv) received explanations from the Company regarding its view on the purpose of the Transaction and related matters and engaged in question-and-answer activities regarding the same; (v) received reports from the third party valuation institution of the Company, J.P. Morgan, on both the share valuation report on the Company Shares and the Fairness Opinion, and engaged in question-and-answer activities regarding the same; and (vi) received explanations on Company press releases and drafts of the Tender Offer Agreement from the legal advisor of the Company, Nagashima Ohno & Tsunematsu, engaged in question-and-answer activities regarding the same, and has obtained sufficient information.

Furthermore, with respect to negotiations regarding the Tender Offer Price and other matters relating to the Tender Offer, the Strategic Special Committee receives information that was timely shared regarding the details of the tender offer price proposals from each of the Candidates, including KKR, and the status of negotiations. The Strategic Special Committee then deliberated and examined the details thereof, taking into account opinions received from JP Morgan, and together with approving the negotiation position and strategy regarding such tender offer price related matters after engaging in internal discussions in advance, provided its opinion on important issues to be discussed in the negotiations, and issued specific instructions and/or requests, etc. In such ways, the Strategic Special Committee was substantively involved in the negotiation process regarding the transactional terms and conditions of the Transaction.

B. Company decision-making processes

From the perspective of avoiding any suspicion of conflict of interest, among the directors of the Company, Mr. Eto has not participated in any deliberations or resolutions of the directors of the Company in connection with the Transaction, including non-participation in the deliberations and resolutions that occurred at the above referred to board of directors meetings, nor has he participated in any discussions or negotiations with the Tender Offeror on behalf of the Company.

C. Obtaining professional advice from external experts

(a) Obtaining advice from legal advisors

The Strategic Special Committee has appointed Nakamura, Tsunoda & Matsumoto as its legal advisor independent of the Tender Offeror, the Tender Offeror Parent Company, KKR, and the related parties of the Company, and has received advice, including legal advice on measures to be taken regarding the Transaction to confirm the fairness, objectivity, and reasonableness of procedures, the various procedures of the Transaction, and the Company decision-making process and procedures regarding the Transaction.

In addition, in order to ensure the fairness, objectivity and appropriateness of the decision-making processes of the board of directors of the Company for the Transaction, including the Tender Offer, the Company has appointed Nagashima Ohno & Tsunematsu as its legal advisor independent of the Tender Offeror, the Tender Offeror Parent Company, KKR and related parties of the Company and has received from this firm necessary legal advice on the decision-making process and procedures of the board of directors, including various procedures and other points to be noted in connection with the Transaction.

(b) Obtaining Share Valuation Report and Fairness Opinion from third-party valuation institution

In expressing its opinion on the Transaction, including the Tender Offer, in order to ensure the fairness of the Tender Offer Price and the fairness of the Transactions including the Tender Offer, the Company obtained a Share Valuation Report on the share value of the Company Shares from the financial advisor of the Company, J.P. Morgan, as well as a Fairness Opinion from J.P. Morgan, which states that the Tender Offer Price is fair to the common shareholders (excluding the Tender Offeror, Tender Offeror Parent Company, KKR and their related companies) of the Company from a financial point of view.

The Strategic Special Committee approved J.P. Morgan as the financial advisor and third-party valuation institution of the Company after confirming the independence, expertise and track record of J.P. Morgan, and received explanations on the expert advice provided by J.P. Morgan to the Company as necessary regarding price and other similar negotiations as necessary.

D. Market Checks

(a) Implementation of the Take-Private Process

In considering the Transaction, on the advice of the Strategic Special Committee, the Company

has conducted so-called active market checks (including bidding procedures prior to the announcement of the Transaction) to investigate and consider whether there are potential buyers in the market. Through the bidding process, the Company has endeavored to foster and maintain a competitive environment among potential buyers by receiving proposals from multiple potential buyers and proceeding with negotiations while comparing and considering these proposals. Therefore, it is recognized that a so-called active market check is being carried out to investigate and consider the existence of potential acquirers in the market.

(b) Tender Offer Period and deal protection clauses

Although the Tender Offer Period of the Tender Offer has been generally set at 21 business days, it is expected that it will take more than 3 months between the announcement of the planned commencement of the Tender Offer and the actual commencement of the Tender Offer. Considering such period prior to the commencement of the Tender Offer, it is recognized that there is a reasonable opportunity for competing tender offers to be made by other potential acquirers.

In addition, although the Company has agreed with the Tender Offeror on certain deal protection clauses (including provisions on penalties in the event of a breach of the Company's obligations) in the Tender Offer Agreement, (i) in the event that a third party commences a tender offer with a tender offer price that exceeds the Tender Offer Price (“**Counter-Tender Offer**”) and (ii) in the event that a third party makes a serious proposal in writing for a competing tender offer that is reasonably considered to be superior to the Transaction, the Company will not be prevented from providing the third party with the minimum necessary information or from holding discussions, negotiations or reaching agreements with such third party. Furthermore, under the Tender Offer Agreement, (i) if a Counter-Tender Offer is commenced by a third party (including cases where a tender offer that has already commenced meets the requirements for a Counter-Tender Offer; hereinafter the same shall apply), or if a legally binding and serious proposal for a competing tender offer is received, the Company may request consultations with the Tender Offeror regarding an increase in the Tender Offer Price, and (ii) if the Tender Offeror does not raise the Tender Offer Price to a price equal to or higher than the tender offer price for the Counter-Tender Offer within a certain period of time, the Company will be relieved of its obligation to maintain its recommendation of tendering to the Tender Offer. If the Tender Offeror does not raise the Tender Offer Price to a price equal to or higher than the Counter-Tender Offer price within a certain period of time in the event that the Counter-Tender Offer price exceeds the Tender Offer Price by 5% or more, the Company shall be exempted from the obligation to maintain its affirmative opinion on the

Tender Offer, provided that the Company reasonably recognizes, based on the Strategic Special Committee's opinion or other reasonable grounds, there are specific concerns that the Company's directors have breached their duty of care in expressing or maintaining their affirmative opinion on the Tender Offer.

Based on the above, the deal protection clauses of the Tender Offer do not prevent the Company from holding discussions with the counter-proponent in the event that the counter-proponent commences a Counter-Tender Offer or makes a bona fide offer to do so. In addition, if the Tender Offeror does not accept an increase in the Tender Offer Price in the event that a Counter-Tender Offer is launched or a bona fide offer is made, the Company will be able to change its opinion on the Tender Offer under certain conditions. Therefore, the content of deal protection clauses is not unreasonable and it is not considered to unduly restrict the implementation of indirect market checks.

E. Majority of minorities

The minimum number of shares to be purchased in the Tender Offer will be set at 52,861,561 shares, and will be publicly announced. Such minimum number of shares to be purchased will exceed the majority (52,721,022 shares, which is the number corresponding to the so-called “**majority of minority**”) of the number of shares (105,442,043 shares), which is Total Shares Outstanding on a Fully Diluted Basis (105,512,097 shares) less the number of shares of the Company held by Mr. Eto (70,054 shares).

Therefore, it is recognized that the Tender Offer provides general shareholders with an opportunity to make a decision that is substantially equivalent to the case where a majority-of-minority condition is set.

F. Enhancement of information provided to general shareholders and improvement in the transparency of processes

In addition to information regarding the Strategic Special Committee and the calculation of the share value, the Company's press release is expected to disclose substantial information regarding the process, etc. that led to the implementation of the Transaction, the background, purpose, etc. of choosing to conduct the Transaction at the relevant time, the specific details of the interests that the Company's directors, etc. have in relation to the Transaction, the existence or non-existence and form of the involvement of such directors, etc. in the process of forming the transaction terms, and the specific details of the discussions and negotiations between the Company and KKR regarding the transaction terms, etc.

Therefore, the Tender Offer is expected to ensure that the general shareholders will have an opportunity to make an appropriate decision based on sufficient information.

G. Considerations to prevent coercion

In the Transaction, it is planned that the Company be requested to hold an extraordinary shareholders' meeting promptly after the completion of the settlement of the Tender Offer, where the agenda items shall include the implementation of a Share Cash-out Demand or a Share Consolidation, and a partial amendment of the articles of incorporation to abolish provisions regarding the number of shares constituting one unit of shares on the condition that the Share Consolidation takes effect. In the event that cash is paid to shareholders and Share Option Holders who did not tender their shares in the Tender Offer, the amount will be calculated so that it will be the same as the price they would have received if they had tendered their shares in the Tender Offer, and it is planned that this will be disclosed in the Company's press release.

In addition, if a Securities Cash-out Demand is implemented, it will be ensured that the Company's shareholders and the Share Option Holders will have the right to file a petition with the court to determine the price, and in the case where a Share Consolidation is implemented, it will be ensured that the Company's shareholders will have the right to demand the Company purchase their shares and the accompanying right to file a petition with the court to determine the price.

Furthermore, the Tender Offeror has set the minimum number of shares to be purchased in the Tender Offer at 52,861,561 shares (ownership: 50.10%), and this minimum number has been set by the Tender Offeror at a level that can secure the number of voting rights that makes the passing of the proposed resolution regarding the Share Consolidation possible unless the percentage of voting rights exercised at the Extraordinary General Shareholders Meeting significantly exceeds the historical percentage of voting rights exercised in the past, with reference to the percentage of voting rights exercised at the Company's ordinary general meetings of shareholders in the past, and in light of the number of shares in the Company with transfer restrictions that have been granted to the Company's directors and the number of shares held by passive index management funds, whose holders are expected to exercise their voting rights in favor of the resolution at the Extraordinary General Meeting of Shareholders even though they will not tender their shares in the Tender Offer. If the Tender Offer successfully occurs, since there is nothing particularly unreasonable about this explanation and it is practically guaranteed that there will be a cash-out as a result of the Share Consolidation, it is considered that the issue of coercion is eliminated.

Therefore, it can be said that consideration has been given to prevent coercion in this Transaction.

IV. Items 4 and 5 of the Matters for Consultation

As stated above, the Transaction will contribute to the improvement of the Company's corporate value, and the purpose of the Transaction is deemed reasonable; the fairness and appropriateness of the terms and conditions of the Transaction are deemed secured; and sufficient consideration has been given to the interests of the Company's general shareholders through fair procedures in the Transaction. As such, it is considered that it is not disadvantageous to the general shareholders of the Company for the board of directors of the Company to support the Tender Offer and to decide to express an opinion to recommend that the shareholders of the Company and the holders of the Share Options tender their shares or options in the Tender Offer and that the ADR Holders deliver their ADRs to the depositary bank in advance and receive the Company Shares related to the ADSs and tender the shares in the Tender Offer. In addition, it is considered that it is not disadvantageous to the general shareholders (i.e., the minority shareholders) of the Company for the board of directors of the Company to decide to implement the Squeeze-Out Procedures in order to make the Tender Offeror the only shareholder of the Company after the completion of the Tender Offer. For the same reasons as those stated above, it is also considered reasonable for the board of directors to express its opinion in favor of the Tender Offer and recommend that the Company's shareholders and holders of Share Options tender their shares or options in the Tender Offer and that the ADR Holders deliver their ADRs to the depositary bank in advance and receive the Company Shares related to the ADSs and tender the shares in the Tender Offer with respect to item 5 of the inquired matters.

B. April 16, 2025 Supplementary Report

(i) Background of deliberations

In delivering the supplemental opinion, the Strategic Special Committee held a meeting on April 16, 2025, with all five members present and deliberating.

In doing so, the Strategic Special Committee examined (i) the draft of the press release dated April 16, 2025 regarding partial changes to the Company's press release as of the date of preparation of the Supplementary Opinion dated April 16, 2025, (ii) materials relating to the Transaction from March 28, 2025, the date on which the Transaction was announced (the "Announcement Date") until the date of preparation of the April 16, 2025 Supplementary Report (including reporting

materials submitted by KKR), and other materials reported to the Strategic Special Committee.

(ii) Details of the decision

Under the above background, on April 16, 2025, the Strategic Special Committee submitted to the Company's board of directors, by the unanimous vote of the committee members, the Supplementary Opinion dated April 16, 2025, whose content is outlined below.

a. Contents of the Advisory Report

There is no change to the opinion of the Strategic Special Committee after the submission of the March 28, 2025 Report, even after considering the circumstances that have arisen until the date of preparation of the April 16, 2025 Supplementary Report.

b. Reasons for the Supplemental Advisory Report

I. Reasonableness of the purpose of the Transaction

Considering the following points, we do not see any circumstance that should change the content of our opinion in the March 28, 2025 Report regarding the reasonableness of the purpose of the Transaction, including whether the Transaction will contribute to the enhancement of the Company's corporate value.

- With respect to the structure of the Transaction, VAC will tender all of its Company Shares in the Tender Offer, and it is intended that VAC will make a new investment in the KKR Fund.
- The reason why KKR Fund is accepting the LP Interest Acquisition by VAC is that VAC is holding the Company Shares in the medium to long term and has a certain level of knowledge about the Company's business and measures to improve corporate value, and KKR would be able to receive such knowledge shared by VAC. However, the equity interest to be acquired by VAC through the LP Interest Acquisition is a limited partner interest in the KKR Fund, and VAC will not acquire voting rights in the Tender Offeror Parent Company, the Tender Offeror, or the Company, and it is not intended that VAC will dispatch directors to the Tender Offeror Parent Company, the Tender Offeror, or the Company. Accordingly, it is not expected that VAC will be involved in the decision-making of the Company after the completion of the Transaction. There would be no change to the support provided by KKR and the continued support of JICC that are

envisaged after the Transaction, and even if the LP Interest Acquisition is implemented, there would be no change in the assumptions regarding the enhancement of the Company's corporate value that is envisaged after the Transaction, which is an MBO. Therefore, there are no circumstances that should change the judgment of the Strategic Special Committee in the Opinion dated March 28, 2025.

- VAC's tender in the Tender Offer can be evaluated as increasing the certainty of the Transaction contributing to the enhancement of the Company's corporate value.
- There have been no new circumstances that have arisen since the Announcement Date that would reduce the value of the Company's business.

II. Appropriateness of the terms and conditions of the Transaction

Considering the following points, there are no circumstances that should change the content of the opinion set forth in the March 28, 2025 Report, and it can be said that the fairness and appropriateness of the terms and conditions of the Transaction (including the method of implementation of the Transaction and the appropriateness of the price) continue to be secured, from the perspective of the Company's general shareholders.

- With respect to the appropriateness of the terms and conditions of the Transaction, the Company currently has no plan to change the Business Plan, nor has it updated the Share Price Valuation Report prepared by J.P. Morgan based on the Business Plan. In this regard, given that no circumstances that could have a material impact on the value of the Company's business have occurred since the Announcement Date, there is no need to make any changes to the Business Plan, nor is there any need to update the Share Price Valuation Report.
- The Fairness Opinion obtained by the Company from J.P. Morgan is maintained as of the date of submission of the April 16, 2025 Supplementary Report.
- In addition to the above, it can be said that (i) the valuation of the Company Shares, which is the premise for determining the amount to be paid for the limited partner interest of KKR Fund in the LP Interest Acquisition, is intended to be set at 3,300 yen, which is the same price as the Tender Offer Price, and the tender in the Tender Offer and the LP Interest Acquisition do not constitute a transaction that gives to VAC benefits that differ from those of Company's minority shareholders, and (ii) the Company's market share price has remained below the Tender Offer Price from the Announcement Date until the date of submission of the April 16, 2025 Supplementary Report, and there have been no circumstances requiring special consideration regarding the appropriateness of the Tender

Offer Price relative to the market share price.

III. Fairness of the Procedures Relating to the Transaction

With regard to securing the interests of general shareholders through the implementation of fair procedures in the Transaction, the minimum number of shares to be purchased in the Tender Offer is set at 52,861,561 shares in the March 28, 2025 Report, and since such minimum number of shares to be purchased exceeds the majority of the number of shares obtained by deducting the number of Company Shares held by Mr. Eto from the Total Shares Outstanding on a Fully Diluted Basis, it was decided that the same opportunity to make a decision is secured as in the case where a majority of minority condition is effectively set.

In this regard, since the LP Interest Acquisition is newly planned, VAC will fall under the category of a shareholder that shares a material common interest with KKR, the acquirer. Considering the number of Company Shares held by VAC (15,425,800 shares; shareholding; 14.62%), as the minimum number of shares to be purchased in the Tender Offer is not changed, the minimum number of shares to be purchased in the Tender Offer will be lower than the level that satisfies the majority of minority condition.

However, in the M&A Guidelines, concerns have been raised about the hindering effect on M&A transactions that contribute to the enhancement of corporate value in cases where the ratio of shares of the target company held by the acquirer is high. Although this Transaction is different from an acquisition of a subordinate company by a controlling shareholder, it cannot be completely denied that there is a possibility that raising the number of shares to be purchased in the Tender Offer to a level that satisfies the majority of minority condition could impede opportunities for general shareholders to sell Company Shares at a fair and reasonable price.

Also, in this Transaction, it can be concluded that it continues to function effectively and no changes are made to any of the following fairness assurance measures as of the date of preparation of the April 16, 2025 Supplementary Report: (i) the establishment of the Strategic Special Committee, (ii) the decision-making process of the Company, (iii) the obtaining of professional advice from outside experts, (iv) market checks, (v) the enhancement of the provision of information to general shareholders and the transparency of processes, and (vi) the considerations that are made to avoid coercion. Therefore, it can be said that, even if a majority of minority condition is not set, it is supplemented by other comprehensive fairness assurance measures, and the fairness of the terms and conditions of the transaction is secured as a whole.

In light of the above, no circumstances that should change the content of the opinion set forth

in the March 28, 2025 Report with respect to securing the interests of general shareholders through fair procedures implemented in the Transaction have been found.

C. July 28, 2025 Supplementary Report

(i) Background of deliberations

In delivering the supplemental report, the Strategic Special Committee held a meeting on July 28, 2025, with all five members present and deliberating.

In doing so, the Strategic Special Committee examined (i) the draft of the press release dated July 28, 2025, titled “Notice Concerning the Supporting Opinion and Tender Recommendation Opinion for the Commencement of the Tender Offer for Company Share Certificates by TK Co., Ltd. as part of the implementation of MBO, and capital participation by KKR Japan and JIC Capital, Ltd.,” as of the date of preparation of the Supplementary Report dated July 28, 2025, and (ii) materials relating to the Transaction from the date of preparation of the April 16, 2025 Supplementary Report until the date of preparation of the Supplementary Report dated July 28, 2025, and other materials reported to the Strategic Special Committee.

(ii) Details of the decision

Under the above background, on July 28, 2025, the Strategic Special Committee submitted to the Company's board of directors, by the unanimous vote of the committee members, the Supplementary Report dated July 28, 2025, whose content is outlined below.

a. Confirmation of Matters for Consultation

The Matters for Consultation on which the Strategic Special Committee was consulted by the board of directors of the Company, as set forth in the March 28, 2025 Report, are as below. In light of the partial amendments to the Securities Listing Regulations of the Tokyo Stock Exchange, Inc. (in relation to matters to be complied with in connection with MBOs, etc.; the “**Regulatory Amendments**”) that came into effect on July 22, 2025, the Supplementary Report dated July 28, 2025 provides that, among the Matters for Consultation, Matter for Consultation 2, previously described as “the appropriateness of the terms and conditions of the Transaction” should be read as “the fairness of the terms and conditions of the Transaction,” and Matter for Consultation 4, previously described as “whether the Transaction would be disadvantageous to the Company’s general shareholders” should be read as “whether the Transaction would be fair to the Company’s general shareholders.”

1. The reasonableness of the purpose of the Transaction (including whether the Transaction will contribute to the enhancement of the Company's corporate value)
2. The fairness of the terms and conditions of the Transaction;
3. The fairness of the procedures related to the Transaction;
4. whether the Transaction would be fair to the Company's general shareholders; and
5. Whether the Company's board of directors should express an opinion in support of the Tender Offer and recommend that the Company's shareholders tender their shares in the Tender Offer.

b. Contents of Advisory Report

After considering the circumstances arising from the submission of the March 28, 2025 Report through the date of preparation of the Supplementary Opinion dated July 28, 2025, the Strategic Special Committee determined that there is no need to amend the contents of the March 28, 2025 Report and the April 16, 2025 Supplementary Report. Therefore, the Strategic Special Committee provided its opinion as follows:

1. The Transaction will contribute to the enhancement of the Company's corporate value, and its purpose is reasonable.
2. The fairness and appropriateness of the terms and conditions of the Transaction (including the method of implementation and the appropriateness of the consideration) have been ensured.
3. The fairness of the procedures for the Transaction has been ensured.
4. In light of Items 1. through 3. above, the decision to implement the Transaction is considered to be fair to the Company's general shareholders.
5. It is considered reasonable for the Company's board of directors to express its opinion in support of the Tender Offer, to recommend that the Company's shareholders and the Share Option Holders tender their shares and options in the Tender Offer, and in relation to the ADR holders, to recommend that they deliver their ADRs to the depositary bank in advance and receive the Company Shares related to the ADSs represented by the ADRs and tender their ADSs in the Tender Offer.

It should be noted that, although the recommendation in relation to the Share Options and the ADRs in Item 5. above was not expressly included in the Matters for Consultation,

the Strategic Special Committee determined that whether to recommend that the Share Option Holders and the ADR holders tender in the Tender Offer constitutes a sub-item of Item 5. of the Matters for Consultation, and therefore, included such in Item 5. above.

c. Reasons for Supplemental Report

I. Circumstances Arising Following the Announcement of the Transaction

First, after the Transaction was announced on March 28, 2025 (the “**Announcement Date**”), certain changes to the structure of the Transaction (including the execution of the Tender Offer Agreement (VAC) and the planned LP Interest Acquisition) were announced on April 16, 2025. In response, the Strategic Special Committee, after considering the circumstances arising from the Announcement Date through April 16, 2025, and, as stated in the April 16, 2025 Supplementary Report, determined that there is no change to its opinion expressed in the March 28, 2025 Report.

Subsequently, following the submission of the April 16, 2025 Supplementary Report, the circumstances described below have arisen.

- Since the submission of the April 16, 2025 Supplementary Report, the following new agreements have been entered into in relation to the structure of the Transaction:
 - Management services agreement dated on July 28, 2025 with Mr. Eto which provides for the management of the Company after the Transaction (“**Management Services Agreement (Mr. Eto)**”)
 - Shareholders agreement dated on July 28, 2025 between the Tender Offeror and the JICC Fund , which provides for the terms of the Investment, an overview of the Class A Preferred Shares and Class B Preferred Shares, the management of the Tender Offeror Parent Company, the Tender Offeror and the Company after the Transaction, and the handling of the Tender Offeror Parent Company shares (“**Shareholders Agreement**”)
 - Amendment dated June 3, 2025 adding a party to the Tender Offer Agreement (VAC)
 - LP Interest Acquisition Agreement (VAC)
- Except for the partial amendment to the structure of the Transaction disclosed on April 16, 2025, the execution of each of the agreements described above, and the change in the

minimum number of shares to be purchased in the Tender Offer due to changes in the number of treasury shares owned by the Company (from 52,861,561 shares to 52,861,519 shares), there are no changes to the terms and conditions of the Transaction. In particular, there is no change to the Tender Offer Price.

- Since the submission of the April 16, 2025 Supplementary Report, the Tender Offeror has proceeded with the necessary procedures and actions under domestic and foreign competition laws and laws related to inward direct investment. No particular issues that would hinder the execution of the Transaction have arisen. Additionally, the Clearance, except for Unobtained Clearance are expected to be completed by July 29 2025, and the Unobtained Clearance are anticipated to be completed by the deadline of August 26 2025, which is the date by which an extension of the Tender Offer Period under Article 27-8, Paragraph 8 of the Financial Instruments and Exchange Act is not required, even if an amendment tender offer statement is filed in connection with the Tender Offer to obtain the Unobtained Clearance.
- No events that could have a significant impact on the business value of the Company have occurred between the date of submission of the April 16, 2025 Supplementary Report, and the date of submission of the Supplementary Report dated July 28, 2025.
- The consolidated financial results of the Company for the fiscal year ended March 2025 exceeded the consolidated financial forecasts announced by the Company on January 30, 2025. However, even taking into account the results for the fiscal year ended March 2025, the Company currently has no plans to revise, and has determined it unnecessary to revise, the Business Plan for the fiscal year ending March 2026 and beyond (the Positioning Business is planned through the fiscal year ending March 2031, and the Eye Care Business is planned through the fiscal year ending March 2033), which served as the basis for the calculations by J.P. Morgan.
- From the date of submission of the April 16, 2025 Supplementary Report until the date of submission of the Supplementary Opinion dated July 28, 2025, the market price of the shares of the Company has been trading below the Tender Offer Price. Additionally, no events have occurred that would cast doubt on the fairness of the Tender Offer Price, such as counterproposals offering a higher purchase price or other circumstances.

II. Reasonableness of the purpose of the Transaction

The Management Services Agreement (Mr. Eto) is agreements with the same terms and conditions as the previously executed agreement dated March 28, regarding the main terms of

a management services agreement which provides for the management of the Company after the Transaction, and the Shareholders Agreement is also an agreement with the the same terms and conditions as the previously executed Agreement (JICC) dated March 28, 2025. Additionally, with respect to provisions that affect the Company, the Amendment to the Tender Offer Agreement (VAC) and the LP Interest Acquisition Agreement (VAC) do not differ from the previously executed Tender Offer Agreement (VAC) dated April 16, 2025. Further, since the announcement of the Transaction on the Announcement Date, as the Company proceeds with the various activities towards implementation of the Transaction, no new events have occurred that would reduce the business value of the Company, and there are no circumstances that would require a change to the opinions stated in the Opinion dated March 28, 2025 regarding the reasonableness of the purpose of the Transaction, including whether the Transaction contributes to enhancement of the corporate value of the Company. Therefore, as set forth in the below reasons stated in the March 28, 2025 Report and the April 16, 2025 Supplementary Report, and also as of the present date of the Supplementary Opinion dated July 28, 2025, the Transaction is deemed to contribute to the enhancement of the corporate value of the Company, and its purpose is deemed reasonable.

- In order to achieve further growth and enhance the Company's corporate value, it is necessary to pursue a long-term, sustainable business transformation. However, such transformation may adversely affect the Company Group's earnings and cash flow in the short term and may not be fully appreciated by the capital markets, which tend to prioritize short-term performance. Accordingly, in order to the accelerate fundamental transformation initiatives, it is also considered reasonable to take the Company private, thereby establishing a management structure under which specific shareholders, serving as partners, and management are aligned.
- Among the possible methods of taking the Company private, as to proceeding using a Management Buyout (MBO), the sophisticated management expertise is particularly important to cultivate new businesses, such as the eye care solutions business, which require the careful management of various risks. Given that Mr. Eto is well-versed in the Company's business characteristics, it is believed to be a beneficial option for enhancing the Company's corporate value that he remains involved in the Company's management post-Transaction and lead the business transformation efforts.
- KKR has expressed its intention to support the Company's management policy following the Transaction, which involves protecting the Company's strengths as a manufacturer, the source of its corporate value, while simultaneously pursuing global expansion of its

solution business and aiming for sustainable business growth in each sector through appropriate up-front investments and reinvestments for new business creation.

- In addition, as JICC is expected to make an indirect minority investment in the Company through the Transaction, the Company is also expected to receive ongoing support from JICC for its businesses, including those in the space and defense sectors.
- As for the potential disadvantages associated with the Transaction, they typically include those associated with taking a company private, such as (1) the inability to raise capital through equity financing from capital markets and (2) the loss of benefits typically enjoyed by listed companies, such as enhanced name recognition and public trust. However, in relation to (1), given the Company's current financial situation and related circumstances, it is believed that the Company can secure the necessary funding through its internal resources and borrowings from financial institutions. Therefore, at least in the short term, there is no pressing need for equity financing. In relation to (2), given the Company's long history as a listed company, it has already established sufficient name recognition and public trust in its relationships with its business partners. Accordingly, the impact of delisting is considered limited. As a result, the benefits expected from implementing the Transaction are considered to outweigh the potential disadvantages.
- The reason for the LP Interest Acquisition by VAC is that VAC has owned shares of the Company over a mid to long term period and is considered to have expertise regarding the Company business and measures to enhance the corporate value of the Company. KKR also took into account the possibility VAC sharing such expertise. However, the interest that VAC will acquire through the LP Interest Acquisition is a limited partner interest in KKR Fund. VAC will not acquire voting rights in the Tender Offeror Parent Company, the Tender Offeror, or the Company. Further, it is not planned for VAC to dispatch any of its directors to the Tender Offeror Parent Company, the Tender Offeror, or the Company. Therefore, it is not anticipated that VAC will be involved in the decision-making of the Company after completion of the Transaction. Post-completion of the Transaction, there will be no change to the support expected from KKR or the ongoing support from JICC, and even if the LP Interests Acquisition occurs, there is no change to the assumptions regarding the improvement of the corporate value of the Company as part of the management buy-out (MBO).

III. Fairness of the terms and conditions of the Transaction

Regarding the fairness of the terms and conditions of the Transaction, currently, the Company

has no plans to change the Business Plan, and no updates have been made to the Valuation Report prepared by J.P. Morgan based on the Business Plan. Since no events that could have a significant impact on the business value of the Company have occurred since the Announcement Date, there is no need to change the Business Plan or update the Valuation Report. Further, since the Fairness Opinion obtained by the Company from J.P. Morgan remains unchanged and in effect as of the date of submission of the Supplemental Opinion dated July 28, 2025, there are no circumstances that would require a change to the opinions stated in the Opinion dated March 28, 2025. Therefore, in relation to the fairness of the terms and conditions of the Transaction, as the result of conducting a comprehensive review and assessment of the Regulatory Amendments, including the circumstances that served as the basis for the opinions stated in the Opinion dated March 28, 2025 and the Supplementary Opinion dated April 16, 2025, as of the date of submission of the Supplementary Opinion dated July 28, 2025, the terms and conditions of the Transaction (including the method of implementing the Transaction and the appropriateness of the consideration) are fair and reasonable from the perspective of the general shareholders for the following reasons.

A. Points of view regarding the fairness of the terms and conditions

Considering the various circumstances described in the following item B. and the other below items, the Tender Offer Price is at a level that allows minority shareholders to enjoy an appropriate portion of “a value that cannot be realized without an M&A transaction” as described in the Fair M&A Guidelines, in addition to the stand-alone basis share value which presupposes that the Transaction does not occur (i.e., the value of the shares of the Company as of the present time).

B. Negotiation Process

The agreement reached in this Transaction is presumed to have been decided as a result of objective and consistent discussions equivalent to those between independent parties held between the Company and the KKR, conducted under the active involvement of the Strategic Special Committee, and there were no circumstances that would cast doubt on the transparency or fairness of the decision-making process. More specifically, the Strategic Special Committee did the following: (i) at the meeting of the Strategic Special Committee held on July 30, 2024, it approved the implementation of a bidding process in connection with the Transaction, and subsequently reviewed the proposals submitted by each candidate during the delisting process from the perspective of further enhancing the Company’s corporate value and maximizing the interests of the Company’s shareholders; (ii) in January 2025, it approved the implementation of the final bidding process on the premise of taking the Company private based on a

management buyout (MBO); (iii) it comprehensively compared and evaluated the proposals submitted in the final bidding process (in conducting such comparison and evaluation, it did not take the proposals of the final candidates as a given, and it conducted question-and-answer sessions with the Company and Mr. Eto regarding the feasibility and reasonableness of the proposals submitted by the final candidates, as well as the accuracy of their understanding of the Company's business, and it also conducted critical verifications), and taking into account that the KKR's proposed price of 3,300 yen per share of the Company Shares is higher than that of other final candidates, on March 3, 2025, it approved the selection of the KKR as the final candidate, and the granting of an exclusive negotiation period until March 21, 2025; and (iv) during the exclusive negotiation period, it continued to consider the implementation of the Transaction through discussions regarding the terms of the Tender Offer Agreement, among other matters, and at the Strategic Special Committee meeting held on March 28, 2025, it submitted a report stating that it believes that the decision to proceed with the Transaction is not detrimental to the interests of the Company's general shareholders, including the fairness of the Transaction terms.

C. Relationship between the Share Price Valuation and the Tender Offer Price

(a) Business Plan

Given that the valuation results provided by J.P. Morgan, which served as the main source of information in evaluating the fairness and appropriateness of the Tender Offer Price, were based on the Business Plan, the Strategic Special Committee reviewed both (i) the procedures involved in preparing the Business Plan, including confirming that no parties with a conflict of interest in relation to the Transaction were involved in preparing the Business Plan and (ii) the content of the Business Plan, including whether the Business Plan was based on excessively conservative estimates.

The Eye Care Business is expected to take more time than the Positioning Business for various measures to come to fruition, and if both businesses are planned for the same period, the future potential of the Eye Care Business may not be properly reflected in the Business Plan. Accordingly, the Eye Care Business is planned through the fiscal year ending March 31, 2033, while the Positioning Business is planned through the fiscal year ending March 31, 2031. In this way, it is recognized that the Business Plan sets a reasonable period for each business in light of the actual state of the Company's business and future prospects.

In addition to the downward revision on January 30, 2025 of the earnings forecast for the fiscal year ending March 2025, the Company has revised the Business Plan based on the latest earnings and future prospects before the commencement of the Final Bidding Procedures.

These revisions reflect a rational outlook based on the current situation, including the fact that the recovery of the Positioning Business in North America is slower than expected and the delay in the progress of the Eye Care Business's solution business, a new business. The Company has re-examined items that it had previously thought would be achieved at an earlier stage, and now expects that they will take longer to grow than initially expected.

As such, the revisions to the Business Plan are made based on objective progress in performance, etc., and are not made arbitrarily to push down the plan or change the content of the business as envisaged in the Business Plan before the revision, so they are not considered unreasonable.

As a result of this review, the Strategic Special Committee concluded that no arbitrary pressure was exerted by the Tender Offeror in the process of preparing the Business Plan or its content, and that the Business Plan is reasonable.

(b) Calculation method

According to the question and answer correspondence with the Strategic Special Committee and the explanations regarding the Share Valuation Report provided to J.P. Morgan and the Strategic Special Committee, the average market price method and the DCF method, which are calculation methods used by J.P. Morgan, are calculation methods generally used in calculating the value of shares in transactions of the same type as the Transaction, and there were no unreasonable points in the reasons why J.P. Morgan used each of these calculation methods. Accordingly, there was deemed to be no unreasonable points regarding J.P. Morgan having used each of these calculation methods to calculate the value of the shares of the Company.

In the average market price method, J.P. Morgan adopted the closing price on the record date (March 27, 2025), the simple average closing prices for the last one-month period, the simple average closing prices for the last three-month period, and the simple average closing prices for the last six-month period. It is common for the average market price method to adopt the closing price on the record date, the simple average closing prices for the last one-month period, the simple average closing prices for the last three-month period, and the simple average closing prices for the last six-month period, and there are no unreasonable points in the calculation results of the average market price method.

In addition, J.P. Morgan conducted a Sum of the Parts analysis in which the Company Group's businesses were classified into the Positioning Business and the Eye Care Business for the purpose of valuing the businesses using the DCF method. There is nothing unreasonable about the adoption of a Sum of the Parts analysis as the Business Plan sets a reasonable period for

each business, and the Eye Care Business includes the new solution business, which is different in nature from the Positioning Business as stated in B. (a) above.

Also, in the calculation process of the DCF method, free cash flow is calculated by adding and subtracting general items, and as this is consistent with the financial figures in the Business Plan, it is considered to be reasonable. The adoption of WACC as the discount rate, the basis for the adoption of the risk-free rate, equity risk premium and beta value figures in that case, and the adoption of the perpetuity method for the terminal value are also considered to be common methods in practice, and no unreasonable points are found.

Based on the above, there are no unreasonable points in the content of the calculation by J.P. Morgan.

(c) Share Price Valuation of Company Shares

The value of the Company Shares based on each of the calculation methods in the Share Valuation Report prepared by J.P. Morgan is as follows.

Calculation Method	Value per Share
Average market price method	2,319 yen to 3,190.0 yen
DCF method	2,790 yen to 3,512 yen

As stated above, the Tender Offer Price (3,300 yen per share) is (i) higher than the maximum valuation result calculated using the average market price method and (ii) higher than the mid-range valuation result calculated using the DCF method that represents the intrinsic Share Value of the shares of the Company.

(d) Obtaining Fairness Opinion

The Company has received the Fairness Opinion dated as of March 28, 2025 from J.P. Morgan.

In light of the fact that nothing particularly unreasonable was found in the valuation results of the Company Shares as calculated by J.P. Morgan, etc., it may be considered for there to be nothing particularly unreasonable in the issuing process or contents of the Fairness Opinion,

and the Strategic Special Committee believes that the Fairness Opinion can be assessed positively as a measure to ensure fairness.

(e) Review of premiums

The Tender Offer Price is the amount obtained by adding the below listed respective premiums to the closing price of the Company Shares on the Tokyo Stock Exchange through December 9, 2024, which is the business day prior to December 10, 2024, December 10, 2024 being the day on which speculative reports regarding the Take-Private Process published.

Reference Price	Share Price	Premium
Closing price	1,756.5 yen	87.87%
Average closing price for previous 1 month	1,587 yen	107.94%
Average closing price for previous 3 months	1,567 yen	110.59%
Average closing price for previous 6 months	1,608 yen	105.22%

Also, the Tender Offer Price is the amount obtained by adding the below listed respective premiums to the closing price of the Company Shares on the Tokyo Stock Exchange through March 26, 2025, which is the business day prior to March 27, 2025, being the day on which second speculative reports regarding the Take-Private Process were made to the public.

Reference Price	Share Price	Premium
Closing price	2,970.0 yen	11.11%
Average closing price for previous 1 month	2,872 yen	14.90%

Average closing price for previous 3 months	2,845 yen	15.99%
Average closing price for previous 6 months	2,306 yen	43.10%

In addition, the Tender Offer Price is the amount obtained by adding the following respective premiums to the closing price of the Company Shares on the Tokyo Stock Exchange through March 27, 2025 (the “**Day Immediately Preceding Tender Offer Announcement Date**”).

Reference Price	Share Price	Premium
Closing price on Day Immediately Preceding Tender Offer Announcement Date	3,190.0 yen	3.45%
Average closing price for previous 1 month from Day Immediately Preceding Tender Offer Announcement Date	2,891 yen	14.15%
Average closing price for previous 3 months from Day Immediately Preceding Tender Offer Announcement Date	2,850 yen	15.79%
Average closing price for previous 6 months from Day Immediately Preceding Tender Offer Announcement Date	2,319 yen	42.30%

The premiums in recent cases of the same type that were used for reference (out of the Management Buyout (MBO) cases announced between June 28, 2019, when the Ministry of Economy, Trade and Industry published its “Guidelines for Fair M&A - Towards Improving Corporate Value and Securing Shareholder Profits,” and March 17, 2025, 74 cases were

successfully concluded) by the Strategic Special Committee are as follows.

Premium	Average Value	Middle Value
Closing price on Day Immediately Preceding Tender Offer Announcement Date	46.56%	41.97%
Average closing price for previous 1 month from Day Immediately Preceding Tender Offer Announcement Date	49.68%	44.20%
Average closing price for previous 3 months from Day Immediately Preceding Tender Offer Announcement Date	52.21%	45.79%
Average closing price for previous 6 months from Day Immediately Preceding Tender Offer Announcement Date	52.17%	47.28%

Based on the above, although the premium of the Tender Offer Price based on the day immediately prior to the announcement is lower than the premium levels of similar cases in recent times, the impact of the two speculative reports regarding the Take-Private Process should not be underestimated in light of the movement of the Company's share price, and the premium of the Tender Offer Price based on the business day prior to the date of the first speculative report is significantly higher than the average and median values of similar cases in recent times, so it is recognized that the Tender Offer Price is sufficiently premium compared to similar cases.

(f) Advantages over other Candidates

The Transaction was selected from among the proposals received from several potential Candidates after undergoing the Take-Private Process, which is a bidding procedure. None of the other Candidates made a final proposal for the Transaction with a Tender Offer Price that was higher than in the proposal from KKR.

Accordingly, implementation of the Transaction by the Company is considered as being the

selection of the most favorable terms for the ordinary shareholders of the Company from among the options that could realistically be adopted by the Company.

D. Reasonableness of scheme, etc.

In the Transaction, the Tender Offer, which will use cash as consideration, is planned as the first step, followed by a squeeze-out through a securities cash-out demand or a share consolidation as the second step after completion of the Tender Offer. This transaction scheme, including the cash consideration, is common in Management Buyouts (MBOs) sponsored by investment funds and does not harm the interests of the general shareholders of the Company. In addition, as a result of considering the main issues under the Tender Offer Agreement (including the conditions precedent to the commencement of the Tender Offer) based on the advice of Nagashima Ohno & Tsunematsu and of Nakamura, Tsunoda & Matsumoto, it was confirmed that the Tender Offer Agreement did not contain any agreement that would harm the interests of the general shareholders, and that there were no unreasonable points in executing the Transaction based on the Tender Offer Agreement.

In the Transaction, it is planned that Mr. Eto will subscribe for shares of the Tender Offeror Parent Company after the Transaction and make the Reinvestment within the scope of the consideration acquired by tendering to the Tender Offer. The valuation of the Company Shares, which will be used as the basis for determining the price to be paid per share of the Tender Offeror Parent Company in the Reinvestment, is expected to be 3,300 yen, the same price as the Tender Offer Price, and it is not expected that any issuance will be made at a price lower than the Tender Offer Price. In light of the fact that the Transaction is a Management Buyout (MBO), there is a rationality to Mr. Eto's decision to conduct the Reinvestment after the Transaction, and from the perspective of ensuring the interests of general shareholders, there is no expected unfair transfer of value to Mr. Eto through the Reinvestment, and there are no unreasonable points in the terms of the Reinvestment.

Based on these considerations, the Transaction scheme can be said to be reasonable.

E. Reasonableness of Share Option Purchase Price

Since the Share Option Purchase Price was determined to be the difference between (i) the Tender Offer Price of 3,300 yen and the exercise price per Company Share for each Share Option (ii) multiplied by the number of Company Shares to be issued upon exercise of each such Share Option, for the same reasons as for the Tender Offer Price, the Share Option Purchase Price is considered to have been determined after the interests of the Share Option

Holders had been sufficiently considered.

F. Reasonableness of Tender Offer price for ADS

In addition, the Tender Offer also covers the ADS represented by the ADR. Since the Tender Offer price for ADS was determined to be the same as the Tender Offer Price of 3,300 yen, for the same reasons as for the Tender Offer Price, the Tender Offer price for ADS is considered to have been determined after the interests of the ADR Holders had been sufficiently considered.

IV. Fairness of Transaction procedures

The following matters that were pointed out in the March 28, 2025 Report, and the April 16, 2025 Supplementary Report, were all unchanged as of the date of preparation of the Supplemental Report dated July 28, 2025, and were therefore deemed to remain in effect: (i) establishment of Strategic Special Committee; (ii) Company decision-making process; (iii) obtaining professional advice from external experts; (iv) market checks; (v) reasonableness of not setting a majority of minority condition; (vi) enhancement of information provided to general shareholders and improvement in the transparency of processes; and (vi) considerations to prevent coercion. Accordingly, there are no grounds to amend the content of the opinion stated in the March 28, 2025 Report, in relation to the safeguarding of the interest of the general shareholders through fair procedures in the Transaction.

Therefore, as set forth in the below reasons stated in the March 28, 2025 Report and the April 16, 2025 Supplementary Report, as of the date of preparation of the Supplemental Report dated July 28, 2025, it can be said that the fairness of the procedures related to the Transaction is secured, and sufficient consideration has been given to the interests of the Company's general shareholders through fair procedures.

A. Establishment of Strategic Special Committee.

The Company has established a Strategic Special Committee, which consists of five (5) independent outside directors of the Company who are deemed to be independent from the Tender Offeror, other related companies, and other parties specified in the implementation rules, and who are independent from the outcome of the Transaction. Each member is independent from the Company in light of the criteria for independence of outside directors of the Company, none of them has any material conflict of interest with any of the Candidates,

including KKR, and each member is considered to be independent from all of the Candidates, including KKR. In addition, not only does each member have considerable knowledge of the business activities of the Company as outside directors of the Company, they also have abundant experience and deep insight in various fields, and therefore, each of them is considered to have the expertise and qualifications to consider the Matters for Consultation.

The members of the Strategic Special Committee are expected to receive, in addition to their regular executive compensation, compensation for their duties as members of the Strategic Special Committee, but since the compensation for their duties as members of the Strategic Special Committee is a fixed amount and will be paid regardless of the content of the report, the independence of the members of the Strategic Special Committee from the success or failure of the Transaction is also ensured.

The Strategic Special Committee (i) received advice from the legal advisor of the Strategic Special Committee, Nakamura, Tsunoda & Matsumoto, and the legal advisor of the Company, Nagashima Ohno & Tsunematsu, from a legal perspective on decision-making processes regarding the Transaction and operating procedures of the Strategic Special Committee; (ii) received explanations from the Company regarding the Business Plan and engaged in question-and-answer activities regarding the same; (iii) received a letter of intention and other proposals from each of the Candidates and, at Strategic Special Committee meetings, engaged in question-and-answer activities with Mr. Eto regarding the purpose of the Transaction and his view on the proposals from each of the Candidates; (iv) received explanations from the Company regarding its view on the purpose of the Transaction and related matters and engaged in question-and-answer activities regarding the same; (v) received reports from the third party valuation institution of the Company, J.P. Morgan, on both the share valuation report on the Company Shares and the Fairness Opinion, and engaged in question-and-answer activities regarding the same; and (vi) received explanations on Company press releases dated March 28, 2025, regarding the Transaction and drafts of the Tender Offer Agreement from the legal advisor of the Company, Nagashima Ohno & Tsunematsu, engaged in question-and-answer activities regarding the same, and has obtained sufficient information.

Furthermore, with respect to negotiations regarding the Tender Offer Price and other matters relating to the Tender Offer, the Strategic Special Committee receives information that was timely shared regarding the details of the tender offer price proposals from each of the Candidates, including KKR, and the status of negotiations. The Strategic Special Committee then deliberated and examined the details thereof, taking into account opinions received from JP Morgan, and together with approving the negotiation position and strategy regarding such tender offer price related matters after engaging in internal discussions in advance, provided

its opinion on important issues to be discussed in the negotiations, and issued specific instructions and/or requests, etc. In such ways, the Strategic Special Committee was substantively involved in the negotiation process regarding the transactional terms and conditions of the Transaction.

B. Company decision-making processes

From the perspective of avoiding any suspicion of conflict of interest, among the directors of the Company, Mr. Eto has not participated in any deliberations or resolutions of the directors of the Company in connection with the Transaction, including non-participation in the deliberations and resolutions that occurred at the above referred to board of directors meetings, nor has he participated in any discussions or negotiations with the Tender Offeror on behalf of the Company.

C. Obtaining professional advice from external experts

(a) Obtaining advice from legal advisors

The Strategic Special Committee has appointed Nakamura, Tsunoda & Matsumoto as its legal advisor independent of the Tender Offeror, the Tender Offeror Parent Company, KKR, and the related parties of the Company, and has received advice, including legal advice on measures to be taken regarding the Transaction to confirm the fairness, objectivity, and reasonableness of procedures, the various procedures of the Transaction, and the Company decision-making process and procedures regarding the Transaction.

In addition, in order to ensure the fairness, objectivity and appropriateness of the decision-making processes of the board of directors of the Company for the Transaction, including the Tender Offer, the Company has appointed Nagashima Ohno & Tsunematsu as its legal advisor independent of the Tender Offeror, the Tender Offeror Parent Company, KKR and related parties of the Company and has received from this firm necessary legal advice on the decision-making process and procedures of the board of directors, including various procedures and other points to be noted in connection with the Transaction.

(b) Obtaining Share Valuation Report and Fairness Opinion from third-party valuation institution

In expressing its opinion on the Transaction, including the Tender Offer, in order to ensure the fairness of the Tender Offer Price and the fairness of the Transactions including the Tender

Offer, the Company obtained a Share Valuation Report on the share value of the Company Shares from the financial advisor of the Company, J.P. Morgan, as well as a Fairness Opinion from J.P. Morgan, which states that the Tender Offer Price is fair to the common shareholders (excluding the Tender Offeror, Tender Offeror Parent Company, KKR and their related companies) of the Company from a financial point of view.

The Strategic Special Committee approved J.P. Morgan as the financial advisor and third-party valuation institution of the Company after confirming the independence, expertise and track record of J.P. Morgan, and received explanations on the expert advice provided by J.P. Morgan to the Company as necessary regarding price and other similar negotiations as necessary.

D. Market Checks

(a) Implementation of the Take-Private Process

In considering the Transaction, on the advice of the Strategic Special Committee, the Company has conducted so-called active market checks (including bidding procedures prior to the announcement of the Transaction) to investigate and consider whether there are potential buyers in the market. Through the bidding process, the Company has endeavored to foster and maintain a competitive environment among potential buyers by receiving proposals from multiple potential buyers and proceeding with negotiations while comparing and considering these proposals. Therefore, it is recognized that a so-called active market check is being carried out to investigate and consider the existence of potential acquirers in the market.

(b) Tender Offer Period and deal protection clauses

The Tender Offer Period of the Tender Offer has been set at 30 business days which is longer than the minimum period required by law. In addition, since it is expected that it will take approximately 4 months between the announcement of the planned commencement of the Tender Offer and the actual commencement of the Tender Offer, it is recognized that there is a reasonable opportunity for competing tender offers to be made by other potential acquirers.

In addition, although the Company has agreed with the Tender Offeror on certain deal protection clauses (including provisions on penalties in the event of a breach of the Company's obligations) in the Tender Offer Agreement, (i) in the event that a third party commences a tender offer with a tender offer price that exceeds the Tender Offer Price (“**Counter-Tender Offer**”) and (ii) in the event that a third party makes a serious proposal in writing for a competing tender offer that is reasonably considered to be superior to the Transaction, the

Company will not be prevented from providing the third party with the minimum necessary information or from holding discussions, negotiations or reaching agreements with such third party. Furthermore, under the Tender Offer Agreement, (i) if a Counter-Tender Offer is commenced by a third party (including cases where a tender offer that has already commenced meets the requirements for a Counter-Tender Offer; hereinafter the same shall apply), or if a legally binding and serious proposal for a competing tender offer is received, the Company may request consultations with the Tender Offeror regarding an increase in the Tender Offer Price, and (ii) if the Tender Offeror does not raise the Tender Offer Price to a price equal to or higher than the tender offer price for the Counter-Tender Offer within a certain period of time, the Company will be relieved of its obligation to maintain its recommendation of tendering to the Tender Offer. If the Tender Offeror does not raise the Tender Offer Price to a price equal to or higher than the Counter-Tender Offer price within a certain period of time in the event that the Counter-Tender Offer price exceeds the Tender Offer Price by 5% or more, the Company shall be exempted from the obligation to maintain its affirmative opinion on the Tender Offer, provided that the Company reasonably recognizes, based on the Strategic Special Committee's opinion or other reasonable grounds, there are specific concerns that the Company's directors have breached their duty of care in expressing or maintaining their affirmative opinion on the Tender Offer.

Based on the above, the deal protection clauses of the Tender Offer do not prevent the Company from holding discussions with the counter-proponent in the event that the counter-proponent commences a Counter-Tender Offer or makes a bona fide offer to do so. In addition, if the Tender Offeror does not accept an increase in the Tender Offer Price in the event that a Counter-Tender Offer is launched or a bona fide offer is made, the Company will be able to change its opinion on the Tender Offer under certain conditions. Therefore, the content of deal protection clauses is not unreasonable and it is not considered to unduly restrict the implementation of indirect market checks.

E. Reasonableness of Not Setting a Majority of Minority Condition

The minimum number of shares to be purchased in the Tender Offer is below the level that would satisfy the majority of minority condition.

However, the Fair M&A Guidelines do point out concerns regarding the potential effects of exclusion on M&A transactions in which the corporate value of the target company is enhanced where the acquirer holds a high percentage of the target company's shares. Although the Transaction differs from the acquisition of a subsidiary by a controlling shareholder, there remains a risk that raising the minimum number of shares to be purchased in the Tender Offer

to a level that satisfies the majority of minority condition could potentially hinder the opportunity for general shareholders to sell their shares at a fair and reasonable price.

Furthermore, it can be concluded that, in the Transaction, each of the following measures to secure fairness remain unchanged and continue to function effectively as of the date of preparation of the Supplemental Opinion dated July 28, 2025: (i) establishment of Strategic Special Committee; (ii) Company decision-making process; (iii) obtaining professional advice from external experts; (iv) market checks; (v) enhancement of information provided to general shareholders and improvement in the transparency of processes; and (vi) considerations to prevent coercion. Therefore, it can be said that, even without setting a majority of minority condition, it is supplemented by other extensive measures to secure fairness, and the fairness of the Transaction terms is secured as a whole.

F. Enhancement of information provided to general shareholders and improvement in the transparency of processes

In addition to information regarding the Strategic Special Committee and the calculation of the share value, the press release at the start of the Tender Offer is expected to disclose substantial information regarding the process, etc. that led to the implementation of the Transaction, the background, purpose, etc. of choosing to conduct the Transaction at the relevant time, the specific details of the interests that the Company's directors, etc. have in relation to the Transaction, the existence or non-existence and form of the involvement of such directors, etc. in the process of forming the transaction terms, and the specific details of the discussions and negotiations between the Company and KKR regarding the transaction terms, etc.

Therefore, the Tender Offer is expected to ensure that the general shareholders will have an opportunity to make an appropriate decision based on sufficient information.

G. Considerations to prevent coercion

In the Transaction, it is planned that the Company be requested to hold an extraordinary shareholders' meeting promptly after the completion of the settlement of the Tender Offer, where the agenda items shall include the implementation of a Share Cash-out Demand or a Share Consolidation, and a partial amendment of the articles of incorporation to abolish provisions regarding the number of shares constituting one unit of shares on the condition that the Share Consolidation takes effect. In the event that cash is paid to shareholders and Share Option Holders who did not tender their shares in the Tender Offer, the amount will be calculated so that it will be the same as the price they would have received if they had tendered

their shares in the Tender Offer, and it is planned that this will be disclosed in the press release at the start of the Tender Offer.

In addition, if a Securities Cash-out Demand is implemented, it will be ensured that the Company's shareholders and the Share Option Holders will have the right to file a petition with the court to determine the price, and in the case where a Share Consolidation is implemented, it will be ensured that the Company's shareholders will have the right to demand the Company purchase their shares and the accompanying right to file a petition with the court to determine the price

Furthermore, the Tender Offeror has set the minimum number of shares to be purchased in the Tender Offer at 52,861,519 shares (ownership: 50.10%), and this minimum number has been set by the Tender Offeror at a level that can secure the number of voting rights that makes the passing of the proposed resolution regarding the Share Consolidation possible unless the percentage of voting rights exercised at the Extraordinary General Shareholders Meeting significantly exceeds the historical percentage of voting rights exercised in the past, with reference to the percentage of voting rights exercised at the Company's ordinary general meetings of shareholders in the past, and in light of the number of shares in the Company with transfer restrictions that have been granted to the Company's directors and the number of shares held by passive index management funds, whose holders are expected to exercise their voting rights in favor of the resolution at the Extraordinary General Meeting of Shareholders even though they will not tender their shares in the Tender Offer. If the Tender Offer successfully occurs, since there is nothing particularly unreasonable about this explanation and it is practically guaranteed that there will be a cash-out as a result of the Share Consolidation, it is considered that the issue of coercion is eliminated.

Therefore, it can be said that consideration has been given to prevent coercion in this Transaction.

V. Obtainment by the Strategic Special Committee of advice from an independent law firm

The Strategic Special Committee, appointed Nakamura, Tsunoda & Matsumoto as a legal advisor independent from a related party of the Tender Offeror, Tender Offeror Parent Company, KKR and the Company, and has received legal advice that includes advice regarding the measures that should be adopted to confirm the fairness, objectivity and reasonableness of the procedures in the Transaction, the various procedures in the Transaction, and the method and course of decision making of the Company regarding the Transaction, and other matters. Furthermore, Nakamura, Tsunoda & Matsumoto is not a related party of the Tender Offeror, Tender Offeror Parent

Company, KKR or the Company, and does not have any material interests in the opinion on the Tender Offer. In addition, the fees to be paid to Nakamura, Tsunoda & Matsumoto are calculated by multiplying an hourly rate by the number of hours worked, regardless of the outcome of the Transaction, and do not include any contingency fee subject to the successful completion of the Transaction.

VI. Approval of disinterested directors of the Company and opinion of all auditors of the Company that they had no objection

The Company, based on the Share Price Valuation Report obtained from J.P. Morgan and the legal advice obtained from Nagashima Ohno & Tsunematsu, has given careful consideration to the terms and conditions of the Transaction, including the Tender Offer, while giving the utmost deference to the content of the Opinion. As a result thereof, the Company's board of directors determined that the Transaction would contribute to the improvement of the Company's corporate value, and determined that the Tender Offer would provide a reasonable opportunity to sell the Company Shares, and at a meeting of the board of directors of the Company convened on July 28, 2025, all the directors of the Company participating in the deliberations and resolution unanimously (9 directors out of the total ten directors, excluding Mr. Eto) resolved to express an opinion in support of the Tender Offer and recommending that all of the Company's shareholders tender their shares in the Tender Offer, recommending that all the Share Options Holders tender their share options in the Tender Offer and recommending that the ADR Holders deliver their ADRs to the depositary bank in advance and receive the Company Shares related to the ADSs represented by the ADRs and tender the shares in the Tender Offer. Additionally, all four auditors (including two outside auditors) who attended the board of directors meeting stated that they have no objections to the resolution. Furthermore, one of the Company's directors, Mr. Eto is scheduled to acquire common shares of the Tender Offeror Parent Company using a portion of the consideration he will receive upon the completion of the Tender Offer through the tendering of the Company Shares he holds in the Tender Offer, and as such, from the perspective of avoiding any suspicion of a conflict of interest from the Company's standpoint, he did not participate in any of the deliberations and resolutions of the board of directors of the Company in connection with the Transaction, including the deliberations and resolutions at the above-mentioned board of directors meeting, and additionally he has not participated in any discussions and negotiations with the Tender Offeror.

VII. Measures to ensure opportunities for purchase from other purchasers

Although the minimum period for purchases, etc. related to a tender offer prescribed by the Act is

20 business days, the Tender Offeror will set the Tender Offer Period at 30 business days, which is longer than the legally required minimum period. In addition, as it took about 4 months from the announcement of the planned commencement of the Tender Offer on March 28, 2025 until the actual commencement of the Tender Offer, the shareholders of the Company, Share Option Holders and the ADR Holders will have the opportunity to make appropriate judgments as to whether to tender in the Tender Offer, and the Tender Offeror will ensure that those other than the Tender Offeror have an opportunity to make competing offers to purchase the Company Securities. In this manner, the Tender Offeror intends to secure the fairness of the Tender Offer Price.

VIII. Consideration for avoiding coercion

(i) Promptly after completion of settlement of the Tender Offer, the Tender Offeror plans to request that the Company perform the Share Cash-out Demand or the Share Consolidation and plans to request that the Company hold an Extraordinary General Shareholders Meeting, which is to include a proposal about a partial amendment to the Company's Articles of Incorporation whereby the provision concerning the number of shares that constitute one unit shall be abolished subject to effectuation of the Share Consolidation. It has been made clear that the amount of money that will be delivered to each shareholder, Share Option Holder and ADRs Holder that did not tender in the Tender Offer will be calculated to be equal to be the same price that would have been received if they had tendered in the Tender Offer, that in the event of the Share Cash-out Demand, the shareholders of the Company, Share Option Holders and the ADR Holders who receive the Company Shares related to the ADSs will have the right to petition the court for a price determination, and in the event of the Share Consolidation, the shareholders of the Company will have the right to demand the purchase of their shares, and the accompanying right to petition the court for a price determination. As a result of these measures, the Company's shareholders will have the opportunity to make appropriate judgments as to whether to tender in the Tender Offer, thereby ensuring that there is no coercion. The Tender Offeror has set 52,861,519 shares (Ownership Ratio: 50.10%) as the minimum number of shares to be purchased in the Tender Offer, when considering the number of voting rights required for the approval of the proposal for the Share Consolidation, the Tender Offeror has referred to the voting rights exercise ratio at past ordinary general shareholders meetings of the Company, and in light of the sum of the number of shares held by the Tender Offeror after the completion of the Tender Offer (the expected minimum Ownership Ratio in that case would be 50.10%), the number of Restricted Shares held by directors (the expected minimum Ownership Ratio in that case would be 0.14%), and the number of shares held by passive index management funds (the expected minimum Ownership Ratio in that case would be approximately 15.90%) (the sum total of such expected minimum

Ownership Ratios in that case would be approximately 64.13%), the Tender Offer believes that unless the voting rights exercise ratio at the Extraordinary General Shareholders Meeting reaches approximately 99.21%, which is significantly higher than the past voting rights exercise ratio performance, the proposal for the Share Consolidation will be able to be passed, thereby ensuring there is no coercion.

4. Future outlook

In connection with the implementation of the Share Consolidation, as stated in “(2) Expected delisting” under “① Delisting” in section “3. Amount of money expected to be delivered to shareholders due to fractional share handling related to the Share Consolidation and matters concerning the reasonableness of such amount” above, the Company Shares are expected to be delisted.

5. Matters concerning MBOs, etc.

(1) Compliance with guidelines on the applicability of transactions with controlling shareholders and measures for protecting minority shareholders

As of today, the Tender Offeror qualifies as the parent company of the Company, so transactions related to the Share Consolidation constitute transactions with the controlling shareholder and “Matters to be Observed Pertaining to MBOs, etc.” set forth in article 441 of the Securities Listing Regulations shall apply as the Tender Offeror has common interests with the directors. While the Corporate Governance Report does not establish “guidelines on measures to protect minority shareholders in transactions with controlling shareholders,” when conducting transactions with the controlling shareholder, the Company takes measures to ensure the fairness of the transaction content and conditions through actions such as obtaining advice from lawyers and/or third-party institutions as necessary regarding the transaction details. Furthermore, the Company carefully deliberates and decides on such transactions at its Board of Directors meetings and takes appropriate measures to ensure that the interests of minority shareholders are not harmed.

In deciding on the Share Consolidation, as described in “(3) Measures to ensure fairness of the Transaction and avoid conflicts of interest” in “3. Matters concerning the amount of money expected to be distributed to shareholders due to fractional share adjustments in connection with the Share Consolidation and the appropriateness of such amount,” measures have been taken to ensure fairness and avoid conflicts of interest. The Company believes such actions are consistent with the above policy.

(2) Matters concerning measures to ensure fairness and measures to avoid conflicts of interest

Please refer to “(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest” in “3. Matters concerning the amount of money expected to be distributed to shareholders due to fractional share adjustments in connection with the Share Consolidation and the appropriateness of such

amount” above.

(3) Summary of opinions obtained from parties independent of the controlling shareholder regarding the fairness to general shareholders in the relevant transaction, etc.

As stated in “A. March 28, 2025 Report” in “④ Establishment of an Independent Special Committee at the Company and Obtaining a Report from the Special Committee” in “(3) Measures to ensure the fairness of the Transaction and measures to avoid conflicts of interest” in “3. Matters concerning the amount of money expected to be distributed to shareholders due to fractional share adjustments in connection with the Share Consolidation and the appropriateness of such amount,” “B. Additional Report dated April 16, 2025” and “C. Additional Report dated July 28, 2025,” the Company received reports from the Special Committee dated March 28, 2025, the Additional Report dated April 16, 2025, and the Additional Report dated July 28, 2025, stating that the Transaction is fair to general shareholders.

II. Abolition of minimum unit of shares

1. Reason for abolition

Upon the effective the Share Consolidation taking effect, the total number of issued shares of the Company will be reduced to five shares, thereby eliminating the need to establish a minimum unit of shares.

2. Scheduled abolition date

December 4, 2025 (tentative)

3. Conditions for abolition

The Share Consolidation taking effect is conditional upon the approval and passage of the proposals pertaining to the Share Consolidation and the partial amendment to the Articles of Incorporation regarding the abolition of the minimum unit of shares (see “III. Partial amendment to the Articles of Incorporation” below) at the Extraordinary General Meeting of Shareholders, as originally proposed.

III. Partial amendment to the Articles of Incorporation

1. Purpose of amendments to the Articles of Incorporation

- (1) If the proposal concerning the Share Consolidation as originally proposed is approved and the Share Consolidation takes effect, the total number of shares authorized for issuance by the Company will be reduced to 20 shares in accordance with Article 182, Paragraph 2 of the Companies Act. To make this point clear, the amendment to Article 6 of the Articles of

Incorporation is made conditional upon the Share Consolidation taking effect.

- (2) If the proposal concerning the Share Consolidation as originally proposed is approved and the Share Consolidation takes effect, the Tender Offeror is expected to become the sole holder of one or more shares of the Company. Furthermore, as the Company Shares will be delisted upon implementation of the Share Consolidation, the provisions regarding the acquisition of treasury shares by resolution of the Board of Directors under Article 165, Paragraph 2 of the Companies Act will no longer be necessary. Therefore, subject to the Share Consolidation taking effect, the entire text of Article 7 of the Articles of Incorporation will be deleted, and the article numbers will be renumbered accordingly.
- (3) If the proposal concerning the Share Consolidation as originally proposed is approved and the Share Consolidation takes effect, the total number of issued shares of the Company will become 5 shares, eliminating the need to define a unit number of shares. Therefore, conditional upon the Share Consolidation taking effect, to abolish the provision establishing the number of shares per unit for the Company Shares (currently 100 shares per unit), the entire text of Article 8 of the Articles of Incorporation will be deleted, and the article numbers will be renumbered accordingly.
- (4) If the proposal concerning the Share Consolidation as originally proposed is approved and the Share Consolidation takes effect, the shareholders of the Company are scheduled to consist solely of the Tender Offeror. Consequently, the provisions regarding the record date for shareholders' meetings will no longer be necessary. Therefore, subject to the Share Consolidation taking effect, the entire text of Article 12 of the Articles of Incorporation will be deleted, and the article numbers will be renumbered accordingly.
- (5) If the proposal concerning the Share Consolidation as originally proposed is approved and the Share Consolidation takes effect, the Tender Offeror is scheduled to become the sole holder of one or more shares of the Company. Furthermore, as the Company Shares will be delisted upon implementation of the Share Consolidation, the provisions concerning the electronic provision system for shareholder meeting materials will no longer be necessary. Therefore, subject to the Share Consolidation taking effect, the entire text of Article 17 of the Articles of Incorporation shall be deleted, and the article numbers shall be renumbered accordingly.

2. Details and terms of amendments to the Articles of Incorporation

The details of the amendments are as follows. Please note that the amendments to the Articles of Incorporation pertaining to the Proposal, are to take effect on December 4, 2025, the date that the Share Consolidation is to take effect, provided that the proposal concerning the Share Consolidation is approved

and passed as originally proposed at the Extraordinary General Meeting of Shareholders, thereby causing the Share Consolidation to take effect.

(Underlining indicates portion to be amended.)

Current Articles of Incorporation	Proposed Change
Article 6 - The total number of shares authorized for issuance by the Company shall be <u>160 million shares</u> .	Article 6 - The total number of shares authorized for issuance by the Company shall be <u>20 shares</u> .
Article 7 - The Company may acquire its own shares <u>by resolution of the Board of Directors pursuant to the provisions of Article 165, Paragraph 2 of the Companies Act.</u>	(deleted)
Article 8 - The <u>minimum unit of shares of the Company shall be 100 shares.</u>	(deleted)
Article <u>9</u> through Article <u>11</u> (text omitted)	Article <u>7</u> through Article <u>9</u> (current text to remain in effect)
Article 12 - The record date for voting rights at the <u>annual general meeting of shareholders of the Company shall be March 31 of each year.</u>	(deleted)
<u>② In addition to the preceding paragraph, when necessary, the record date for voting rights at an extraordinary general meeting of shareholders may be determined by resolution of the Board of Directors, provided that prior public notice is given.</u>	
Article <u>13</u> through Article <u>16</u> (text omitted)	Article <u>10</u> through Article <u>13</u> (current text to remain)

<u>Article 17 - When convening a general meeting of shareholders, the Company shall take measures to provide information contained in reference materials for the general meeting of shareholders electronically.</u> <u>② The Company may omit from the documents delivered to shareholders who requested delivery in writing by the record date for voting rights any or all of the items specified by Ministry of Justice ordinance among those for which electronic provision measures are taken.</u> Article <u>18</u> to Article <u>41</u> (text omitted)	in effect) (deleted) Article <u>14</u> through Article <u>37</u> (current text to remain in effect)
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3. Schedule for amendment of the Articles of Incorporation

December 4, 2025 (tentative)

End