

September 14, 2026

Company Name: **Leopalace21 Corporation**
 Representative: Bunya Miyao, President and CEO
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**Notice Regarding Expression of Opinion in Support of the Tender Offer
 for the Share Certificates, Etc. of the Company by K891, Inc. and
 Recommendation to Tender Them and
 Transfer of Shares Involving a Change in a Specified Subsidiary**

Leopalace21 Corporation (Headquarters: Nakano, Tokyo; President and CEO: Bunya Miyao; the “Company”) hereby announces that regarding the tender offer for the shares of common stock of the Company (the “Company Shares”) and the Stock Acquisition Rights (as defined in “(2) Outline of Purchase, Etc.” below) by K891, Inc. (the “Tender Offeror”) (the “Tender Offer”), the Company resolved at its Board of Directors meeting held today to (i) express its opinion in support of the Tender Offer and (ii) recommend that the shareholders of the Company and the holders of the Stock Acquisition Rights (the “Stock Acquisition Right Holders”) tender their securities in the Tender Offer.

The resolution at the abovementioned meeting of the Board of Directors has been adopted based on the assumption that the Tender Offeror intends to make the Company a wholly-owned subsidiary of the Tender Offeror through the Tender Offer and a series of subsequent procedures and that the Company Shares will be delisted.

In addition, the Company has resolved, at its Board of Directors meeting held today, that, as part of the Tender Offer and the series of subsequent procedures, first, to convert all of the issued shares of common stock of ASUKA SSI, a specified subsidiary of the Company, held by the Company into Class A Shares (Voting Shares) and Class B Shares (Non-Voting Shares), and then to transfer a portion of Class A Shares to THE INSURANT GROUP (“INSURANT GROUP”), a consolidated subsidiary of HIKARI TSUSHIN, INC. (“HIKARI TSUSHIN”). As a result, the Company hereby also announces that a change in the Company’s specified subsidiary is expected to occur.

I. Expression of Opinion in Support of the Tender Offer for the Share Certificates, Etc. of the Company and Recommendation to Tender Them

1. Overview of the Tender Offeror

(1)	Name	K891, Inc.
(2)	Location	1-4-10, Nishi-Ikebukuro, Toshima-ku, Tokyo
(3)	Name and title of representative	Ryo Shibata
(4)	Description of business	Acquisition, holding, disposal, etc. of shares
(5)	Capital	1 million yen
(6)	Date of incorporation	March 4, 2026
(7)	Major shareholder and shareholding ratio (As of September 14, 2026)	K892, Inc. 100%
(8)	Relationship between the Company and the Tender Offeror	
	Capital relationship	As of September 14, 2026, HIKARI TSUSHIN, the

		wholly owning parent company of K891, Inc. and K892, Inc. (the “Tender Offeror Parent Company”), indirectly holds 59,188,300 shares of the Company Shares (ownership ratio: 18.11%) (the number of shares held and ownership ratio are as of March 31, 2026).
	Personnel relationship	Not applicable.
	Business relationship	Not applicable.
	Status as related party	Not applicable.

2. Outline of Purchase, Etc.

Purpose of the Tender Offer	Making the Company a wholly-owned subsidiary of the Tender Offeror
Period of purchase, etc.	From September 15, 2026 (Tuesday) to October 30, 2026 (Friday) (30 business days)
Price of purchase, etc.	(1) Common Stock: 1,000 yen per share (2) Stock Acquisition Rights (I) 99,900 yen per 2nd Series Stock Acquisition Right (Stock Compensation-Type Stock Options) (the “2nd Series Stock Acquisition Rights”) issued pursuant to a resolution of the Company’s Board of Directors held on July 28, 2016 (Exercise period: August 19, 2016, through August 18, 2046) (II) 99,900 yen per 3rd Series Stock Acquisition Right (Stock Compensation-Type Stock Options) (the “3rd Series Stock Acquisition Rights”) issued pursuant to a resolution of the Company’s Board of Directors held on August 28, 2017 (Exercise period: September 15, 2017, through September 14, 2047) (III) 99,900 yen per 4th Series Stock Acquisition Right (Stock Compensation-Type Stock Options) (the “4th Series Stock Acquisition Rights”) issued pursuant to a resolution of the Company’s Board of Directors held on August 28, 2018 (Exercise period: September 15, 2018, through September 14, 2048) (IV) 99,900 yen per 6th Series Stock Acquisition Right (Stock Compensation-Type Stock Options) (the “6th Series Stock Acquisition Rights”) issued pursuant to a resolution of the Company’s Board of Directors held on July 30, 2024 (Exercise period: August 20, 2024, through August 19, 2054) (The 2nd Series Stock Acquisition Rights, the 3rd Series Stock Acquisition Rights, the 4th Series Stock Acquisition Rights, and the 6th Series Stock Acquisition Rights are collectively referred to hereinafter as the “Stock Acquisition Rights,” and the price of purchase, etc. per Stock Acquisition Right in the Tender Offer is collectively referred to hereinafter as the “Stock Acquisition Right Purchase Price.”)
Minimum number of shares to be purchased	158,716,000 shares (Note 1)
Maximum number of	None

- (Note 1) According to the Tender Offeror, with respect to the minimum number of shares to be purchased, the share certificates, etc. ownership ratio after the purchase, etc. if the purchase, etc. is conducted (meaning the share certificates, etc. ownership ratio prescribed in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; hereinafter referred to as the “Act”); if there are any specially related parties prescribed in Paragraph 1, Item 1 of the same Article (excluding, from among the specially related parties, any person who is excluded from the specially related parties pursuant to Article 3, Paragraph 2, Item 1 of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates, Etc. by Person Other than Issuer (Ministry of Finance Order No. 38 of 1990, as amended) in calculating the share certificates, etc. ownership ratio under each Item of Article 27-2, Paragraph 1 of the Act), meaning the ratio obtained by adding the share certificates, etc. ownership ratio of such specially related parties) will be 66.36%. In calculating the share certificates, etc. ownership ratio, the number of voting rights held by all shareholders as of March 31, 2026 (3,267,807 voting rights), as stated in the annual securities report for the 53rd fiscal year submitted by the Company on June 19, 2026 (the “Company’s Annual Securities Report”), is used as the denominator. Since the number of shares of the Company constituting less than one unit as of today has not been ascertained and the number of voting rights held by all shareholders, etc. of the Company as of today is unknown, and since the number of voting rights held by all shareholders, etc. as of March 31, 2026 is the most recent number of voting rights held by all shareholders that can be ascertained from the documents published or submitted by the Company, the number of voting rights held by all shareholders as of March 31, 2026 (3,267,807 voting rights), as stated in the Company’s Annual Securities Report, is used as the denominator in such calculation.

3. Details of and Grounds and Reasons for Opinion Regarding the Tender Offer

(1) Details of Opinion Regarding the Tender Offer

At the Board of Directors meeting held today, the Company resolved, based on the grounds and reasons stated in “(2) Grounds and Reasons for Opinion Regarding the Tender Offer” below, that it shall (i) express its opinion in support of the Tender Offer, and (ii) recommend that the shareholders of the Company and the Stock Acquisition Right Holders tender their securities in the Tender Offer.

The above resolution of the Board of Directors was adopted in the manner as stated in “(VII) Approval of All Disinterested Directors and Opinion of No Objection from All Disinterested Audit & Supervisory Board Members of the Company” in “(3) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below.

(2) Grounds and Reasons for Opinion Regarding the Tender Offer

The statements regarding the Tender Offeror in this section titled “(2) Grounds and Reasons for Opinion Regarding the Tender Offer” are based on explanations provided by the Tender Offeror.

(I) Outline of the Tender Offer

According to the Tender Offeror, K891, Inc., the Tender Offeror, is a wholly-owned subsidiary of K892, Inc., the Tender Offeror Parent Company, and is a stock company incorporated on March 4, 2026, for the principal purpose of owning all of the Company Shares and the Stock Acquisition Rights and controlling and managing the business activities of the Company. As of today, HIKARI TSUSHIN owns all of the issued shares of the Tender Offeror Parent Company excluding treasury shares owned by the Tender Offeror Parent Company, and the Tender Offeror Parent Company owns all of the issued shares of the Tender Offeror (excluding treasury shares owned by the Tender Offeror). However, after the completion of the Tender Offer and prior to the commencement date of settlement of the Tender Offer, the Tender Offeror Parent Company plans

to receive capital contributions from HIKARI TSUSHIN, an investment fund to which MBK Partners or its affiliated companies (collectively, “MBKP”) provide services (the “MBKP Fund”), and an investment fund managed by OHANAPANA K.K. (“OHANAPANA”), a wholly-owned subsidiary of NEC Capital Solutions Limited (“NECCS”) (the “NECCS Fund”; HIKARI TSUSHIN, the MBKP Fund, the NECCS Fund, the Tender Offeror and the Tender Offeror Parent Company are collectively referred to as the “Tender Offerors”) (such capital contributions are hereinafter collectively referred to as the “Capital Contributions”). Following the Capital Contributions, HIKARI TSUSHIN, the MBKP Fund and the NECCS Fund are expected to own all of the issued shares of the Tender Offeror Parent Company (excluding treasury shares owned by the Tender Offeror Parent Company), and their respective voting rights ratios following the Capital Contributions (rounded to the nearest first decimal place) are expected to be 34.0%, 33.0% and 33.0%. In addition, separately from the Capital Contributions, after the completion of the Tender Offer and prior to the commencement date of settlement of the Tender Offer, HIKARI TSUSHIN plans to make a capital contribution in exchange for subscribing for non-voting class shares of the Tender Offeror Parent Company.

According to the Tender Offeror, as of today, HIKARI TSUSHIN owns 50,581,700 Company Shares (ownership ratio (Note 1): 15.48%) through UH Partners 2 Limited Partnership (“UH Partners 2 LPS”), an investment fund managed by UH Partners 2, Inc. (“UH Partners 2”), a consolidated subsidiary of HIKARI TSUSHIN; 4,664,600 Company Shares (ownership ratio: 1.43%) through Hikari Tsushin K.K. (“HIKARI TSUSHIN KK”), a consolidated subsidiary of HIKARI TSUSHIN; 3,941,900 Company Shares (ownership ratio: 1.21%) through HIKARI TSUSHIN KK Investment Limited Partnership (“HIKARI TSUSHIN KK LPS”), an investment fund managed by HIKARI TSUSHIN KK; and 100 Company Shares (ownership ratio: 0.00%) through HCMA Alpha, Inc. (“HCMA”), a consolidated subsidiary of HIKARI TSUSHIN, representing an aggregate of 59,188,300 Company Shares (ownership ratio: 18.11%). The Tender Offeror, the Tender Offeror Parent Company, MBKP, the MBKP Fund, NECCS, OHANAPANA and the NECCS Fund do not own any Company Shares or Stock Acquisition Rights.

(Note 1) “Ownership Ratio” means the ratio to the number of shares (326,856,214 shares; the “Base Number of Shares”) obtained by (i) adding the number of Company Shares (50,800 shares) underlying the Stock Acquisition Rights that remained outstanding and exercisable as of March 31, 2026 (508 Stock Acquisition Rights (Note 2)) to the total number of issued shares of the Company as of the same date (334,415,678 shares), as stated in the Company’s Annual Securities Report, resulting in 334,466,478 shares, and (ii) subtracting therefrom the number of treasury shares owned by the Company as of the same date (excluding the Company Shares (9,101,800 shares) owned by Custody Bank of Japan, Ltd. (Trust Account) as the officer share delivery trust and employee share delivery trust as of the same date; the same applies hereinafter with respect to the number of treasury shares owned by the Company) (7,610,264 shares), and is rounded to the nearest second decimal place. The same applies hereinafter to calculations of the Ownership Ratio.

(Note 2) The breakdown of the Stock Acquisition Rights that remained outstanding and exercisable as of the same date (508 Stock Acquisition Rights, underlying 50,800 Company Shares) is as follows.

Name of Stock Acquisition Rights	Number	Number of Company Shares underlying the Stock Acquisition Rights
2nd Series Stock Acquisition Rights	82 units	8,200 shares
3rd Series Stock Acquisition Rights	72 units	7,200 shares
4th Series Stock Acquisition Rights	72 units	7,200 shares
6th Series Stock Acquisition Rights	282 units	28,200 shares

According to the Tender Offeror, the Tender Offeror will implement the Tender Offer as part of a series of transactions intended to make the Company a wholly-owned subsidiary of the Tender Offeror (the “Transactions”) by acquiring all of the Company Shares listed on the Prime Market of

Tokyo Stock Exchange, Inc. (the “TSE”) (including the Company Shares to be delivered upon exercise of the Stock Acquisition Rights, but excluding treasury shares owned by the Company and the Shares Not to Be Tendered (as defined below) owned by the Prospective Non-Tendering Shareholders (as defined below)) and all of the Stock Acquisition Rights.

In connection with the Tender Offer, the Tender Offeror entered into a tender agreement dated September 14, 2026 with Chidori GK (the “Prospective Tendering Shareholder”), an other associated company and the second-largest shareholder of the Company as of March 31, 2026 (number of shares owned: 50,507,600 shares; ownership ratio: 15.45%) (the tender agreement entered into with the Prospective Tendering Shareholder, the “Tender Agreement”), under which the Prospective Tendering Shareholder agreed to tender all of the Company Shares owned by it (the “Shares to Be Tendered”) in the Tender Offer. In addition, on September 14, 2026, the Tender Offeror has agreed with UH Partners 2 LPS (number of shares owned: 50,581,700 shares; ownership ratio: 15.48%), the largest shareholder of the Company as of March 31, 2026, HIKARI TSUSHIN KK (number of shares owned: 4,664,600 shares; ownership ratio: 1.43%), a shareholder of the Company, and HIKARI TSUSHIN KK LPS (number of shares owned: 3,941,900 shares; ownership ratio: 1.21%), a shareholder of the Company (UH Partners 2 LPS, HIKARI TSUSHIN KK and HIKARI TSUSHIN KK LPS are collectively referred to as the “Prospective Non-Tendering Shareholders”), as well as HIKARI TSUSHIN INVESTMENTS OKINAWA Co., Ltd. (“HTIO”) (Note 3), that none of the Company Shares owned by the Prospective Non-Tendering Shareholders (the “Shares Not to Be Tendered”) will be tendered in the Tender Offer, and has agreed with HCMA, a shareholder of the Company (number of shares owned: 100 shares; ownership ratio: 0.00%), that all of the Company Shares owned by HCMA will be tendered in the Tender Offer.

In addition, INSURANT GROUP, a consolidated subsidiary of HIKARI TSUSHIN, and the Company agreed on September 14, 2026 that, after all of the issued shares of common shares of ASUKA SSI, a wholly-owned subsidiary of the Company, held by the Company are converted into Class A Shares (Voting Shares) and Class B Shares (Non-Voting Shares) (the “Share Conversion”), INSURANT GROUP will acquire 373 Class A Shares of ASUKA SSI (voting rights ratio after the conversion: 50.0%) (the “Shares to Be Transferred”) (the “Share Transfer (ASUKA SSI)”), and entered into a share transfer agreement (the “Share Transfer Agreement (ASUKA SSI)”). Subject to the completion of the Tender Offer, INSURANT GROUP plans to acquire the Shares to Be Transferred from the Company by the business day preceding the commencement date of settlement of the Tender Offer (Note 4).

For an outline of the Tender Agreement and the Share Transfer Agreement (ASUKA SSI), please refer to “(6) Material Agreements Regarding the Tender Offer” below. For details of the Share Transfer Agreement (ASUKA SSI), please also refer to “II. Transfer of Shares Involving a Change in a Specified Subsidiary” below.

(Note 3) According to the Tender Offeror, HTIO, a consolidated subsidiary of HIKARI TSUSHIN, does not directly own any Company Shares as of today, but is a general partner that has invested in HIKARI TSUSHIN KK LPS and UH Partners 2 LPS.

(Note 4) According to the Tender Offeror, the acquisition of 50% of the voting rights of ASUKA SSI is intended to enhance the corporate value of ASUKA SSI by utilizing the knowledge concerning the insurance business that HIKARI TSUSHIN and its affiliated companies (the “HIKARI TSUSHIN Group”) have accumulated through their insurance business, including knowledge relating to agency development, sales promotion and agency management, to support the expansion of ASUKA SSI's external agency channels and the strengthening of its sales capabilities. In addition, by holding 50% of the voting rights of ASUKA SSI, INSURANT GROUP intends to fulfill the involvement and responsibilities required of a major shareholder and provide managerial, financial and other support, while maintaining flexibility for ASUKA SSI to operate its business autonomously and promptly, thereby supporting the sound and sustainable operation of ASUKA SSI's business.

According to the Tender Offeror, for the purpose of simplifying the procedures for the Treasury Share Repurchase (2) (as defined below; the same applies hereinafter), the Tender Offeror, the

Prospective Non-Tendering Shareholders and HTIO have agreed that a portion of the Company Shares owned by UH Partners 2 LPS and HIKARI TSUSHIN KK LPS, among the Prospective Non-Tendering Shareholders (Note 5), will be aggregated to HTIO and HIKARI TSUSHIN KK through distributions in kind (the “Aggregation” (Note 6)), and that, if the Extraordinary Shareholders’ Meeting (as defined below) is held following the completion of the Tender Offer, they will vote in favor of the proposals relating to the share consolidation (the “Share Consolidation”) intended to make the Tender Offeror and HTIO the only shareholders of the Company.

As a result of the Aggregation, after the commencement date of settlement of the Tender Offer and prior to the Treasury Share Repurchase (1) (as defined below; the same applies hereinafter), HTIO is expected to own 53,433,130 Company Shares (Ownership Ratio: 16.35%) and HIKARI TSUSHIN KK is expected to own 4,704,019 Company Shares (Ownership Ratio: 1.44%). No consideration or equivalent will be paid by HTIO or HIKARI TSUSHIN KK to UH Partners 2 LPS or HIKARI TSUSHIN KK LPS in connection with the distributions in kind under the Aggregation, and the price per share for the distributions in kind under the Aggregation will not equal or exceed the Tender Offer Price.

Following the Aggregation, after the commencement date of settlement of the Tender Offer and prior to the Treasury Share Repurchase (1), UH Partners 2 LPS and HIKARI TSUSHIN KK LPS, among the Prospective Non-Tendering Shareholders, are expected to cease owning any Company Shares.

(Note 5) According to the Tender Offeror, through distributions in kind, 49,570,067 of the Company Shares owned by UH Partners 2 LPS and 3,863,063 of the Company Shares owned by HIKARI TSUSHIN KK LPS, totaling 53,433,130 shares, are expected to be aggregated into HTIO, and 39,419 shares of the Company Shares owned by HIKARI TSUSHIN KK LPS are expected to be aggregated into HIKARI TSUSHIN KK.

(Note 6) According to the Tender Offeror, the Aggregation will be conducted among UH Partners 2 LPS and HIKARI TSUSHIN KK LPS, on the one hand, and HTIO and HIKARI TSUSHIN KK, on the other hand, which have continuously been in the relationship of formal specially related parties prescribed in Article 27-2, Paragraph 7, Item 1 of the Act for at least one year prior to the date on which the Aggregation is implemented, and constitutes a “purchase, etc. exempt from application” prescribed in the proviso to Article 27-2, Paragraph 1 of the Act.

According to the Tender Offeror, the Tender Offeror has set the minimum number of shares to be purchased in the Tender Offer at 158,716,000 shares (ownership ratio: 48.56%). If the aggregate number of Share Certificates, Etc. tendered in the Tender Offer (the “Tendered Share, Etc.”) is less than the minimum number of shares to be purchased (158,716,000 shares), the Tender Offeror will not purchase any of the Tendered Share, Etc. On the other hand, as stated above, because the Tender Offeror intends to make the Company Shares private by acquiring all of the Company Shares (including the Company Shares to be delivered upon exercise of the Stock Acquisition Rights, but excluding treasury shares owned by the Company and the Shares Not to Be Tendered) and all of the Stock Acquisition Rights in the Tender Offer, no maximum number of shares to be purchased has been set. If the aggregate number of Tendered Share, Etc. is equal to or greater than the minimum number of shares to be purchased, the Tender Offeror will purchase all of the Tendered Share, Etc. The minimum number of shares to be purchased (158,716,000 shares) was calculated by multiplying 1,587,160 voting rights, which is the number obtained by subtracting 591,882 voting rights represented by the Shares Not to Be Tendered (59,188,200 shares) from 2,179,042 voting rights (rounded up to the nearest whole number), representing two-thirds of 3,268,562 voting rights represented by the 326,856,214 shares calculated by adding 50,800 Company Shares underlying the Stock Acquisition Rights that remained outstanding and exercisable as of March 31, 2026, as reported by the Company (82 2nd Series Stock Acquisition Rights, 72 3rd Series Stock Acquisition Rights, 72 4th Series Stock Acquisition Rights and 282 6th Series Stock Acquisition Rights), to the total number of issued shares of the Company as of March 31, 2026 (334,415,678 shares), as stated in the Company’s

Annual Securities Report, resulting in 334,466,478 shares, and subtracting therefrom the number of treasury shares owned by the Company as of the same date (7,610,264 shares), by the number of shares constituting one unit of the Company Shares (100 shares). The minimum number was set so that, given that the Tender Offeror aims to acquire all of the Company Shares (including the Company Shares to be delivered upon exercise of the Stock Acquisition Rights, but excluding treasury shares owned by the Company and the Shares Not to Be Tendered) and all of the Stock Acquisition Rights in the Tender Offer and to make the Company Shares private, after the Tender Offer, the Tender Offeror and the Prospective Non-Tendering Shareholders will own at least two-thirds of the total voting rights of all shareholders of the Company and thereby satisfy the requirement for a special resolution of a shareholders' meeting under Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended; the "Companies Act") when implementing the Share Consolidation procedures described in "(4) Policy for Organizational Restructuring, Etc. after the Tender Offer (Matters Relating to 'Two-Step Acquisition'))" below, in order to ensure completion of the Transactions.

If the Tender Offeror is unable to acquire all of the Company Shares (including Company Shares to be delivered upon exercise of the Stock Acquisition Rights, but excluding treasury shares owned by the Company and the Shares Not to Be Tendered) and all of the Stock Acquisition Rights through the Tender Offer, promptly after completion of settlement of the Tender Offer, the Tender Offeror plans to request the Company to (i) conduct a repurchase of the Company Shares owned by HIKARI TSUSHIN KK, a Prospective Non-Tendering Shareholder, on the effective date of the Share Consolidation and prior to the Share Consolidation becoming effective (the "Treasury Share Repurchase (1)"), and (ii) convene an extraordinary shareholders' meeting (the "Extraordinary Shareholders' Meeting") whose agenda includes proposals for the Share Consolidation of the Company Shares pursuant to Article 180 of the Companies Act and, subject to the Share Consolidation becoming effective, a partial amendment to the Articles of Incorporation including changes to the total number of authorized shares and abolishment of the provisions concerning the number of shares constituting one unit and measures for electronic provision, as described in "(4) Policy for Organizational Restructuring, Etc. after the Tender Offer (Matters Relating to 'Two-Step Acquisition'))" below. The repurchase price per share for the Treasury Share Repurchase (1) (the "Treasury Share Repurchase (1) Price") is expected to be 962 yen (Note 7).

(Note 7) According to the Tender Offeror, in connection with the Borrowings for Settlement of the Tender Offer (as defined below; the same applies hereinafter), Mizuho Bank, Ltd. ("Mizuho Bank") and SBI Shinsei Bank, Limited ("SBI Shinsei Bank"), the lenders of those borrowings, have required an additional capital contribution of approximately 57.0 billion yen to the Tender Offeror, in addition to the Parent Company's Contribution (as defined below; the same applies hereinafter), through the Class Share (Tender Offeror) Contribution (as defined below; the same applies hereinafter). Accordingly, the Treasury Share Repurchase (1) Price has been set so that the aggregate acquisition consideration for the shares owned by the HIKARI TSUSHIN Group that will not be tendered in the Tender Offer and are expected to be purchased by the Company or the Tender Offeror through the squeeze-out procedures described in "(4) Policy for Organizational Restructuring, Etc. after the Tender Offer (Matters Relating to 'Two-Step Acquisition'))" below, the shares to be acquired through the Treasury Share Repurchase (1), and the shares to be acquired through the Treasury Share Repurchase (2), will total approximately 57.0 billion yen as of today. Although the Treasury Share Repurchase (1) will be conducted using the Company's funds, the funds required for the Treasury Share Repurchase (1) and the Treasury Share Repurchase (2) are expected to be procured through the subsequent Class Share (Company) Contribution (as defined below; the same applies hereinafter), and all such funds are expected to be funded by the Class Share (Company) Contribution. The price of 962 yen for the Treasury Share Repurchase (1) Price and the Treasury Share Repurchase (2) Price (as defined below; the same applies hereinafter) was determined taking into account the relationship whereby, if those prices were reduced below 962 yen, the consideration for the Treasury Share Repurchase (1) and the Treasury Share Repurchase (2), which constitutes the source of the additional capital

contribution required by Mizuho Bank and SBI Shinsei Bank, would decrease; as a result, the amount of the additional capital contribution could not be maintained, the amount of the Borrowings for Settlement of the Tender Offer would decrease, and consequently the Tender Offer Price (as defined in “(II) Background, Purpose, and Decision-Making Process Which Led to Decision by the Tender Offeror to Implement the Tender Offer” below) and the Stock Acquisition Right Purchase Price could decrease. The Tender Offeror therefore believes that this structure serves to maximize the interests of the Company’s general shareholders.

On the business day following the effective date of the Share Consolidation, HIKARI TSUSHIN plans to make a capital contribution to the Company in exchange for subscribing for non-voting class shares of the Company (the “Class Shares (Company)”) through a third-party allotment (the “Class Share (Company) Contribution”) (Note 8), and, on the same date, the Company plans to reduce the amounts of its capital and capital reserve pursuant to Article 447, Paragraph 1 and Article 448, Paragraph 1 of the Companies Act (the “Capital Reduction”) (Note 9). Thereafter, using the funds and distributable amount secured through the Class Share (Company) Contribution and the Capital Reduction, the Company plans to repurchase all of the Company Shares owned by HTIO (the “Treasury Share Repurchase (2)”), thereby making the Tender Offeror the sole shareholder of the Company. The Tender Offeror, the Prospective Non-Tendering Shareholders and HTIO have agreed that HTIO will sell its Company Shares in response to the Treasury Share Repurchase (2).

The repurchase price per Company Share before the Share Consolidation for the Treasury Share Repurchase (2) (the “Treasury Share Repurchase (2) Price”; the Treasury Share Repurchase (1) Price and the Treasury Share Repurchase (2) Price are collectively referred to as the “Treasury Share Repurchase Price”) is expected to be equal to the Treasury Share Repurchase (1) Price, subject to adjustment based on the consolidation ratio for the Company Shares in the Share Consolidation. As stated above, the funds obtained by the Company through the Class Share (Company) Contribution are expected to be applied to the Treasury Share Repurchase (1) and the Treasury Share Repurchase (2).

(Note 8) The class shares to be issued in the Class Share (Company) Contribution are expected to be non-voting shares subject to transfer restrictions.

(Note 9) In connection with the Capital Reduction, the Tender Offeror plans to request that the Company transfer all or part of the amount of capital and capital reserve to be reduced to other capital surplus.

As stated above, Mizuho Bank and SBI Shinsei Bank have required an additional capital contribution of approximately 57.0 billion yen to the Tender Offeror, in addition to the Parent Company’s Contribution. After the Treasury Share Repurchase (2), the HIKARI TSUSHIN Group plans to make a capital contribution to the Tender Offeror in exchange for subscribing for non-voting class shares of the Tender Offeror (the “Class Shares (Tender Offeror)”) through a third-party allotment (the “Class Share (Tender Offeror) Contribution”) (Note 10), and the Tender Offeror plans to use those funds to acquire from HIKARI TSUSHIN all of the Class Shares (Company) owned by HIKARI TSUSHIN (the “Transfer of Class Shares (Company)”), thereby satisfying the requirement for the additional capital contribution.

(Note 10) The class shares to be issued in the Class Share (Tender Offeror) Contribution are expected to be non-voting shares subject to transfer restrictions.

Following completion of the Transactions, the Tender Offeror and the Company plan to implement an absorption-type merger in which the Tender Offeror will be the surviving company and the Company will be the absorbed company (the “Absorption-Type Merger”).

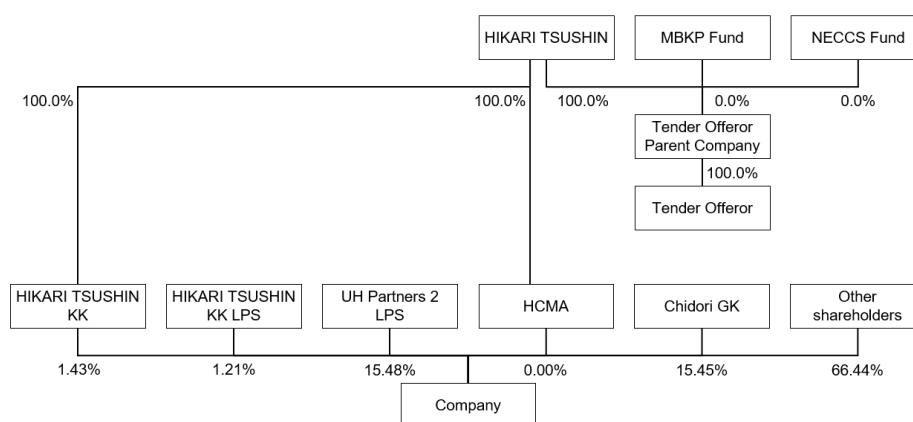
According to the Tender Offeror, the Tender Offeror plans to finance the funds required for the Transactions, including the Tender Offer, through a capital contribution from the Tender Offeror Parent Company (the “Parent Company’s Contribution”) and borrowings from Mizuho Bank, SBI Shinsei Bank and Deutsche Bank AG, Tokyo Branch (“Deutsche Bank”) (the “Borrowings for Settlement of the Tender Offer”), and, subject to the completion of the Tender Offer and other conditions, plans to receive the Parent Company’s Contribution and the Borrowings for Settlement of the Tender Offer by the business day preceding the commencement date of settlement of the Tender Offer.

In addition, in connection with the Tender Offer, the Tender Offeror, the Tender Offeror Parent Company, HIKARI TSUSHIN, the MBKP Fund and the NECCS Fund entered into a shareholders agreement dated September 14, 2026 (the “Shareholders Agreement”). For an outline of the Shareholders Agreement, please refer to “(6) Material Agreements Regarding the Tender Offer” below.

According to the Tender Offeror, the outline of the Transactions is as follows.

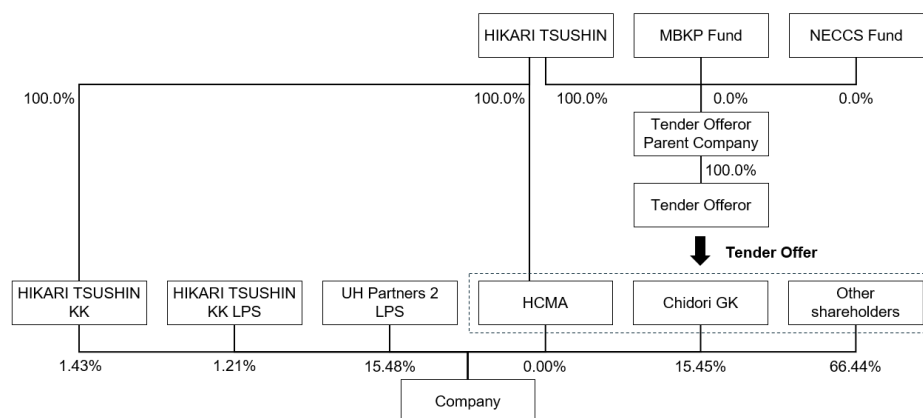
(i) Before implementation of the Tender Offer (current status)

As of today, HIKARI TSUSHIN owns 15.48% of the Company Shares through UH Partners 2 LPS, an investment fund managed by UH Partners 2, a consolidated subsidiary of HIKARI TSUSHIN; 1.43% through HIKARI TSUSHIN KK, a consolidated subsidiary of HIKARI TSUSHIN; 1.21% through HIKARI TSUSHIN KK LPS, an investment fund managed by HIKARI TSUSHIN KK; and 0.00% through HCMA, a consolidated subsidiary of HIKARI TSUSHIN, representing an aggregate ownership of 18.11% of the Company Shares. The Prospective Tendering Shareholder, Chidori GK, owns 15.45%, and the other shareholders own the remaining 66.44%. Each percentage is based on the Base Number of Shares and is rounded to the nearest second decimal place; the same applies to the transaction structure diagrams below.



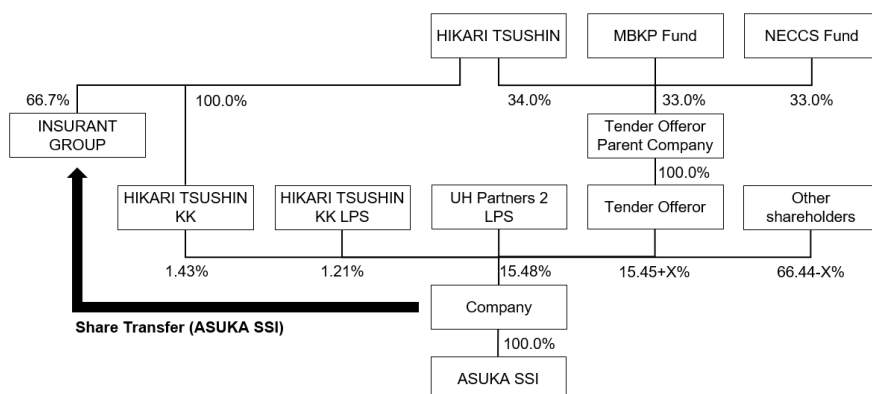
(ii) Implementation of the Tender Offer

The Tender Offeror will implement the Tender Offer for all of the Company Shares, excluding treasury shares owned by the Company and the Shares Not to Be Tendered, and all of the Stock Acquisition Rights.



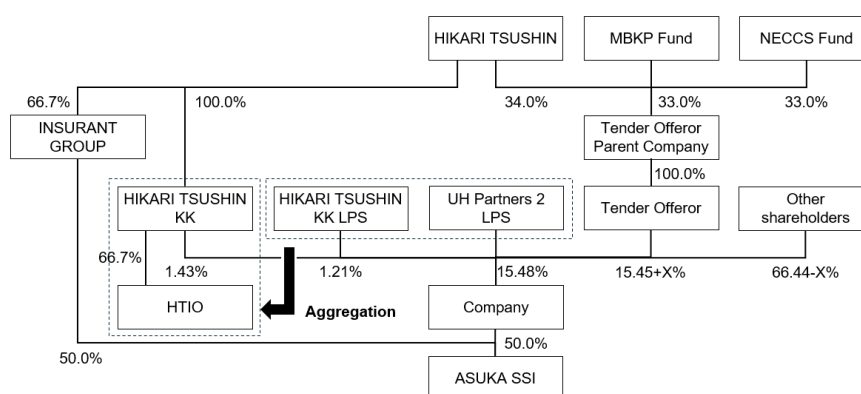
(iii) Completion of the Tender Offer, and the Disposal of Treasury Shares and the Share Transfer (ASUKA SSI) (scheduled for November 2026)

Following the successful completion of the Tender Offer, HIKARI TSUSHIN, the MBKP Fund and the NECCS Fund plan to acquire shares of common stock of the Tender Offeror Parent Company through a disposal of treasury shares by way of third-party allotment by the Tender Offeror Parent Company (the “Disposal of Treasury Shares”), and to own 34.0%, 33.0% and 33.0%, respectively, of the shares of common shares of the Tender Offeror Parent Company. The subscription price per share of common stock of the Tender Offeror Parent Company in the Disposal of Treasury Shares will be 30,400,000 yen. Following the Disposal of Treasury Shares, HIKARI TSUSHIN, MBKP and NECCS are expected to own 34 shares, 33 shares and 33 shares of common stock of the Tender Offeror Parent Company, respectively. HIKARI TSUSHIN held one share of common stock of the Tender Offeror Parent Company immediately prior to the Disposal of Treasury Shares, and as a result of the Disposal of Treasury Shares, the Tender Offeror Parent Company will acquire 33 shares of common stock. Subject to the completion of the Tender Offer and other conditions, the Company plans to transfer the Shares to Be Transferred to INSURANT GROUP by the business day preceding the commencement date of settlement of the Tender Offer.



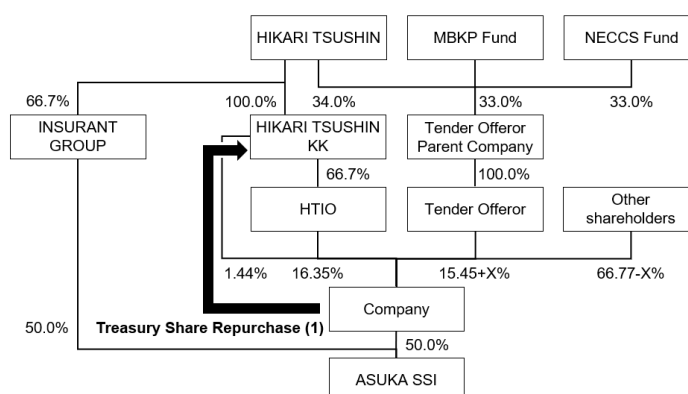
(iv) Aggregation (scheduled for November 2026)

Promptly after settlement of the Tender Offer and prior to the Treasury Share Repurchase (1), UH Partners 2 LPS and HIKARI TSUSHIN KK LPS, among the Prospective Non-Tendering Shareholders, plan to aggregate a portion of the Company Shares owned by them into HTIO and HIKARI TSUSHIN KK through distributions in kind.



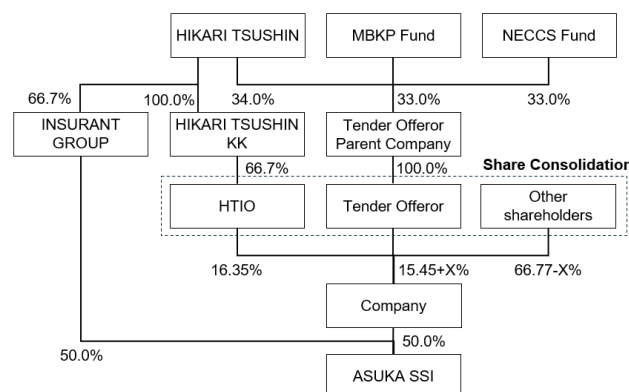
(v) Treasury Share Repurchase (1) (scheduled for January 2027)

Following the Extraordinary Shareholders' Meeting to be held after the completion of the Tender Offer, on the effective date of the Share Consolidation and prior to the Share Consolidation becoming effective, the Company plans to conduct the Treasury Share Repurchase (1), pursuant to which the Company will acquire all of the Company Shares owned by HIKARI TSUSHIN KK.



(vi) Share Consolidation (scheduled for around January 2027)

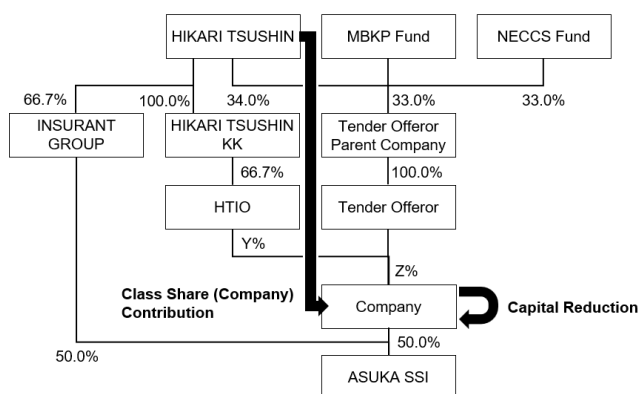
On the same date following the Treasury Share Repurchase (1), the Company plans to implement the Share Consolidation in order to make the Tender Offeror and HTIO the only shareholders of the Company.



The respective ownership ratios of the Tender Offeror and HTIO following the Share Consolidation will vary depending on the consolidation ratio, which has not been determined as of today. The Share Consolidation is expected to become effective after approval at the Extraordinary Shareholders' Meeting following the completion of the Tender Offer. For details, please refer to “(4) Policy for Organizational Restructuring, Etc. after the Tender Offer (Matters Relating to ‘Two-Step Acquisition’)” below.

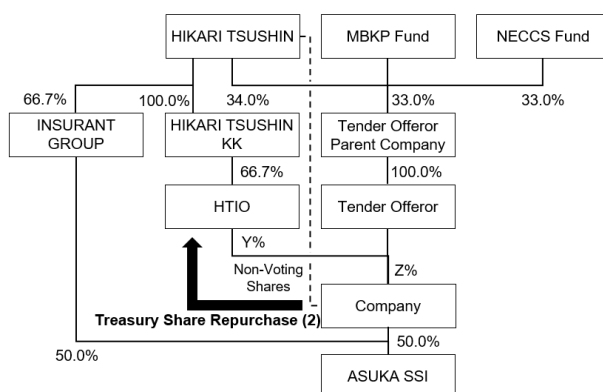
(vii) Class Share (Company) Contribution and Capital Reduction (scheduled for January 2027)

On the business day following the effective date of the Share Consolidation, in order to secure the funds and distributable amount required for the Treasury Share Repurchase (2), HIKARI TSUSHIN plans to implement the Class Share (Company) Contribution by making a capital contribution to the Company in exchange for subscribing for the Class Shares (Company), and the Company plans to implement the Capital Reduction on the same date.



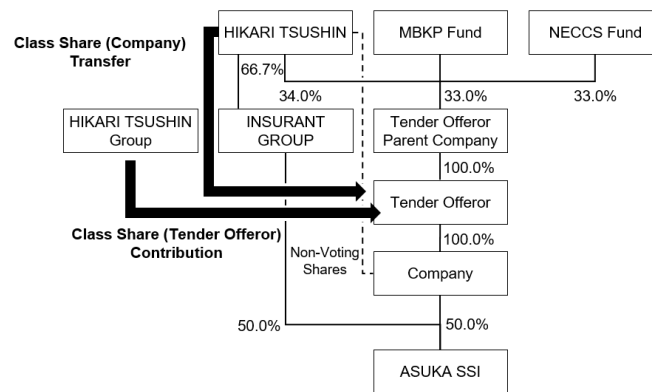
(viii) Treasury Share Repurchase (2) (scheduled for January 2027)

Following the Class Share (Company) Contribution and the Capital Reduction, the Company plans to conduct the Treasury Share Repurchase (2) to acquire all of the Company Shares owned by HTIO.



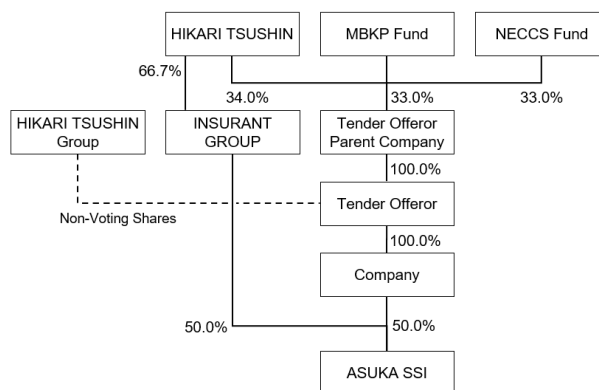
(ix) Class Share (Tender Offeror) Contribution and Class Share (Company) Transfer (scheduled for January 2027)

Following the Treasury Share Repurchase (2), the HIKARI TSUSHIN Group plans to implement the Class Share (Tender Offeror) Contribution by making a capital contribution to the Tender Offeror in exchange for subscribing for the Class Shares (Tender Offeror) of the Tender Offeror, and the Tender Offeror plans to use those funds to acquire from HIKARI TSUSHIN the Class Shares (Company) that HIKARI TSUSHIN will own as a result of the “(vii) Class Share (Company) Contribution and the Capital Reduction” described above.



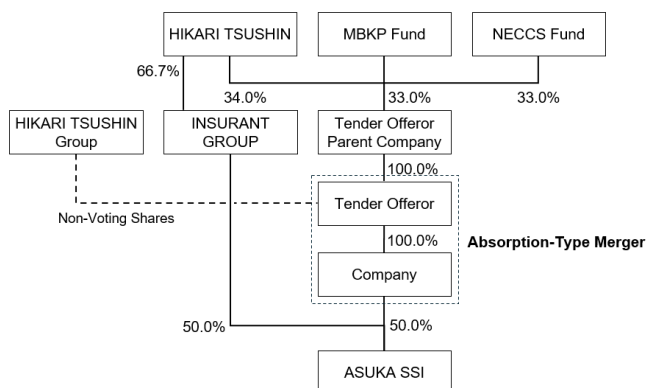
(x) Following completion of the Transactions

Following completion of the Transactions, the Tender Offeror is expected to own all of the Company Shares.



(xi) Absorption-Type Merger (schedule undecided)

Following completion of the Transactions, the Tender Offeror is considering implementing the Absorption-Type Merger in which the Tender Offeror will be the surviving company and the Company will be the absorbed company. However, as of today, whether the Absorption-Type Merger will be implemented, including its timing and specific terms, has not been determined.



(II) Background, Purpose, and Decision-Making Process Which Led to Decision by the Tender Offeror to Implement the Tender Offer

According to the Tender Offeror, HIKARI TSUSHIN was established in February 1988 for the purpose of selling and leasing office automation equipment, telephones and other equipment. Its shares were listed on the First Section of the TSE in September 1999, and subsequently, as a result of the restructuring of the market segments of the TSE in April 2022, its listing was transferred to the Prime Market of the TSE, where its shares remain listed. The HIKARI TSUSHIN Group consists of HIKARI TSUSHIN, 170 consolidated subsidiaries and 108 equity-method affiliates. HIKARI TSUSHIN, as a holding company, is responsible for the overall management of the group, while its operating subsidiaries and affiliates are principally engaged in the electricity and gas business, telecommunications business, beverage business, insurance business, finance business, solutions business and agency sales business.

According to the Tender Offeror, the MBKP Fund is one of the funds to which MBKP provides services. MBKP is an independent private equity firm established in March 2005 that specializes in private equity investments in the three East Asian countries of Japan, the People's Republic of China ("China") and the Republic of Korea ("Korea"). With the support of investors consisting primarily of institutional investors, including global corporations, banks, financial institutions, family offices, public pension funds, foundations, sovereign wealth funds and funds of funds, MBKP has approximately US\$32.7 billion in assets under management as of today and makes investments in companies ranging from large corporations to mid-sized companies, primarily in the retail/consumer goods, telecommunications/media/technology, financial services and healthcare sectors. Following an investment, MBKP actively provides management support to its portfolio companies with the aim of maximizing their corporate value. Since its establishment in March 2005, MBKP has completed 83 investments in East Asian countries. In Japan, MBKP has completed 22 investments in 17 companies, including Yayoi Co., Ltd., USJ Co., Ltd., INVOICE INC., KOMEDA Co., Ltd., TASAKI & Co., Ltd. (formerly Tasaki Shinju Co., Ltd.), Accordia Golf Co., Ltd., Kuroda Electric Co., Ltd., Orchid Co., Ltd. (formerly Godiva Japan, Inc.), TSUKUI HOLDINGS CORPORATION, EPS Holdings, Inc., SOYOKAZE Co., Ltd. (formerly UNIMAT Retirement Community Co., Ltd.), HITOWA Holdings Co., Ltd., Japan Best Rescue System Co., Ltd., Alinamin Pharmaceutical Co., Ltd., FICT LIMITED, Solasto Corporation and Altemira Co., Ltd. Following its investments, MBKP has achieved increases in revenue and profitability by working together with the management teams of the respective portfolio companies over the medium- to long-term on value-enhancement initiatives specific to each company. MBKP regards private equity investments in Japan, including transactions to take listed companies private, as an area of focus equivalent to investments in China and Korea, and has long selected promising investment targets in Japan, particularly for the purpose of promoting further enhancement of the corporate value of high-quality companies with growth potential.

According to the Tender Offeror, the NECCS Fund is one of the funds operated by OHANAPANA, a wholly-owned subsidiary of NECCS. NECCS was founded in 1978 as the financial services company of a corporate group consisting of NEC Corporation ("NEC"), NEC's consolidated subsidiaries (252 as of March 31, 2026), and NEC's equity-method affiliates (50 as of March 31, 2026). After its shares were listed on the Second Section of the TSE in February 2005, its listing was transferred to the First Section of the TSE in March 2006. Subsequently, as a result of the restructuring of the market segments of the TSE in April 2022, its listing was transferred to the Prime Market of the TSE. In May 2025, NECCS became an equity-method affiliate of SBI Shinsei Bank and has remained so to date. Since its establishment, in addition to leasing various types of machinery and equipment, including ICT equipment (Note 11), NECCS has enhanced its financing menu and expanded the range of solutions it offers as a financial services company in order to help customers resolve various management issues. Under NECCS's Group Vision 2030, it has identified three solution areas, namely vendor finance, specialized ICT services and financial products, and aims to achieve growth by strengthening and establishing each of these areas. In the vendor finance area, NECCS has a robust business foundation with government agencies, local governments and large corporations as its principal customers, and provides financing programs to various manufacturers and sales companies to support the enhancement of their

sales capabilities. In the specialized ICT services area, NECCS provides various services that leverage its extensive ICT expertise, as well as specialized services for PFI/PPP businesses (Note 12). In the financial products area, in addition to leveraging the extensive relationships with regional financial institutions held by its subsidiary, RISA Partners, Inc., NECCS is expanding its range of products, including real estate finance, project finance for renewable energy projects and LBO finance (Note 13).

(Note 11) “ICT” is an abbreviation for “Information and Communication Technology” and means information and communications technology.

(Note 12) “PFI/PPP” means methods of public-private partnership for the development and other activities relating to public facilities, under which private-sector funds, management capabilities and technical capabilities are utilized for the construction, maintenance, operation and other activities relating to public facilities.

(Note 13) “LBO finance” means a method of financing a corporate acquisition through borrowings secured by the future cash flows or assets of the target company.

Meanwhile, the Company was established in Nakano-ku, Tokyo in August 1973, as Miyama Co., Ltd., and commenced operations primarily in the real estate brokerage business. Subsequently, the Company launched full-scale sales of urban-type apartments “Leopalace21” in April 1985 and established the Leasing Business division in April 1986, thereby launching its full-scale real estate leasing business. In July 2000, the Company changed its company name from MDI Co., Ltd. (its name at that time) to Leopalace21 Corporation (株式会社レオパレス二十一), and after listing on the First Section of the TSE in March 2004, the Company changed its company name to its current name, Leopalace21 Corporation (株式会社レオパレス 21; from *kanji* numerals to Arabic numerals), in June 2006. In April 2022, following the restructuring of the market segments of the TSE, the Company transitioned from the First Section to the Prime Market of the TSE, where it remains today.

The Company Group consists of the Company and its associated companies and has three reportable segments: “Leasing Business,” “Elderly Care Business” and “Other Businesses.”

The Leasing Business is the Company’s core business, encompassing leasing and management of company-owned apartments and master-leased apartments; construction subcontracting for apartments and other properties; maintenance and repair work; company-housing agency services; real estate brokerage; rent guarantees; broadband services for tenants; electricity supply services; and provision of small-amount short-term insurance, among other services. The Company provides approximately 540,000 housing units for single-person households nationwide and offers comprehensive housing-related services to property owners, tenants, and corporate clients.

The Elderly Care Business operates primarily through the Company’s consolidated subsidiary, Azu Life Care Co., Ltd., and consists of paid nursing homes for the elderly, group homes, day service centers and other care-related facilities. Against the backdrop of a declining birthrate and an aging population, the Company is expanding this business to meet societal needs for housing and care services for the elderly. Note that the Company and Japan Innovation Investment Company have entered into a memorandum of understanding dated today regarding the transfer of all outstanding shares of Azu Life Care Co., Ltd. and Azu Residence Co., Ltd., subsidiaries of the Company engaged in the Elderly Care Business, to Japan Innovation Investment Co., Ltd. For details, please see “Notice Concerning Execution of Memorandum of Understanding regarding Transfer of Elderly Care Business (Transfer of Shares Involving Changes in Specified Subsidiaries) and Recording of Extraordinary Loss, as well as Revision of Earnings Forecast” announced by the Company today.

The Other Businesses consist primarily of services for tenants and users; the solar power generation business; and other peripheral businesses related to the existing businesses of the Company Group.

In addition, in its three-year medium-term management plan, “New Growth 2028,” covering the fiscal years ending March 2026 through March 2028 and announced in May 9, 2025 (the “Medium-

term Management Plan”), the Company has established as its basic policy the strengthening of its business foundation centered on the Leasing Business and the Development Business. Specifically, the Company has identified as priority measures the implementation of regional strategies to improve occupancy rates and average unit rent for all occupied units; establishment of a sustainable organizational structure through promotion of digital transformation (DX) and human-capital management; optimization of the managed-property portfolio through full-scale resumption of the Development Business; and contribution to a decarbonized society through supply of ZEH (Net Zero Energy House) properties, among other measures, and is pursuing a growth strategy aimed at achieving both economic value and social value.

According to the Tender Offeror, the HIKARI TSUSHIN Group has made pure investments in promising stocks that were expected to increase in corporate value. With respect to the Company, although the Company’s business performance had deteriorated due to its response to the issue of construction defects in 2018 (Note 14), the Company had a stable financial base, and the HIKARI TSUSHIN Group determined that further enhancement of the Company’s corporate value could be expected by resolving the issue of construction defects. Accordingly, in April 2022, the HIKARI TSUSHIN Group acquired Company Shares from a third party engaged in the investment management business through UH Partners 2 and thereafter continued to acquire Company Shares on the stock market for pure investment purposes through UH Partners 2 and HIKARI TSUSHIN KK until September 2022.

(Note 14) According to HIKARI TSUSHIN, the “issue of construction defects” refers to a series of issues involving construction defects at the Company, including defects in partition walls, ceilings and other parts of properties constructed by the Company and properties for which the Company commissioned third parties to perform construction, as described in, among other documents, the “Notice Concerning Repair Works on Discrepancies with Construction Certificate Documents” announced by the Company on April 27, 2018 and the “Progress Report of All-building Investigations and Notice Concerning Newly Confirmed Construction Defects” announced by the Company on February 7, 2019.

According to the Tender Offeror, as of today, HIKARI TSUSHIN owns 50,581,700 Company Shares (ownership ratio: 15.48%) through UH Partners 2 LPS, an investment fund managed by UH Partners 2, a consolidated subsidiary of HIKARI TSUSHIN; 4,664,600 Company Shares (ownership ratio: 1.43%) through HIKARI TSUSHIN KK, a consolidated subsidiary of HIKARI TSUSHIN; 3,941,900 Company Shares (ownership ratio: 1.21%) through HIKARI TSUSHIN KK LPS, an investment fund managed by HIKARI TSUSHIN KK; and 100 Company Shares (ownership ratio: 0.00%) through HCMA, a consolidated subsidiary of HIKARI TSUSHIN, representing an aggregate of 59,188,300 Company Shares (ownership ratio: 18.11%).

According to the Tender Offeror, from around September 2025, HIKARI TSUSHIN began to consider taking the Company Shares private. Although the Company’s business performance had been on a recovery trend due to the contributions of the current management team, including cost reductions through the reduction of rental costs as a result of rent optimization and reductions in personnel expenses, following the deterioration in the Company’s business performance caused by its response to the issue of construction defects in 2018, HIKARI TSUSHIN took into account that competition in the Company’s industry was intensifying, that the number of properties managed by the Company was on a downward trend, and that, although the Company had resumed its Development Business, further investment would be required to achieve the Medium-Term Management Plan. HIKARI TSUSHIN therefore considered it desirable, in order to pursue further enhancement of the Company’s corporate value, to expedite decision-making to a greater extent than before, expand the business through collaboration with new business partners, and proceed with reforms after taking the Company private without being constrained by its current capital structure.

According to the Tender Offeror, on October 28, 2025, HIKARI TSUSHIN communicated to the Company its intention, including that it was considering increasing the HIKARI TSUSHIN Group’s investment ratio in the Company, making the Company an affiliate of HIKARI TSUSHIN, further

deepening business collaboration between the two companies, and taking the Company Shares private.

According to the Tender Offeror, after appointing SBI SECURITIES Co., Ltd. (“SBI SECURITIES”) as its financial advisor and third-party valuation agent on November 13, 2025 and Mori Hamada & Matsumoto as its legal advisor on November 14, 2025, HIKARI TSUSHIN commenced specific consideration of the Transactions.

According to the Tender Offeror, beginning in November 2025, HIKARI TSUSHIN consulted with several financial institutions and private equity funds, in addition to NECCS and MBKP, regarding a joint investment in the Company. Among the parties consulted that expressed strong interest, HIKARI TSUSHIN approached NECCS on November 17, 2025 and MBKP on December 3, 2025 regarding consideration of a joint investment that would contribute to the creation of new investment opportunities, and commenced discussions regarding a joint investment structure involving the three companies (the “Consortium”).

According to the Tender Offeror, on December 19, 2025, HIKARI TSUSHIN submitted to the Company a non-legally binding letter of intent that set forth a formal expression of intent regarding the Transactions for the purpose of taking the Company Shares private through the Tender Offer and making the Company an affiliate of HIKARI TSUSHIN. The letter of intent stated that HIKARI TSUSHIN contemplated a purchase price per Company Share in the Tender Offer (the “Tender Offer Price”) of at least 800 yen, which represented premiums of 20.85% over the closing price of 662 yen of the Company Shares on the Prime Market of the Tokyo Stock Exchange on December 18, 2025, the business day immediately preceding the proposal date; 23.46% over the simple average closing price of 648 yen for the one-month period ending on that date; 20.48% over the simple average closing price of 664 yen for the three-month period ending on that date; and 17.99% over the simple average closing price of 678 yen for the six-month period ending on that date. The premium percentages were rounded to the nearest second decimal place, and the same applies hereinafter to calculations of premium percentages. The simple average closing prices were rounded to the nearest yen, and the same applies hereinafter to calculations of simple average closing prices. The letter of intent also described the purpose of the Transactions, the business strategy following implementation of the Transactions and, as the contemplated structure of the Transactions, the implementation of squeeze-out procedures and other measures for the Company’s general shareholders following implementation of the Tender Offer (the “December 19 Letter of Intent”).

According to the Tender Offeror, on December 29, 2025, HIKARI TSUSHIN received a written notice from the Company stating that the Company had received the December 19 Letter of Intent and would commence consideration of the proposal contained therein, and was informed that the Company intended to retain PLUTUS CONSULTING Co., Ltd. (“PLUTUS”) as its financial advisor and Nagashima Ohno & Tsunematsu as its legal advisor. Subsequently, on January 9, 2026, as a result of the Company’s consideration, HIKARI TSUSHIN received from PLUTUS a list of questions concerning the December 19 Letter of Intent, with a response deadline of January 15, 2026. HIKARI TSUSHIN submitted its responses to the list of questions on January 15, 2026. After receiving additional questions from PLUTUS concerning those responses on the same date, HIKARI TSUSHIN submitted supplemental responses to the list of questions on January 16, 2026.

As discussions with MBKP and NECCS regarding the Consortium had progressed, on January 22, 2026, HIKARI TSUSHIN informed the Company of the names of MBKP and NECCS and communicated that the Tender Offerors were considering forming the Consortium. Subsequently, on January 23, 2026, HIKARI TSUSHIN received notification from the Company that it would accept the conduct of due diligence and received disclosure of documents pertaining to the Company.

According to the Tender Offeror, after being approached by HIKARI TSUSHIN regarding the Transactions on and after November 17, 2025, NECCS examined the Company’s growth potential and profitability based on publicly available information and its own analysis. As a result, NECCS determined that, in addition to providing funds, it might be able to provide various financial services, including leasing various types of machinery and equipment and real estate finance, and that the Transactions aligned with the areas targeted by NECCS. NECCS therefore held several discussions with HIKARI TSUSHIN concerning the Transactions and, on January 22, 2026, joined

the Consortium as a shareholder of the Tender Offeror Parent Company in the role of supporting the management of the Tender Offeror Parent Company, the Tender Offeror and the Company. According to the Tender Offeror, after being approached by HIKARI TSUSHIN regarding the Transactions on and after December 3, 2025, MBKP examined the Company's growth potential and profitability based on publicly available information and its own analysis. As a result, MBKP recognized that the Company had approximately 540,000 managed properties nationwide and a high-quality customer base centered on corporate users, and that the Company's business performance had recovered from the deterioration caused by the issue of construction defects and the COVID-19 pandemic through improvements in contract quality resulting from its rent strategy, strengthening of corporate sales, improvement of operational efficiency and other measures. In addition, MBKP evaluated the Company as having medium- to long-term growth potential because the Medium-Term Management Plan provided for improvements in the occupancy rate and profitability of the Leasing Business and the full-scale resumption of the Development Business, among other measures. Furthermore, MBKP considered that it could provide consistent support, both financially and operationally, from the implementation of the Transactions through the enhancement of the Company's corporate value following the Transactions by utilizing the knowledge and experience accumulated through providing management support to its portfolio companies, rather than serving merely as a provider of funds. Specifically, MBKP determined that it could contribute to the Company's sustainable growth by (i) providing the funds necessary for the Transactions, (ii) providing support during the process of implementing the Transactions, and (iii) supporting implementation through collaboration with the Company's management team to achieve profitable revenue growth, improve profitability, formulate specific measures to create synergies, design KPIs and manage progress. Based on the foregoing consideration, MBKP determined that the joint investment in the Transactions was consistent with MBKP's investment strategy of seeking medium- to long-term enhancement of corporate value through the provision of funds and management support to companies with growth potential. Accordingly, MBKP held several discussions with HIKARI TSUSHIN concerning the Transactions and, on January 23, 2026, joined the Consortium as a shareholder of and provider of funds to the Tender Offeror Parent Company, in the role of providing financial and business support to the Tender Offeror Parent Company, the Tender Offeror and the Company.

According to the Tender Offeror, on January 28, 2026, HIKARI TSUSHIN was informed by the Company that Mizuho Securities Co., Ltd. ("Mizuho Securities") had been formally appointed as the Company's financial advisor and third-party valuation agent and that PLUTUS had been formally appointed as the financial advisor and third-party valuation agent to the Special Committee of the Company (as defined in "(III) Details of, and Grounds and Reasons for, the Company's Opinion on the Tender Offer" below; the same applies hereinafter). On February 4, 2026, after the Company had been informed that the Tender Offerors were considering forming the Consortium, HIKARI TSUSHIN was informed by the Company that the Company would review its consideration process and subsequently provide the Consortium with information concerning the revised process. MBKP and NECCS were also requested to submit their respective letters of intent. Accordingly, on February 25, 2026, MBKP and NECCS each submitted to the Company a non-legally binding letter of intent stating, among other matters, that MBKP or NECCS agreed with the contents of the December 19 Letter of Intent and was positively considering making an investment in the Transactions as a co-investor.

According to the Tender Offeror, on March 9, 2026, HIKARI TSUSHIN received a written notice from the Company stating that, as a result of the Company's review of its consideration process, the three members of the Consortium were requested to reconsider the proposal and submit an additional letter of intent jointly in the names of all three members. Following additional consideration by the Consortium, on April 10, 2026, the Consortium submitted to the Company an additional non-legally binding letter of intent (the "April 10 Letter of Intent"). On the assumption that the Company would not pay an interim dividend or year-end dividend for the fiscal year ending March 31, 2027, the Consortium proposed a Tender Offer Price of 800 yen per Company Share, which represented premiums of 19.40% over the closing price of 670 yen of the Company Shares on the Prime Market of the TSE on April 9, 2026, the business day immediately preceding the proposal date; 21.40% over the simple average closing price of 659 yen for the one-month period ending on that date; 16.45% over the simple average closing price of 687 yen for the three-month period ending on that date; and 19.40% over the simple average closing price of 670 yen for the

six-month period ending on that date. The Consortium also proposed a purchase price of 79,900 yen for each 2nd Series Stock Acquisition Right, 79,900 yen for each 3rd Series Stock Acquisition Right, 79,900 yen for each 4th Series Stock Acquisition Right and 79,900 yen for each 6th Series Stock Acquisition Right. On April 23, 2026, the Consortium orally provided the Company and the Special Committee with supplemental explanations concerning the April 10 Letter of Intent.

According to the Tender Offeror, on April 28, 2026, the Consortium received a written notice from the Company stating that, as a result of consideration by the Special Committee, the Company would accept the conduct of additional due diligence by the three members of the Consortium. On May 11, 2026, the Consortium received another written notice requesting that it submit an additional letter of intent by June 24, 2026 after conducting due diligence. In addition, on May 15, 2026, as a result of consideration by the Special Committee, the Company requested that the Consortium propose another Tender Offer Price that gave sufficient consideration to the interests of the Company's general shareholders, on the grounds that the proposed Tender Offer Price was below the intrinsic value of the Company as recognized by the Special Committee and was also insufficient in light of the premium levels in Comparable Transactions (Note 15). Accordingly, following further consideration and discussions, on May 28, 2026, the three members of the Consortium submitted to the Company a non-legally binding written proposal stating that they contemplated a Tender Offer Price of at least 900 yen per Company Share, which represented premiums of 41.96% over the closing price of 634 yen of the Company Shares on the Prime Market of the TSE on May 27, 2026, the business day immediately preceding the proposal date; 39.97% over the simple average closing price of 643 yen for the one-month period ending on that date; 35.75% over the simple average closing price of 663 yen for the three-month period ending on that date; and 33.93% over the simple average closing price of 672 yen for the six-month period ending on that date, and that they planned to present a final price after conducting full-scale due diligence on the Company.

(Note 15) "Comparable Transactions" means 76 transactions involving tender offers for shares of domestic listed companies by third parties, without any maximum number of shares to be purchased, and that were announced and completed between June 28, 2019, when the Ministry of Economy, Trade and Industry published the M&A Guidelines, and the end of March 2026, excluding transactions in which the percentage of voting rights in the target owned by the purchaser before the tender offer, including indirect ownership, was less 20% or more, management buyouts, discounted tender offers, two-step tender offers, transactions subject to speculative media reports, transactions in which no minority shareholder squeeze-out measures were implemented after the tender offer, transactions in which the target was an unlisted company, a company listed on TOKYO PRO Market or an investment corporation, and special transactions, including unsolicited tender offers and competing tender offers.

According to the Tender Offeror, subsequently, on May 29, 2026, the three members of the Consortium were requested by the Company, as a result of consideration by the Special Committee, to propose another Tender Offer Price that gave sufficient consideration to the interests of the Company's general shareholders before proceeding with further due diligence, on the grounds that the proposed Tender Offer Price was still not considered to be at a sufficient level for the Company's shareholders. Accordingly, on June 5, 2026, the three members of the Consortium submitted to the Company a non-legally binding written proposal stating that they contemplated a Tender Offer Price of at least 950 yen per Company Share, which represented premiums of 55.23% over the closing price of 612 yen of the Company Shares on the Prime Market of the TSE on June 4, 2026, the business day immediately preceding the proposal date; 49.84% over the simple average closing price of 634 yen for the one-month period ending on that date; 44.82% over the simple average closing price of 656 yen for the three-month period ending on that date; and 41.58% over the simple average closing price of 671 yen for the six-month period ending on that date, and that they planned to present a final price after conducting full-scale due diligence on the Company.

According to the Tender Offeror, on June 8, 2026, the three members of the Consortium received a written notice from the Company stating that, as a result of consideration by the Special Committee, the proposed Tender Offer Price was still not considered to be at a sufficient level for

the Company's shareholders and requesting that, after conducting further due diligence, they submit an additional letter of intent by June 24, 2026. In addition, on June 19, 2026, the three members of the Consortium received a written notice from the Company stating that the deadline for submission of the additional letter of intent would be extended to July 6, 2026 in order to provide the three members of the Consortium with a sufficient period for consideration. In light of the foregoing, as stated above, over a period of approximately five and a half months from late January to early July 2026, the three members of the Consortium conducted full-scale business, financial, tax and legal due diligence on the Company and held interviews with the Company's management team and working-level personnel, through which they conducted further analysis and consideration concerning the acquisition of the Company Shares.

According to the Tender Offeror, as a result of such analysis and consideration, HIKARI TSUSHIN determined that the following specific synergies could be expected from the Transactions.

a) Introduction of Services to Managed Properties

According to the Tender Offeror, by providing the residents of the approximately 540,000 properties managed by the Company with HIKARI TSUSHIN Group products and services, including electricity and gas, internet and mobile services, water servers, payment processing, insurance and guarantees, as well as ancillary services such as electricity activation services during vacancy periods and call-center support in the event of failures of equipment or other facilities, it would be possible to increase the added value of the properties and contribute to greater resident satisfaction. The HIKARI TSUSHIN Group has already formed list-provision-based alliances of this kind with certain property management companies and real estate brokerage companies, and such alliances have contributed to the expansion of the businesses of both parties. These measures are expected to provide the Company with new, stable and recurring sources of revenue.

b) Expansion of Channels for Acquiring New Residents

According to the Tender Offeror, by informing the corporate customers that transact with the HIKARI TSUSHIN Group about corporate contracts with the Company, it would be possible to increase the number of new residents and contribute to improvements in occupancy rates. Approximately two-thirds of the Company's properties are used as corporate housing. By introducing the HIKARI TSUSHIN Group's affiliated parties and business partners to the Company as corporate customers, the Company would be able to acquire new residents whom it had not previously approached, thereby steadily increasing occupancy rates, contributing to higher profits for the Company and improving the satisfaction of property owners. As part of these initiatives, collaboration with the HIKARI TSUSHIN Group's services for foreign workers is also expected to result in the acquisition of new residents through accepting organizations.

c) Improvement of Property Owners' Cash Flow

According to the Tender Offeror, given that revisions to contractual terms to date have adversely affected property owners' cash flow and that the pace of decline in the number of managed properties has recently accelerated, HIKARI TSUSHIN considers that, in order to maintain the Company's business relationships with property owners and the Company's revenue base from a medium- to long-term perspective, it would be possible, where deemed necessary, to consider and support a phased review of contractual terms in order to improve property owners' cash flow. Such measures may include distributing to property owners a portion of the increase in the Company's revenue resulting from the introduction of the services described in paragraph (a) above into the properties managed by those property owners, and returning to property owners a portion of the improvement in the Company's revenue resulting from the realization of the synergies and other benefits expected from the Transactions.

d) Expansion of the Development Business Structure

According to the Tender Offeror, in light of the aging of the Company's portfolio of managed properties, recruitment, hiring, education, training and other measures will be required to establish the personnel structures necessary for product development, sales and construction in order to reliably capture demand from existing property owners for rebuilding and additional construction and to cultivate new property owners. HIKARI TSUSHIN therefore believes that it can provide support for the Company to make the necessary investments.

According to the Tender Offeror, the anticipated disadvantages of taking the Company private include the Company's inability to raise funds through equity finance in the capital markets, the possibility of an adverse impact on the social credibility and name recognition that the Company has enjoyed as a listed company and its ability to secure talented personnel based on such credibility and name recognition, and the possibility of an adverse impact on business relationships as a result of the termination of capital relationships with business-partner shareholders. However, the Company has already established sufficient brand strength through its many years of business activities, and relationships of trust with its business partners have already been established to a certain extent. Therefore, the Tender Offeror believes that the Company's social credibility, name recognition and relationships of trust would not be immediately lost as a result of delisting and that the impact of delisting on its social credibility, name recognition and existing business relationships would be limited. In addition, with respect to financing, following implementation of the Transactions, the Company is expected to be able to negotiate smoothly with its financial institutions based on the creditworthiness of HIKARI TSUSHIN and NECCS, whose shares are listed on the Prime Market of the Tokyo Stock Exchange, and MBKP. The Company will also have the option of receiving financial support through additional capital contributions from the HIKARI TSUSHIN Group. Accordingly, the stability of the Company's financial base is expected to be maintained or enhanced notwithstanding its delisting.

In light of these circumstances, the Tender Offeror has determined that the impact of the foregoing disadvantages would be limited and that the effect of enhancing the Company's corporate value based on the foregoing synergies arising from the Transactions would substantially outweigh the foregoing disadvantages associated with taking the Company private.

According to the Tender Offeror, based on the results of the foregoing analysis and consideration, on July 6, 2026, the three members of the Consortium submitted to the Company a non-legally binding written proposal stating that they contemplated a Tender Offer Price of 1,000 yen per Company Share, which represented premiums of 54.32% over the closing price of 648 yen of the Company Shares on the Prime Market of the TSE on July 3, 2026, the business day immediately preceding the proposal date; 60.00% over the simple average closing price of 625 yen for the one-month period ending on that date; 55.76% over the simple average closing price of 642 yen for the three-month period ending on that date; and 50.38% over the simple average closing price of 665 yen for the six-month period ending on that date. The proposal also stated that the contemplated Stock Acquisition Right Purchase Price would be 99,900 yen for each 2nd Series Stock Acquisition Right, 99,900 yen for each 3rd Series Stock Acquisition Right, 99,900 yen for each 4th Series Stock Acquisition Right and 99,900 yen for each 6th Series Stock Acquisition Right.

According to the Tender Offeror, on July 13, 2026, the three members of the Consortium received a written notice from the Company stating that, as a result of consideration by the Special Committee, the proposed Tender Offer Price was still not considered to be at a sufficient level for the Company's shareholders and requesting that they submit a revised proposal for the Tender Offer Price by July 31, 2026. Accordingly, following further consideration and discussions, on July 31, 2026, the three members of the Consortium submitted to the Company a non-legally binding written proposal stating that the Tender Offer Price proposed on July 6, 2026 was their highest and final price and that the Tender Offer Price would be 1,000 yen per Company Share, which represented premiums of 44.09% over the closing price of 694 yen of the Company Shares on the Prime Market of the TSE on July 30, 2026, the business day immediately preceding the proposal date; 50.38% over the simple average closing price of 665 yen for the one-month period ending on that date; 55.76% over the simple average closing price of 642 yen for the three-month

period ending on that date; and 50.83% over the simple average closing price of 663 yen for the six-month period ending on that date. The proposal also stated that the Stock Acquisition Right Purchase Price would be 99,900 yen for each 2nd Series Stock Acquisition Right, 99,900 yen for each 3rd Series Stock Acquisition Right, 99,900 yen for each 4th Series Stock Acquisition Right and 99,900 yen for each 6th Series Stock Acquisition Right; that the Treasury Share Repurchase (1) Price would be 962 yen; that the Treasury Share Repurchase (2) Price would be 962 yen, the same amount as the Treasury Share Repurchase (1) Price, subject to adjustment based on the consolidation ratio for the Company Shares in the Share Consolidation; and that INSURANT GROUP, a consolidated subsidiary of HIKARI TSUSHIN, wished to acquire the Shares to Be Transferred prior to the commencement date of settlement of the Tender Offer, subject to the completion of the Tender Offer. On August 3, 2026, the three members of the Consortium orally provided the Company with supplemental explanations concerning the structure of the Transactions.

According to the Tender Offeror, on August 7, 2026, the three members of the Consortium received a written notice from the Company stating that, as a result of consideration by the Special Committee, the proposed Tender Offer Price was still not considered to be at a sufficient level for the Company's shareholders from the perspective of maximizing their interests, and requesting that they submit revised proposals for the Tender Offer Price, the Treasury Share Repurchase (1) Price and the Treasury Share Repurchase (2) Price by August 17, 2026. Accordingly, following further consideration and discussions, on August 17, 2026, the three members of the Consortium submitted to the Company a non-legally binding written proposal stating that the Tender Offer Price proposed on July 6, 2026 was their highest and final price and that the Tender Offer Price would be 1,000 yen per Company Share, which represented premiums of 61.29% over the closing price of 620 yen of the Company Shares on the Prime Market of the TSE on August 14, 2026, the business day immediately preceding the proposal date; 51.29% over the simple average closing price of 661 yen for the one-month period ending on that date; 55.52% over the simple average closing price of 643 yen for the three-month period ending on that date; and 51.75% over the simple average closing price of 659 yen for the six-month period ending on that date. The proposal also stated that the Stock Acquisition Right Purchase Price would be 99,900 yen for each 2nd Series Stock Acquisition Right, 99,900 yen for each 3rd Series Stock Acquisition Right, 99,900 yen for each 4th Series Stock Acquisition Right and 99,900 yen for each 6th Series Stock Acquisition Right; that the Treasury Share Repurchase (1) Price would be 962 yen; and that the Treasury Share Repurchase (2) Price would be 962 yen, the same amount as the Treasury Share Repurchase (1) Price, subject to adjustment based on the consolidation ratio for the Company Shares in the Share Consolidation. On August 19, 2026, the three members of the Consortium received a written notice from the Company stating that, as a result of consideration by the Special Committee, the proposed Tender Offer Price was still not considered to be at a sufficient level for the Company's shareholders and requesting, from the perspective of protecting the interests of the Company's shareholders, revised proposals for the Tender Offer Price, the Treasury Share Repurchase (1) Price and the Treasury Share Repurchase (2) Price. Accordingly, following further consideration and discussions, on August 26, 2026, the three members of the Consortium submitted to the Company a non-legally binding written proposal stating that the Tender Offer Price proposed on July 6, 2026 was their highest and final price and that the Tender Offer Price would be 1,000 yen per Company Share, which represented premiums of 55.52% over the closing price of 643 yen of the Company Shares on the Prime Market of the TSE on August 25, 2026, the business day immediately preceding the proposal date; 53.61% over the simple average closing price of 651 yen for the one-month period ending on that date; 55.76% over the simple average closing price of 642 yen for the three-month period ending on that date; and 52.91% over the simple average closing price of 654 yen for the six-month period ending on that date. The proposal also stated that the Stock Acquisition Right Purchase Price would be 99,900 yen for each 2nd Series Stock Acquisition Right, 99,900 yen for each 3rd Series Stock Acquisition Right, 99,900 yen for each 4th Series Stock Acquisition Right and 99,900 yen for each 6th Series Stock Acquisition Right; that the Treasury Share Repurchase (1) Price would be 962 yen; and that the Treasury Share Repurchase (2) Price would be 962 yen, the same amount as the Treasury Share Repurchase (1) Price, subject to adjustment based on the consolidation ratio for the Company Shares in the Share Consolidation.

According to the Tender Offeror, on August 28, 2026, the three members of the Consortium received a written notice from the Company stating that, as a result of consideration by the Special Committee, the proposed Tender Offer Price was still not considered to be at a sufficient level from the perspective of maximizing the interests of the Company's shareholders and requesting revised proposals for the Tender Offer Price, the Treasury Share Repurchase (1) Price and the Treasury Share Repurchase (2) Price. Accordingly, following further consideration and discussions, on September 9, 2026, the three members of the Consortium submitted to the Company a non-legally binding written proposal stating that the Tender Offer Price proposed on July 6, 2026 was their highest and final price and that the Tender Offer Price would be 1,000 yen per Company Share, which represented premiums of 53.85% over the closing price of 650 yen of the Company Shares on the Prime Market of the TSE on September 8, 2026, the business day immediately preceding the proposal date; 57.23% over the simple average closing price of 636 yen for the one-month period ending on that date; 54.80% over the simple average closing price of 646 yen for the three-month period ending on that date; and 54.08% over the simple average closing price of 649 yen for the six-month period ending on that date. The proposal also stated that the Stock Acquisition Right Purchase Price would be 99,900 yen for each 2nd Series Stock Acquisition Right, 99,900 yen for each 3rd Series Stock Acquisition Right, 99,900 yen for each 4th Series Stock Acquisition Right and 99,900 yen for each 6th Series Stock Acquisition Right; that the Treasury Share Repurchase (1) Price would be 962 yen; and that the Treasury Share Repurchase (2) Price would be 962 yen, the same amount as the Treasury Share Repurchase (1) Price, subject to adjustment based on the consolidation ratio for the Company Shares in the Share Consolidation.

According to the Tender Offeror, in response, on September 10, 2026, the Tender Offeror received a response from the Company stating that, based on the report of the Special Committee and subject to approval by a resolution of the Company's Board of Directors at the meeting to be held on September 14, 2026, the Company would accept the Tender Offeror's proposal.

Following the foregoing consideration, discussions and negotiations, on September 14, 2026, the Tender Offeror decided to implement the Tender Offer as part of the Transactions.

(III) Management Policy after the Tender Offer

According to the Tender Offeror, after implementing the Transactions and making the Company a wholly-owned subsidiary of the Tender Offeror, the Tender Offerors plan to steadily realize the synergies described in "(II) Background, Purpose, and Decision-Making Process Which Led to Decision by the Tender Offeror to Implement the Tender Offer" above and promote measures aimed at maximizing the Company's corporate value.

With respect to the details of the Company's management structure, including the composition of its officers, such details are expected to be determined in light of the overall governance structure of the Tender Offerors and the Company. Following completion of the Transactions, the Tender Offerors intend to consider, in consultation with the Company, establishing a management structure and a framework for business operations to achieve further enhancement of the Company's corporate value. As described in "(V) Shareholders Agreement" under "(6) Material Agreements Regarding the Tender Offer" below, HIKARI TSUSHIN, the MBKP Fund and the NECCS Fund have entered into the Shareholders Agreement, which includes the rights of HIKARI TSUSHIN, the MBKP Fund and the NECCS Fund to nominate directors and Audit & Supervisory Board Members of the Tender Offeror Parent Company, the Tender Offeror and the Company. The employment, compensation and other terms and conditions of the Company's existing employees are expected to remain essentially unchanged.

(IV) Company's Decision-Making Process Leading to Its Decision to Support the Tender Offer and Reasons Therefor

(A) Process of Establishment of Review Framework

As stated in "(II) Background, Purpose, and Decision-Making Process Which Led to Decision by the Tender Offeror to Implement the Tender Offer" above, HIKARI TSUSHIN holds a total of

59,188,300 shares of the Company Shares (ownership ratio: 18.11%) through its affiliated companies and had continued its dialogue with the Company in its capacity as the Company's largest shareholder. In this context, on October 28, 2025, the Company was informed by HIKARI TSUSHIN of its intention, including that HIKARI TSUSHIN was considering increasing the HIKARI TSUSHIN Group's equity ratio in the Company to make the Company an affiliate of HIKARI TSUSHIN and further strengthen the business alliance between the two companies, and that the HIKARI TSUSHIN Group was also take steps considering making the Company Shares private. However, as the Company considered that the content of such intention lacked specificity and likelihood with respect to making the Company Shares private, the Company informed HIKARI TSUSHIN that, in order for the Company to proceed with its review, it would be necessary for HIKARI TSUSHIN to submit a letter of intent setting forth its intentions. Subsequently, on December 19, 2025, the Company received from HIKARI TSUSHIN a non-binding December 19 Letter of Intent regarding a series of transactions, including a tender offer intended to make the Company Shares private and make the Company an affiliated company of HIKARI TSUSHIN. The December 19 Letter of Intent explained that the transaction is expected to generate synergies, such as the introduction of HIKARI TSUSHIN Group products into properties managed by the Company, improved occupancy rates through collaboration with the HIKARI TSUSHIN Group's corporate customer base and services for foreign people, and the creation of new sources of revenue, and stated that HIKARI TSUSHIN intends to implement a tender offer at a price of at least 800 yen per share of the Company's common stock. The Company determined that, while the Transactions could contribute to increasing the Company's corporate value and the common interests of its shareholders, the Transactions were material transactions including the transaction to make the Company Shares private. Therefore, the Company determined that it was necessary to consider whether to proceed with the Transactions and the appropriateness of the transaction terms while ensuring fairness, and began establishing a review framework for the Transactions as stated in "(VI) Establishment of an Independent Review Framework at the Company" in "(3) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below.

First, in mid-December 2025, to ensure the fairness of the Tender Offer Price and the fairness of other aspects of the Transactions, the Company appointed Nagashima Ohno & Tsunematsu as its legal advisor, independent of the Company, the Prospective Tendering Shareholder, the Prospective Non-Tendering Shareholders, HTIO and the Tender Offerors and the success or failure of the Transactions, and appointed PLUTUS CONSULTING Co., Ltd. ("Plutus") as its financial advisor and third-party valuation agent, also independent of the Company, the Prospective Tendering Shareholder, the Prospective Non-Tendering Shareholders, HTIO and the Tender Offerors and the success or failure of the Transactions. Subsequently, with a view to further enhancing the review framework for the Transactions and strengthening the professional support system for both the Company's executive management and the Special Committee, on January 28, the Company appointed Mizuho Securities as its financial advisor and third-party valuation agent, and on January 30, the Special Committee, based on the authority to appoint advisors granted to it, appointed Plutus as its financial advisor and third-party valuation agent. The Special Committee reviewed the independence and expertise of Nagashima Ohno & Tsunematsu, Mizuho Securities, and Plutus, confirmed that each was independent of the Company, the Prospective Tendering Shareholder, the Prospective Non-Tendering Shareholders, HTIO and the Tender Offerors and the success or failure of the Transactions and approved each appointment. The Special Committee also approved that the review framework established internally by the Company raised no issues from the perspective of independence and fairness.

Furthermore, as described below in "(3) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below, although the Transactions do not constitute a so-called management buyout (MBO) or a transaction by a controlling shareholder, the Company Shares are expected to be taken private, and tender agreements may be entered into with major shareholders. Given that the interests of such major shareholders may not necessarily coincide with those of the Company's minority shareholders, the Company resolved at its Board of Directors meeting held on December 26, 2025 to establish a Special Committee (the "Special Committee") for the purpose of eliminating arbitrariness in the Company's decision-making regarding the Transactions

and ensuring fairness, transparency and objectivity in the decision-making process. The Special Committee consists of four (4) members independent of the Company, the Prospective Tendering Shareholder, the Prospective Non-Tendering Shareholders, HTIO and the Tender Offerors and the success or failure of the Transactions: Mr. Akira Watanabe (independent outside director of the Company), Mr. Takumi Shibata (independent outside director of the Company), Mr. Kan Ishii (independent outside director of the Company) and Mr. Kazutaka Shimohigoshi (independent outside Audit & Supervisory Board member of the Company). Furthermore, pursuant to a resolution of the Board of Directors dated January 14, 2026, the Company consulted the Special Committee on (i) whether the Transactions contribute to the enhancement of the corporate value of the Company; (ii) whether the procedures for reviewing, discussing and negotiating the Transactions are fair; (iii) whether the methods and terms of the Transactions are fair and reasonable; and (iv) in light of (i) through (iii) above, whether the Company's Board of Directors' decision regarding the Transactions is disadvantageous to the Company's general shareholders; and (v) in light of items (i) through (iv) above, whether the Company's Board of Directors should express an opinion in favor of the Tender Offer and recommend that shareholders tender their shares in the Tender Offer (collectively, the "Consulted Matters"). The Board of Directors also resolved to make its decisions while giving the utmost consideration to the determinations of the Special Committee. Furthermore, at the same meeting, the Board of Directors resolved to grant the Special Committee authority to (a) collect and receive information necessary for the Special Committee's review and determinations; (b) appoint its own advisors or express opinions on the appointment of the Company's advisors; (c) participate in discussions and negotiations between the Company and the Tender Offeror and conduct discussions and negotiations on behalf of the Company if the Special Committee deems it necessary; and (d) provide opinions and recommendations to the Company's Board of Directors as necessary regarding the review of the Transactions.

(B) Process of Review and Negotiations

While giving the utmost consideration to the opinions of the Special Committee and receiving advice from Mizuho Securities and Nagashima Ohno & Tsunematsu, the Company carefully reviewed whether to proceed with the Transactions and the appropriateness of the transaction terms and continued discussions and negotiations with the Tender Offerors.

On December 19, 2025, the Company received from HIKARI TSUSHIN the non-binding December 19 Letter of Intent regarding the Transactions and a proposal for a Tender Offer Price of at least 800 yen per Company Share. Although the December 19 Letter of Intent described a plan to make the Company Shares private through the Tender Offer, make the Company an affiliated company of HIKARI TSUSHIN, and promote business collaboration, as well as an overview of synergies with the Company, it merely stated that with respect to the Tender Offeror's capital structure for the Transactions, the HIKARI TSUSHIN Group was expected to hold less than 50% and multiple co-investors were expected to hold more than 50%, without disclosing the specific identities of the co-investors. The Company also considered that the conditions precedent for implementing the Transactions, including the funding method, were not sufficiently concrete. Accordingly, although the Company and the Special Committee recognized that the proposal based on the December 19 Letter of Intent warranted some consideration, the Company was concerned about the feasibility of the Transactions and considered that the structure of the entity implementing the Transactions, including the fact that the majority shareholder was unknown, lacked sufficient specificity. The Company therefore decided not to immediately accept full-scale due diligence, but first to seek clarification on the details of the proposal through inquiries and discussions with HIKARI TSUSHIN.

Subsequently, on January 9, 2026, the Company sent HIKARI TSUSHIN a written list of questions regarding the December 19 Letter of Intent in order to verify the specificity of that letter and the appropriateness and feasibility of the Transactions. In response, on January 15 and 16, 2026, the Company received HIKARI TSUSHIN's responses to the questions, and on January 22, HIKARI TSUSHIN disclosed the names of MBKP and NECCS as potential co-investors for the Transactions and informed the Company that it intended to promote the Transactions on the premise that the Consortium, including those two companies, would be formed. In response, on the same day, the Company concluded that the specificity and feasibility regarding the entities to

implement the Transactions and the financing structure had improved to a reasonable degree, decided to accept the conduct of due diligence by the Tender Offerors and commenced, from January 23, the disclosure of materials for the purpose of such due diligence. In addition, as described in “(A) Process of Establishment of Review Framework” above, on January 28, as the Company appointed Mizuho Securities as its financial advisor and third-party valuation agent with a view to further enhancing the review framework for the Transactions and strengthening the professional support system for both the Company’s executive management and the Special Committee, and informed HIKARI TSUSHIN to that effect on the same day. Thereafter, on February 4, 2026, the Company informed HIKARI TSUSHIN that it would review the process for considering the Transactions and then provide an updated explanation of that process. At the same time, in order to confirm each prospective co-investor’s willingness to participate in the Transactions and the status of its review, the Company also requested MBKP and NECCS to submit letters of intent, respectively. In response, on February 25, 2026, the Company received non-binding letters of intent from MBKP and NECCS, respectively, stating, among others, that each supported the terms of the Transactions proposal set out in the December 19 Letter of Intent and was positively considering investing in the Transactions as a co-investor.

On the other hand, while the Company agreed to accept the Tender Offerors to conduct due diligence at that time, the Company continued to consider that careful verification was necessary as to whether the proposed 800 yen per share appropriately reflected the intrinsic value of the Company. To clarify further with the Tender Offerors the purpose and feasibility of the Transactions, the business management policy after implementation of the Transactions and the anticipated synergies, among other matters, the Company requested HIKARI TSUSHIN on March 9, 2026 to submit an additional letter of intent jointly with MBKP and NECCS and sent a process letter requesting explanations of the specific structure of the Transactions, the investment structure including the co-investors and the funding method, the business strategy after the Transactions, and the anticipated synergies and dis-synergies.

Subsequently, on April 10, 2026, the Company received from the Tender Offerors the April 10 Letter of Intent based on the aforementioned process letter. However, the Tender Offer Price remained 800 yen per share, the same amount as the Tender Offer Price proposed in the December 19 Letter of Intent. In light of the preliminary share valuation results provided to the Company by Mizuho Securities and by Plutus through the Special Committee, the Company did not determine that this price sufficiently reflected the intrinsic value of the Company Shares and considered it difficult to evaluate the proposal as one that sufficiently took the interests of the Company’s general shareholders into consideration.

Nevertheless, the April 10 Letter of Intent provided considerably more detail than the prior proposal regarding the outline of the Consortium consisting of HIKARI TSUSHIN, MBKP and NECCS, the business strategy and approach to generating synergies after the Transactions, as well as matters related to funding and capital structure. Furthermore, on April 23, 2026, the Company and the Special Committee held a meeting with the Tender Offerors, and received explanations regarding the purpose of the Transactions, measures to enhance the Company’s corporate value, anticipated synergies and their rationale for the Tender Offer Price. Accordingly, while maintaining the view that the economic terms of the Transactions required continued careful verification and negotiation, the Company and the Special Committee decided to accept the additional due diligence requested by the Tender Offerors in order to further review the feasibility and business significance of the Transactions, and to request that the Tender Offerors reconsider the transaction terms, including a further increase in the Tender Offer Price. On April 28, 2026, the Company and the Special Committee informed the Tender Offerors that they accepted the additional due diligence and requested that, after further verifying the Company’s business, growth potential and likelihood of generating synergies through the additional due diligence, the Tender Offerors reconsider the transaction terms, including the Tender Offer Price, and make a revised proposal. Furthermore, on May 15, 2026, the Special Committee requested that the Tender Offerors increase the Tender Offer Price, stating that the proposed price of 800 yen per share in the April 10 Letter of Intent could not be considered sufficient in light of the intrinsic value of the Company, while indicating that a proposal for a Tender Offer Price that sufficiently took the interests of the Company’s general shareholders into consideration was a prerequisite for continuing review of the Transactions.

In response, on May 28, 2026, the Company and the Special Committee received a letter from the Tender Offerors stating their intention to set the Tender Offer Price at 900 yen or more per share of the Company Shares. The Company and the Special Committee considered that even that price level did not sufficiently reflect the intrinsic value of the Company and the premium level that should be delivered to the Company's shareholders, and on May 29 requested that the Tender Offerors reconsider the terms, including a further increase in price.

Subsequently, on June 5, 2026, the Company and the Special Committee received a letter from the Tender Offerors stating that they intended to set the Tender Offer Price at 950 yen or more per share of the Company Shares. However, the Company and the Special Committee considered that this price still did not reach sufficient level for the Company's general shareholders and, on June 8, again requested the Tender Offerors to consider a further increase in the Tender Offer Price.

Subsequently, the Company and the Special Committee continued discussions with the Tender Offerors regarding the purpose of the Transactions, anticipated synergies, business and capital strategies after the Transactions, and the rationale behind the Tender Offer Price, among other matters. At the same time, while continuously receiving reports and advice from Mizuho Securities and Plutus regarding the valuation of the Company's shares, the Company and the Special Committee carefully reviewed the appropriateness of the Tender Offer Price.

Subsequently, on July 6, 2026, the Company and the Special Committee received from the Tender Offerors an Additional Letter of Intent stating their intention to set the Tender Offer Price at 1,000 yen per share of the Company Shares and set the Stock Acquisition Right Purchase Price at 99,900 yen per Stock Acquisition Right. The Company recognized that the price represented a certain increase from the previously proposed price and had a certain degree of reasonableness in light of the preliminary share valuation results presented by Mizuho Securities and Plutus and the premium levels observed in Comparable Transactions. However, from the perspective of protecting the interests of minority shareholders, the Company considered that it should request a further increase in price and, on July 13, requested that the Tender Offerors increase the Tender Offer Price.

On July 31, 2026, the Company and the Special Committee received a letter from the Tender Offerors stating their proposal that they intended to maintain the previous proposal of a Tender Offer Price of 1,000 yen per share and that following the Tender Offer, the Company would repurchase its own shares from the Prospective Non-Tendering Shareholders, setting a Treasury Share Repurchase Price at 962 yen per share. However, since the basis for calculating the Treasury Share Repurchase Price was not clear, on August 7, 2026, the Company and the Special Committee requested that the Tender Offerors explain the basis for calculating the Tender Offer Price and the Treasury Share Repurchase Price, in addition to requesting a further increase in the Tender Offer Price, and also decided to verify the appropriateness of those prices from the perspective of economic fairness with the Company's general shareholders.

On August 17, 2026, the Company and the Special Committee received an additional letter from the Offerors stating that the Tender Offer Price proposed on July 6, 2026 was the maximum and final price, and that they contemplated setting the Tender Offer Price at 1,000 yen per Company Share, the Stock Acquisition Right Purchase Price at 99,900 yen per Stock Acquisition Right, and the Treasury Share Repurchase Price at 962 yen per share. However, since the basis for calculating the Treasury Share Repurchase Price was not yet clarified, the Company and the Special Committee believed that, from the perspective of protecting the interests of minority shareholders, they should request a further increase in the Tender Offer Price. Accordingly, on August 19, 2026, they requested the Tender Offerors to increase the Tender Offer Price and reduce the Treasury Share Repurchase Price.

Subsequently, on August 26, 2026, the Company received an additional letter from the Tender Offerors stating that, if the Treasury Share Repurchase Price were to be reduced, as "(I) Outline of the Tender Offer" in "(2) Grounds and Reasons for Opinion Regarding the Tender Offer" above,

the funds available for the additional capital contributions required by Mizuho Bank and SBI Shinsei Bank would decrease, and that, as a result, the Tender Offeror would be unable to maintain the amount of such additional capital, that the amount of the Borrowings for Settlement of the Tender Offer would decrease, leading to a reduction in both the Tender Offer Price and the Stock Acquisition Right Purchase Price, and therefore that they would neither increase the Tender Offer Price nor reduce the Treasury Share Repurchase Price. However, because the Company and the Special Committee considered that sufficient explanations had not been provided regarding the reasonableness of the Treasury Share Repurchase Price and the appropriateness of the transaction terms and that the Tender Offer Price and the Treasury Share Repurchase Price might vary depending on the circumstances, on August 28, 2026, the Company and the Special Committee requested that the Tender Offerors provide explanations and proposals regarding the Tender Offer Price and the Treasury Share Repurchase Price.

On September 10, 2026, the Company and the Special Committee received an additional written proposal from the Tender Offerors stating that the Tender Offer Price previously proposed was their highest and final price, that the Tender Offer Price would be 1,000 yen per Company Share, that the Stock Acquisition Right Purchase Price would be 99,900 yen per Stock Acquisition Right, and that the Treasury Share Repurchase Price would be 962 yen per share, as well as providing an additional explanation of the basis for determining the Treasury Share Repurchase Price. After receiving advice from Nagashima Ohno & Tsunematsu, Mizuho Securities and PLUTUS, the Company and the Special Committee confirmed that the determination of the Treasury Share Repurchase Price was not unreasonable and that the Tender Offer Price and the Stock Acquisition Right Purchase Price were appropriate. Accordingly, on September 10, 2026, the Company and the Special Committee responded to the Tender Offeror that they would accept the Tender Offeror's proposal, subject to the Company's final decision being made by resolution of the Company's Board of Directors at the meeting scheduled to be held on September 14, 2026.

(C) Details of the Company's Decision-Making

Through the foregoing process, at the Board of Directors meeting of the Company held today, based upon the contents of the share valuation report obtained from Mizuho Securities dated September 11, 2026 (the "Share Valuation Report (Mizuho Securities)"), the contents of the share valuation report (the "Special Committee's Share Valuation Report (Plutus)") and the fairness opinion (the "Fairness Opinion"), each submitted by Plutus through the Special Committee dated September 11, 2026, as well as the legal advice received from Nagashima Ohno & Tsunematsu, the legal advisor, regarding points to consider when making decisions concerning the Transactions, including the Tender Offer, and with full respect to the contents of the report submitted by the Special Committee dated September 14, 2026 (the "Report"), the Company carefully discussed and considered whether the Transactions would enhance the corporate value of the Company and whether the terms of the Transactions were appropriate.

As a result, the Company has determined that the Transactions will contribute to the enhancement of the Company's corporate value based on the following considerations.

As a result of prioritizing the allocation of the Company's management resources and financial resources toward addressing the issue of construction defects in 2018, although the issue of construction defects is generally being resolved, there has been a period of stagnation in the Company's growth strategy while the competitors continue to invest and expand their businesses. The Company also recognizes that the Company is still in the process of restoring confidence from the capital and financial markets. Furthermore, in the business model of the Company, i.e., master lease and subleasing business, revenue depends on the margin between the fixed master lease rent and the sublease income subject to fluctuations in occupancy rates, rental levels and other factors. Consequently, maintaining the number of managed properties is a critical management challenge. However, while the properties managed by the Company have been aging over time, the number of properties has decreased from approximately 570,000 in the fiscal year ended March 31, 2020 to approximately 540,000 in the fiscal year ended March 31, 2026. It has become necessary for the Company to streamline its non-core businesses, in order to concentrate its management resources and financial resources on the Leasing Business which is the core business of the Company. In addition, with the introduction of the new lease accounting

standards (meaning ASBJ Statement No. 34, “Accounting Standards for Leases”; the same applies hereinafter), which will be mandatorily applied starting with the consolidated fiscal year beginning on or after April 1, 2027, the Company may be required to reconsider and restructure its business model, including expanding its methods of procuring managed properties beyond lease arrangements to include ownership of such properties. The Company believes that it would not be easy for the Company, on its own and while remaining listed, to implement structural reforms that could depress earnings over multiple years in order to address these challenges, particularly in light of the need to remain mindful of short-term financial performance and share price impacts, as well as the fact that confidence from the capital and financial markets has not yet been fully restored. The Company believes that the Transactions will, through making the Company Shares private, provide an opportunity to resolve the Company’s aforementioned challenges and enhance its corporate value by leveraging the Tender Offerors’ management resources, including their product offerings, customer bases, networks and financial resources, while ensuring an environment in which the Company can implement its structural reforms without being swayed by short-term market valuations.

The Company has determined that the Transactions will contribute to the enhancement of the Company’s corporate value because it believes that the Transactions will enable the realization of the synergies and benefits listed in (a) through (e) below.

(a) Introduction of Services Provided by HIKARI TSUSHIN Group to Properties Managed by the Company

The Company manages approximately 540,000 residential units nationwide and provides various housing-related services to tenants. The Company believes that, following the execution of the Transactions, it will be possible to enhance the added value of the properties managed by the Company and improve convenience and satisfaction of tenants, by providing tenants of these properties with various products handled by the HIKARI TSUSHIN Group, such as electricity, gas, internet services, mobile services, water dispensers, payment processing, insurance and guarantees, as well as the ancillary services, including power supply during vacancies and call center support in the event of equipment malfunctions (so-called list-sharing alliance).

Furthermore, by generating revenue from a portion of the fees for these services, the Company expects to secure a new, stable, and ongoing source of revenue. HIKARI TSUSHIN Group has already implemented similar list-sharing alliances with certain real estate management firms and real estate brokerage firms, with a proven track record of contributing to the business expansion of both parties. Therefore, the Company believes that, by introducing the products and services of HIKARI TSUSHIN Group, it can expand revenue opportunities per tenant and further strengthen the revenue base of its leasing business.

(b) Strengthening Channels for Acquiring New Tenants

The properties managed by the Company are highly suited for use as corporate housing, and approximately two-thirds of the Company’s properties are utilized under corporate contract. Following the execution of the Transactions, by promoting corporate contracts with the Company and the use of the properties managed by the Company to the HIKARI TSUSHIN Group’s corporate customers, affiliates, and business partners, the Company believes that it will be possible to expand the Company’s reach to corporate customer segments that the Company has not been able to adequately target in the past, thereby acquiring new tenants and improving the occupancy rates of the properties managed by the Company. This is expected to lead not only to increased revenue and profits in the Company’s leasing business but also to improved cash flow and satisfaction for property owners through shorter vacancy periods.

Furthermore, by collaborating with the HIKARI TSUSHIN Group’s services for foreign workers and introducing the properties managed by the Company through host organizations and other channels, the Company believes that the Company can provide its nationwide portfolio of furnished and appliance-equipped managed properties to a new segment of demand, including foreign workers coming to Japan under programs such as the Technical Intern Training Program, the Training and Employment Program, and the Specified Skilled Worker Program.

(c) Establishing Long-Term, Stable Relationships with Property Owners and Maintaining and Strengthening the Company's Revenue Base

Recently, the number of the properties managed by the Company has been declining; therefore, establishing long-term, stable relationships with property owners and maintaining the Company's portfolio of managed properties have become key management challenges. From a medium- to long-term perspective, the Company believes that, following the execution of the Transactions, with the support of the Tender Offerors and by considering and implementing measures to improve relationships with property owners, including a phased review of contract terms when deemed necessary, through the initiatives such as distributing to property owners a portion of the revenue increase of the Company generated by implementing the services described in (a) above in the properties managed by those owners, as well as returning to property owners a portion of the revenue improvements resulting from the realization of synergies expected in the Transactions, the Company can improve property owners' cash flow and satisfaction, which will help prevent the termination of leases for existing managed properties and capture the demand related to rebuilding and additional supply.

While these measures may put pressure on the Company's earnings in the short term, the Company believes that restoring and strengthening relationships of trust with property owners and securing a stable number of the properties managed by the Company are essential for maintaining the foundation of the Company's leasing business and enhancing its corporate value over the medium- to long-term.

(d) Expansion of the Development Business Structure and Renewal of Managed Properties

As the properties managed by the Company are aging, securing high-quality managed properties over the medium- to long-term will require not only accurately identifying the existing property owners' demand for rebuilding and additional supply, but also cultivating new property owners and fully expanding the Company's development business. The Company believes that, following the execution of the Transactions, with the financial and other support from the Tender Offerors and by investing in the recruitment, education, and training of personnel required for product planning, design, sales and construction, as well as in branding and marketing, it will be possible to rapidly expand the Company's development business structure and improve the quality and quantity of the Company's portfolio of managed properties.

(e) Addressing Medium- to Long-Term Management Challenges, Including Compliance with New Lease Accounting Standards

The Company must continue to address medium- to long-term management challenges, such as improving relationships with property owners, strengthening the development business structure, addressing unprofitable operations, and compliance with the new lease accounting standards. While these measures are important for enhancing the Company's medium- to long-term corporate value, they may put pressure on the Company's earnings for a certain period or entail upfront investments and expenses. By delisting the Company through the Transactions, it will be possible for the Company to implement these measures from a medium- to long-term perspective without being unduly preoccupied with short-term impacts on business performance or stock prices. The Company believes that, with the support of the Tender Offerors, it will be possible to transition from a management phase focused on crisis response and business recovery to one aimed at sustainable profit growth and enhancement of corporate value, thereby enabling the Company to advance its medium- to long-term growth strategy more steadily and flexibly.

On the other hand, potential disadvantages of making the Company Shares private include the inability to raise funds from the capital markets and possible impacts on the visibility, creditworthiness, and ability to secure talent that the Company has enjoyed as a listed company. However, given that the Company's visibility and social credibility have been sufficiently established through its business activities to date and its nationwide business foundation, and that following the Transactions, the Company can leverage the Tender Offerors' financial strength,

creditworthiness, customer base and management support functions, the Company believes that the disadvantages of making the Company Shares private will be limited, and that the aforementioned synergies and benefits will outweigh the disadvantages.

Furthermore, based on the following points and other factors, the Company has determined that the Tender Offer Price and other terms and conditions of the Tender Offer are fair, and that the Tender Offer provides the shareholders and the Stock Acquisition Right Holders of the Company with reasonable opportunity to sell the Company Shares and the Stock Acquisition Rights.

- (a) According to the results of the valuation of the Company Shares set forth in the Share Valuation Report (Mizuho Securities) prepared by Mizuho Securities as described in “(II) Obtainment by the Company of a Share Valuation Report from an Independent Third-Party Valuation Agent” in “(3) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below, the Tender Offer Price exceeds the upper limit of the valuation results under the market price analysis and falls within the range of the valuation results under the DCF Analysis.
- (b) According to the results of the valuation of the Company Shares set forth in the Special Committee’s Share Valuation Report (Plutus) prepared by Plutus as described in “(III) Obtainment by the Special Committee of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Agent” in “(3) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below, the Tender Offer Price exceeds the upper limit of the valuation results under the market price analysis, falls within the range of the valuation results under the DCF Analysis, and the Fairness Opinion states that, in light of the valuation results of the Company Shares and other factors, the Tender Offer Price of 1,000 yen per share is fair from a financial perspective for the general shareholders of the Company.
- (c) The Tender Offer Price is the price after applying (i) a premium of 52.21% over 657 yen, which is the closing price on the Prime Market of the TSE on September 11, 2026, the business day immediately preceding the announcement date of the Tender Offer, (ii) a premium of 56.49% over 639 yen, the simple average value of the closing prices for the one month immediately preceding that date, (iii) a premium of 54.32% over 648 yen, the simple average value of the closing prices for the three months immediately preceding that date, and (iv) a premium of 54.08% over 649 yen, the simple average value of the closing prices for the six months immediately preceding that date. The level of such premiums of the Tender Offer Price exceeds all of the respective premium levels observed during the reference period in the Comparable Transactions ((i) the median of premiums over the closing prices on the business day immediately prior to the respective announcement dates (47.38%); (ii) the median of premiums over the simple average value of the closing prices for the one month immediately preceding the said business day (47.67%); (iii) the median of premiums over the simple average value of the closing prices for the three months immediately preceding the said business day (48.98%); and (iv) the median of premiums over the simple average value of the closing prices for the six months immediately preceding the said business day (53.14%)).
- (d) The Tender Offer Price was agreed upon as a result of sincere negotiations between the Tender Offeror and the Company, conducted with the participation of the Special Committee, which is independent of the Company, the Prospective Tendering Shareholder and the Tender Offerors, with sufficient measures taken by the Company to ensure the fairness of the terms of the Transactions, including the Tender Offer Price, as described in “(3) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below.
- (e) It was determined in the Report dated September 14, 2026 obtained by the Company from the Special Committee that the fairness of the terms and conditions of the Transactions, including the Tender Offer Price, will be ensured, as described in “(IV) Establishment of an

Independent Special Committee by the Company and Obtainment of a Report from the Special Committee” in “(3) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below.

- (f) The Prospective Tendering Shareholder, who is the second-largest shareholder of the Company, is considered to be a party independent of the Tender Offeror; therefore, the fact that the Prospective Tendering Shareholder, in that capacity, has indicated its intention to tender all of the Company Shares it holds (50,507,600 shares, ownership ratio: 15.45%) in the Tender Offer can be regarded as one of the factors supporting the fairness of the Tender Offer Price.

Furthermore, since the Stock Acquisition Right Purchase Price was calculated based on the difference between the Tender Offer Price and the exercise price of the Stock Acquisition Rights, the Company has determined, in light of the points (a) through (f) above, that the Stock Acquisition Right Purchase Price represents a reasonable price that ensures the benefits that the Stock Acquisition Right Holders should enjoy through the Transactions.

Based on the above, at the Board of Directors meeting of the Company held today, the Company resolved to express its opinion in support of the Tender Offer and to recommend the shareholders and the stock acquisition right holders of the Company to tender their shares in the Tender Offer. For details regarding the method of resolution at the aforementioned Board of Directors meeting, please refer to “(VII) Approval of All Disinterested Directors and Opinion of No Objection from All Disinterested Audit & Supervisory Board Members of the Company” in “(3) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest” below.

- (3) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest

As of today, the Company is not a subsidiary of the Tender Offeror, and the Tender Offer does not constitute a tender offer by a controlling shareholder or other associated company. It is not planned that all or part of the Company’s management will directly or indirectly invest in the Tender Offeror, and the Transactions, including the Tender Offer, do not constitute a so-called management buyout (MBO) transaction.

However, since the Tender Offeror has entered into the Tender Agreement with the Prospective Tendering Shareholder that stipulates that the Prospective Tendering Shareholder will tender all of the Company Shares it holds in the Tender Offer, the interests of the Prospective Tendering Shareholder and the Company’s minority shareholders may not necessarily align. Furthermore, the Tender Offeror aims to make the Company a wholly-owned subsidiary of the Tender Offeror through the Transactions. Accordingly, the Tender Offeror and the Company have implemented the following measures in order to ensure the fairness of the Transactions, including the Tender Offer, by ensuring the fairness of the transaction terms, including the Tender Offer Price, and eliminating arbitrariness and any potential conflicts of interest in the decision-making process leading to the decision to implement the Tender Offer.

Furthermore, since the Tender Offeror believes that setting a minimum number of shares to be purchased, which is equivalent to “Majority of Minority,” would render the completion of the Tender Offer unstable and would not benefit the interests of the Company’s general shareholders who wish to sell their Company Shares in the Tender Offer, the Tender Offeror has not set the minimum number of shares to be purchased, which is equivalent to “Majority of Minority” for the Tender Offer. Nevertheless, the Tender Offeror believes that sufficient consideration is being given to the interests of the Company’s general shareholders and the Stock Acquisition Right Holders, considering the fact that the following measures have been implemented respectively by the Tender Offeror and the Company.

Of the measures set out below, descriptions of the measures that have been implemented by the Tender Offeror are based on the explanations given by the Tender Offeror.

(I) Obtainment by the Tender Offeror of a Share Valuation Report from an Independent Third-Party Valuation Agent

According to the Tender Offeror, in determining the Tender Offer Price, in order to ensure the fairness of the Tender Offer Price, the Tender Offeror requested SBI SECURITIES, the Tender Offeror's financial advisor and third-party valuation agent, as a third-party valuation agent independent of the Tender Offerors and the Company, to calculate the share value of the Company Shares, and obtained a share valuation report dated September 11, 2026 (the "Share Valuation Report (SBI SECURITIES)") (Note 1). SBI SECURITIES does not constitute a related party of the Tender Offerors or the Company and does not have any material interest in the Tender Offer.

The fees payable to SBI SECURITIES in connection with the Transactions include, in part, a success fee payable subject to the successful completion of the Transactions and other conditions. The Tender Offeror appointed SBI SECURITIES as its financial advisor and third-party valuation agent under the foregoing fee arrangement, having determined that the inclusion of a success fee payable subject to the successful completion of the Transactions and other conditions does not, in and of itself, negate SBI SECURITIES' independence, taking into account that making a portion of the fees contingent upon success is reasonable because it enables the Tender Offeror to limit transaction costs if the Transactions are not completed, and is also a customary market practice for fee arrangements in similar transactions.

(Note 1) According to the Tender Offeror, in calculating the share value of the Company Shares, SBI SECURITIES assumed that all of the materials, information and other data used for such calculation, including information provided by the Tender Offeror or the Company, information obtained through interviews and publicly available information, were accurate and complete, and that no facts that could have a material impact on the calculation of the share value of the Company Shares had been withheld from SBI SECURITIES, and SBI SECURITIES did not independently verify the accuracy or completeness thereof. In addition, SBI SECURITIES did not conduct any independent valuation or appraisal of the assets and liabilities of the Company, including off-balance-sheet assets and liabilities and other contingent liabilities, including any analysis or valuation of individual assets and liabilities, nor did it request any third-party institution to conduct any valuation, appraisal or assessment thereof. SBI SECURITIES also assumed that the Company's financial projections referred to in such calculation had been reasonably prepared by the Tender Offeror based on the best forecasts and judgments available as of that time, and that such calculation reflected the information and economic conditions as of September 11, 2026.

(i) Common Stock

According to the Tender Offeror, in determining the Tender Offer Price, in order to ensure the fairness of the Tender Offer Price, the Tender Offeror requested SBI SECURITIES, its financial advisor and third-party valuation agent independent of the Tender Offerors and the Company, to calculate the share value of the Company Shares.

As a result of examining the valuation methods to be adopted in calculating the share value of the Company Shares from among multiple share valuation methods, SBI SECURITIES calculated the share value of the Company Shares using the market price average method because the Company Shares are listed on the Prime Market of the TSE and a market price exists, the comparable company analysis method because there are multiple listed companies comparable to the Company and it is possible to estimate the share value of the Company Shares through comparison with comparable companies, and the discounted cash flow method (the "DCF Method") in order to reflect the status of the Company's future business activities in the valuation. According to the Tender Offeror, the Tender Offeror obtained the Share Valuation Report (SBI SECURITIES) from SBI SECURITIES dated September 11, 2026. The Tender Offeror did not

obtain an opinion regarding the fairness of the Tender Offer Price (fairness opinion), from SBI SECURITIES because the Tender Offeror and the Company had implemented measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest.

According to the Tender Offeror, the ranges of the per-share value of the Company Shares calculated using each of the above methods are as follows:

Market price average method: 639 yen to 657 yen

Comparable company analysis method: 917 yen to 936 yen

DCF Method: 1,134 yen to 1,322 yen

Under the market price average method, with September 11, 2026 as the valuation reference date, SBI SECURITIES calculated the range of the per-share value of the Company Shares to be from 639 yen to 657 yen based on the closing price of the Company Shares on the Prime Market of the TSE on the valuation reference date of 657 yen, the simple average closing price of 639 yen for the most recent one-month period up to that date, from August 12, 2026 to September 11, 2026, the simple average closing price of 648 yen for the most recent three-month period up to that date, from June 12, 2026 to September 11, 2026, and the simple average closing price of 649 yen for the most recent six-month period up to that date, from March 12, 2026 to September 11, 2026.

Under the comparable company analysis method, SBI SECURITIES selected Daito Trust Construction Co., Ltd. and TOKEN CORPORATION, listed companies engaged in the real estate subleasing business that were determined to be comparable to the Company, and performed the valuation using an EBITDA multiple relative to enterprise value, thereby calculating the range of the per-share value of the Company Shares to be from 917 yen to 936 yen.

According to the Tender Offeror, under the DCF Method, based on the Company's financial projections for the fiscal years ending March 31, 2027 through March 31, 2030, as adjusted by the Tender Offeror in consideration of the results of the due diligence conducted on the Company, other publicly available information and various other factors, SBI SECURITIES calculated the range of the per-share value of the Company Shares to be from 1,134 yen to 1,322 yen by discounting to present value, at a specified discount rate, the free cash flows that the Company is expected to generate from the fiscal year ending March 31, 2027 onward. The financial projections include fiscal years in which substantial increases or decreases in profit are expected compared with the previous fiscal year. Specifically, from the fiscal year ending March 31, 2027 to the fiscal year ending March 31, 2028, expenses relating to the liquidation of the share delivery trust for officers and the share delivery trust for employees are expected to be incurred in the fiscal year ending March 31, 2027, and operating profit for the fiscal year ending March 31, 2028 is expected to increase substantially by 11,661 million yen year on year. In addition, from the fiscal year ending March 31, 2028 to the fiscal year ending March 31, 2029, because the tax loss carryforwards are expected to be fully utilized in the fiscal year ending March 31, 2028, free cash flow for the fiscal year ending March 31, 2029 is expected to decrease substantially by 23,464 million yen year on year.

According to the Tender Offeror, taking into account the results of the calculation of the share value of the Company Shares set forth in the Share Valuation Report (SBI SECURITIES) obtained from SBI SECURITIES dated September 11, 2026, the Tender Offeror conducted a multifaceted and comprehensive analysis of the Company's business and financial conditions, held discussions and negotiations with the Company, and ultimately determined the Tender Offer Price to be 1,000 yen.

The Tender Offer Price of 1,000 yen represents a premium of 52.21% over the closing price of 657 yen of the Company Shares on the Prime Market of the TSE on September 11, 2026, the business day immediately preceding the announcement date of the Tender Offer; a premium of 56.49% over the simple average closing price of 639 yen for the most recent one-month period up to that date; a premium of 54.32% over the simple average closing price of 648 yen for the

most recent three-month period up to that date; and a premium of 54.08% over the simple average closing price of 649 yen for the most recent six-month period up to that date.

(ii) Stock Acquisition Rights

With respect to the Stock Acquisition Rights, according to the Tender Offeror, as of today, with respect to each of the 2nd Series Stock Acquisition Rights, the 3rd Series Stock Acquisition Rights, the 4th Series Stock Acquisition Rights and the 6th Series Stock Acquisition Rights, the exercise price per Company Share is lower than the Tender Offer Price of 1,000 yen, the exercise period has commenced, and the conditions for exercise have been satisfied. Accordingly, the Tender Offeror determined that the Stock Acquisition Right Purchase Price would be the amount obtained by multiplying the difference between the Tender Offer Price of 1,000 yen and the exercise price per Company Share for each Stock Acquisition Right, namely, 999 yen for the 2nd Series Stock Acquisition Rights, 999 yen for the 3rd Series Stock Acquisition Rights, 999 yen for the 4th Series Stock Acquisition Rights and 999 yen for the 6th Series Stock Acquisition Rights, by the number of Company Shares underlying each Stock Acquisition Right, namely, 100 shares. As a result, the Stock Acquisition Right Purchase Price was determined to be 99,900 yen per 2nd Series Stock Acquisition Right, 99,900 yen per 3rd Series Stock Acquisition Right, 99,900 yen per 4th Series Stock Acquisition Right and 99,900 yen per 6th Series Stock Acquisition Right.

In addition, although the acquisition of any of the Stock Acquisition Rights by way of transfer requires the approval of the Company's Board of Directors, at the meeting of the Company's Board of Directors held on September 14, 2026, the Company resolved to grant comprehensive approval, subject to the successful completion of the Tender Offer, for the holders of the Stock Acquisition Rights to transfer their Stock Acquisition Rights to the Tender Offeror by tendering them in the Tender Offer, solely with respect to the Stock Acquisition Rights actually tendered in the Tender Offer by the holders thereof.

Of the Company's directors, Akio Yamashita and Jin Ryu concurrently serve as Representative in Japan, Co-Head of Asia and Managing Director, respectively, of Fortress Investment Group (Japan) GK, which has the Prospective Tendering Shareholder as an affiliated entity. Accordingly, because each of them has a certain interest in the Transactions and there is a risk of a conflict of interest with the Company's general shareholders, neither of them participated in any deliberations or resolutions of the Company's Board of Directors concerning the agenda item relating to the expression of the Company's opinion on the Tender Offer or any agenda item relating to the Transactions after the Tender Offeror determined its policy to enter into the Tender Agreement and commenced contact with the Prospective Tendering Shareholder.

Because the Tender Offeror determined the Stock Acquisition Right Purchase Price as described above, the Tender Offeror did not obtain from any third-party valuation agent a valuation report or an opinion regarding the fairness of the purchase price for the Stock Acquisition Rights (fairness opinion).

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

(A) Name of Third-Party Valuation Agent and Its Relationship with the Company and the Tender Offeror

In expressing its opinion regarding the Tender Offer, the Company requested Mizuho Securities, a financial advisor and third-party valuation agent independent of the Tender Offerors and the Company, to calculate the value of the Company Shares, and obtained the Share Valuation Report (Mizuho Securities) on September 11, 2026.

Mizuho Securities is not a related party of the Tender Offerors or the Company and does not have any significant interest that should be disclosed in relation to the Transactions, including the Tender Offer. Mizuho Bank, a group company of Mizuho Securities, plans to provide the Tender Offeror with financing for the purchase and other funds, and also conducts loan and other transactions with the Company, HIKARI TSUSHIN and NECCS as part of its ordinary banking transactions. However, according to Mizuho Securities, Mizuho Securities has established and

implemented appropriate conflict of interest management systems, such as information barrier measures, between Mizuho Securities and Mizuho Bank in accordance with applicable laws and regulations, such as Article 36 of the Act and Article 70-4 of the Cabinet Office Order on Financial Instruments Business (Cabinet Office Order No. 52 of 2007, as amended; the “Financial Instruments Business Ordinance”), and conducted the share valuation of the Company from a standpoint independent of the status of Mizuho Bank as a lender. Given the facts that (i) appropriate measures to prevent adverse effects have been taken between Mizuho Securities and Mizuho Bank, (ii) the independence of Mizuho Securities in performing its duties as financial advisor and third-party valuation agent for the Transactions is sufficiently assured, as it conducts transactions with the Company under the same terms as with its regular customers, and (iii) Mizuho Securities has a proven track record as a valuation agent in similar transactions, the Company determined that there are no particular issues regarding its request to Mizuho Securities to calculate the value of the Company Shares. In addition, the remuneration for Mizuho Securities related to the Transactions includes contingency fees payable subject to conditions such as the successful completion of the Transactions. The Company appointed Mizuho Securities as its financial advisor and third-party valuation agent under the above remuneration structure taking into consideration the general customary practices in similar kinds of transactions and other matters. In addition, at the Special Committee meeting held on January 30, 2026, the appointment of Mizuho Securities as the Company’s financial advisor and third-party valuation agent was approved after confirming that there were no particular issues regarding the independence and expertise of Mizuho Securities.

Furthermore, after comprehensively considering the various factors described in “(3) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest,” the Company has not obtained an opinion from Mizuho Securities stating that the Tender Offer Price is fair from a financial perspective to the Company’s shareholders other than the Tender Offerors (fairness opinion).

(B) Outline of Valuation of the Company Shares

After considering which methods should be applied for calculating the value of the Company Shares among the various valuation methods available, and based on the view that it is appropriate to evaluate the value of the Company Shares from various perspectives, Mizuho Securities calculated the value per share of the Company Shares by applying (i) market price-based method, since the Company Shares are listed on the Prime Market of the TSE and market price exists, (ii) comparable company analysis, since there are several listed companies that operate businesses relatively similar to that of the Company and the value of the Company Shares can be inferred by comparing similar companies, and (iii) DCF Analysis, in order to reflect the Company’s future state of business activities in the valuation.

The ranges of values per share of the Company Shares calculated based on the above valuation methods are as follows.

Market price-based method: From 639 yen to 657 yen

Comparable company analysis: From 752 yen to 1,082 yen

DCF Analysis: From 945 yen to 1,806 yen

The range of values per share of the Company Shares obtained from the market price-based method is 639 yen to 657 yen, which is calculated based on the following prices quoted on the Prime Market of the TSE, using September 11, 2026, the business day immediately preceding the announcement date of the Tender Offer, as the reference date: 657 yen, the closing price of the Company Shares as of the reference date; 639 yen, the simple average closing price over the past one-month period ending on that date (rounded to the nearest one yen; the same applies for each calculation of the simple average closing prices below); 648 yen, the simple average closing price over the past three-month period ending on that date; and 649 yen, the simple average closing price over the past six-month period ending on that date.

The range of values per share of the Company Shares obtained from the comparable company analysis is 752 yen to 1,082 yen, which is derived through comparison with market share prices and financial indicators of profitability of comparable listed companies that operate businesses relatively similar to that of the Company.

The range of values per share of the Company Shares obtained from the DCF Analysis is 945 yen to 1,806 yen, which is derived by calculating the corporate value and share value of the Company by discounting the following free cash flow to the present value at a certain discount rate: the free cash flow that the Company is expected to generate during and after the second quarter of the fiscal year ending March 31, 2027 based on various factors such as the revenue or investment plan in the business plans for the four fiscal years beginning the fiscal year ending March 31, 2027 through the fiscal year ending March 31, 2030, prepared by the Company for the period reasonably foreseeable at this time (the “Business Plan”), and publicly released information.

The Business Plan does not include any fiscal years in which a significant increase or decrease in operating profit/loss or free cash flow is expected. The synergies expected to be realized through the implementation of the Transactions are not included in the Business Plan, and accordingly were not considered in the calculations conducted by Mizuho Securities based thereon, because it is difficult to estimate them specifically at this time.

In calculating the value of the Company Shares, Mizuho Securities used the information provided by the Company and publicly disclosed information, etc., without any modification in principle and without independently verifying the accuracy or completeness of such information, etc. on the assumption that all of such information, etc. was accurate and complete. Mizuho Securities has not conducted any independent evaluation, appraisal or assessment of the assets and liabilities (including derivative financial instruments, off-balance-sheet assets and liabilities, and other contingent liabilities) or provisions of the Company and its associated companies, including any analysis and evaluation of individual assets and liabilities, nor did it request that any third-party institution perform any such evaluation, appraisal or assessment. In addition, Mizuho Securities assumed that the information on the Company’s financial forecasts has been reasonably prepared based on the best estimates and judgments available to the Company at present time.

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

(A) Name of Third-Party Valuation Agent and Its Relationship with the Company and the Tender Offeror

In reviewing the Consulted Matters, the Special Committee determined that, in order to ensure the appropriateness of the terms of the Transactions, including the Tender Offer Price, it would be beneficial to engage an independent third-party valuation agent, acting independently of the Company, to understand the intrinsic value of the Company Shares. Accordingly, the Special Committee requested Plutus, a financial advisor and third-party valuation agent independent of the Company, the Prospective Tendering Shareholder, the Prospective Non-Tendering Shareholders, HTIO and the Tender Offerors, as well as the success or failure of the Transactions, to calculate the value of the Company Shares and express an opinion regarding the fairness of the Tender Offer Price (fairness opinion), and obtained the Special Committee’s Share Valuation Report (Plutus) and the Fairness Opinion on September 11, 2026. The Special Committee appointed Plutus as its own financial advisor and third-party valuation agent as there were no issues with its independence and expertise.

The remuneration for Plutus consists only of a fixed fee payable regardless of the completion or failure of the Transactions and does not include contingency fees payable subject to conditions such as public announcement or successful completion of the Transactions.

(B) Outline of Valuation of the Company Shares

After considering which methods should be applied for calculating the value of the Company Shares among the various valuation methods available, Plutus calculated the value per share of

the Company Shares by applying (i) market price analysis, since the Company Shares are listed on the Prime Market of the TSE and market price exists, (ii) comparable company analysis, since there are several listed companies that operate businesses with a certain degree of similarity to that of the Company and the value of the Company Shares can be calculated by comparing similar companies, and (iii) DCF Analysis, in order to reflect the Company's future state of business activities in the valuation.

The ranges of values per share of the Company Shares calculated based on the above valuation methods are as follows.

Market price analysis: From 639 yen to 657 yen

Comparable company analysis: From 632 yen to 984 yen

DCF Analysis: From 955 yen to 1,568 yen

The range of values per share of the Company Shares obtained from the market price analysis is 639 yen to 657 yen, which is calculated based on the following prices quoted on the Prime Market of the TSE, using September 11, 2026 as the reference date for calculation: 657 yen, the closing price of the Company Shares as of the reference date; 639 yen, the simple average closing price over the most recent one-month period; 648 yen, the simple average closing price over the most recent three-month period; and 649 yen, the simple average closing price over the most recent six-month period.

The range of values per share of the Company Shares obtained from the comparable company analysis is 632 yen to 984 yen, which is derived through comparison with market share prices and financial indicators of profitability of listed companies that operate businesses relatively similar to that of the Company in terms of the businesses and services they offer.

The range of values per share of the Company Shares obtained from the DCF Analysis is 955 yen to 1,568 yen, which is derived by calculating the corporate value and share value of the Company by discounting the following free cash flow to the present value at a certain discount rate: the free cash flow that the Company is expected to generate during and after the First quarter of the fiscal year ending March 31, 2027 based on various factors such as the revenue forecasts in the Business Plan prepared by the Company for the period reasonably foreseeable at this time, the financial information of the Company for the Second quarter of the fiscal year ending March 31, 2027, and publicly released information.

The Business Plan used by Plutus for the valuation by the DCF Analysis does not include any fiscal years in which a significant increase or decrease in profit/loss or free cash flow is expected compared to the previous fiscal year.

The synergies expected to be realized through the implementation of the Transactions are not included in the financial forecasts because it is difficult to estimate them specifically at this time (Note 2).

(Note 2) In calculating the value of the Company Shares, Plutus used the information provided by the Company and publicly disclosed information, etc., without any modification in principle and without independently verifying the accuracy or completeness of such information, etc. on the assumption that all of such information, etc. was accurate and complete. Plutus has not conducted any independent evaluation, appraisal or assessment of the assets or liabilities (including contingent liabilities) of the Company and its associated companies, including any analysis and evaluation of individual assets or liabilities. In addition, Plutus assumed that the information on the Company's financial forecasts has been reasonably prepared based on the best estimates and judgments available to the Company's management at present time. The calculation of the value of the Company Shares by Plutus is based on the above information, etc. and economic conditions available as of September 11, 2026.

(C) Overview of the Fairness Opinion

The Special Committee received from Plutus on September 11, 2026 the Fairness Opinion stating that the Tender Offer Price of 1,000 yen per share is considered fair from a financial perspective to the Company's general shareholders. The Fairness Opinion expresses the opinion that the Tender Offer Price of 1,000 yen per share is fair from a financial perspective to the Company's general shareholders in light of the share valuation results, etc. based on the Business Plan prepared by the Company. In addition, the Fairness Opinion was issued based on the share valuation results for the Company conducted by Plutus after receiving disclosure of the Company's current business status, the Business Plan and other information, and an explanation regarding them from the Company, as well as the Q&A sessions with the Company regarding the outline, background, and purpose of the Tender Offer, consideration of factors such as the Company's business environment, economic, market, and financial conditions within the scope recognized as necessary by Plutus, and the review process by a review committee independent of the engagement team at Plutus (Note 3).

(Note 3) In preparing and submitting the Fairness Opinion and calculating the value of shares, Plutus relied on the information and materials provided by or discussed with the Company, as well as publicly available materials, on the assumption that they are accurate and complete, and that there are no facts that have not been disclosed to Plutus that could materially affect the analysis and calculation of the value of the Company Shares, and Plutus did not independently investigate or verify the accuracy or completeness of that information and is not obligated to do so.

Plutus assumed that the Company's business forecast and other materials used as the basis for the Fairness Opinion were reasonably prepared by the Company's management based on the best forecasts and judgments available at the time of their preparation. Plutus does not guarantee their feasibility, and Plutus does not express any view on the analysis or forecasts underlying those materials or the assumptions on which they were based.

Plutus has not conducted an independent evaluation or appraisal of the assets or liabilities (including contingent liabilities) of the Company and its associated companies, including analysis and evaluation of individual assets or liabilities, and has not received any evaluation or appraisal reports in this regard. Accordingly, Plutus has not evaluated the solvency of the Company and its associated companies. Plutus is not a legal, accounting, or tax professional. Therefore, Plutus does not express any opinions on legal, accounting, or tax issues related to the Tender Offer, nor is it obligated to do so.

The Fairness Opinion expresses an opinion on the fairness of the Tender Offer Price from a financial perspective for the purpose of assisting the Company in expressing its opinion on the Tender Offer.

Therefore, the Fairness Opinion does not express any opinions on the relative merits of transactions that may be alternative options to the Tender Offer, the benefits to be obtained by the implementation of the Tender Offer, or whether to implement the Tender Offer.

The Fairness Opinion does not express any opinions to the holders of securities issued by the Company, creditors, or other related parties. Therefore, Plutus shall not be liable to any shareholders or third parties who rely on the Fairness Opinion.

Plutus is not soliciting investment in the Company and has no authority to do so. Therefore, the Fairness Opinion does not recommend that shareholders take any action, including tendering their shares in the Tender Offer.

The Fairness Opinion expresses an opinion, as of the date of submission thereof, on whether the Tender Offer Price is fair to the Company's general shareholders from a financial perspective. The Fairness Opinion is based on the financial and capital markets, economic conditions, and other circumstances as of the date of submission thereof, and on information provided to or obtained by Plutus by that date. Plutus is not obligated to revise, change, or supplement its opinion even if these assumptions

change due to future circumstances. The Fairness Opinion does not infer or imply any opinions other than those expressly stated therein or regarding matters after the date of submission thereof.

With respect to the Stock Acquisition Rights, because the Stock Acquisition Right Purchase Price is calculated as the difference between the Tender Offer Price and the exercise price of the Stock Acquisition Rights multiplied by the number of Company Shares underlying each Stock Acquisition Right, and is determined based on the Tender Offer Price, the Company has not obtained a valuation report concerning the Stock Acquisition Right Purchase Price from a third-party valuation agent. Although the acquisition of the Stock Acquisition Rights through transfer requires the approval by the Board of Directors of the Company, the Company resolved at the meeting of its Board of Directors held on September 14, 2026, to give comprehensive approval, subject to the completion of the Tender Offer, for the transfer of the Stock Acquisition Rights held by the Stock Acquisition Rights Holders to the Tender Offeror by tendering their Stock Acquisition Rights in the Tender Offer, limited to Stock Acquisition Rights actually tendered by Stock Acquisition Right Holders in the Tender Offer.

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

(A) Background to Establishment, Etc.

As stated in “(A) Process of Establishment of Review Framework” in “(IV) Company’s Decision-Making Process Leading to Its Decision to Support the Tender Offer and Reasons Therefor” in “(2) Grounds and Reasons for Opinion Regarding the Tender Offer” above, although the Transactions do not constitute a so-called management buyout (MBO) or a transaction by a controlling shareholder, given that the Company Shares are scheduled to be taken private, and given the possibility that a tender agreement may be entered into with a major shareholder, the interests of such shareholder may not necessarily be aligned with those of the Company’s minority shareholders. Therefore, with the aim of eliminating arbitrariness in the Company’s decision-making regarding the Transactions and ensuring fairness, transparency and objectivity in the decision-making process, by a resolution at the Company’s Board of Directors meeting held on December 26, 2025, the Company established the Special Committee consisting of four members, i.e., Mr. Akira Watanabe (independent outside director of the Company), Mr. Takumi Shibata (independent outside director of the Company), Mr. Kan Ishii (independent outside director of the Company) and Mr. Kazutaka Shimohigoshi (independent outside audit & supervisory board member of the Company), who are independent of the Company, the Prospective Tendering Shareholder, the Prospective Non-Tendering Shareholders, HTIO and HIKARI TSUSHIN, as well as the success or failure of the Transactions. Mr. Akira Watanabe was nominated as the Chairperson of the Special Committee among the members of the Special Committee. The members of the Special Committee have not changed since its establishment. In addition, it has been decided that a fixed amount of remuneration is to be paid to each member of the Special Committee as compensation for his duties regardless of the contents of the Report, and such remuneration does not include contingency fees payable subject to successful completion of the Transactions.

Subsequently, at a meeting of its Board of Directors, the Company resolved to consult the Special Committee regarding the Consulted Matters.

In connection with the consultation on the Consulted Matters with the Special Committee, the Company’s Board of Directors resolved to make decisions regarding the Transactions while giving maximum respect to the Special Committee’s decision. In addition, the Company’s Board of Directors authorized the Special Committee: (i) to substantially participate in the process of negotiations conducted by the Company regarding the Transactions (including giving instructions or requests concerning the negotiation policy and conducting negotiations itself as necessary); (ii) in the course of reviewing and making decisions regarding the Consulted Matters, to appoint its own financial, legal or other advisors as necessary (at the Company’s expense), or designate or approve (including ex post facto approval) the Company’s financial, legal or other advisors; (iii) to

request persons whom the Special Committee deemed necessary to attend meetings of the Special Committee and provide explanations concerning matters necessary for reviewing and making decisions regarding the Consulted Matters; (iv) to receive from officers and employees of the Company Group information necessary for reviewing and making decisions regarding the Consulted Matters; and (v) to exercise authority concerning any other matters that the Special Committee deemed necessary in reviewing and making decisions regarding the Transactions.

(B) Process of Review

The Special Committee held a total of 29 meetings for approximately 30 hours in total during the period from January 9, 2026 to September 14, 2026. In addition, the members of the Special Committee performed their duties regarding the Consulted Matters by, among others, reporting and sharing information with each other, deliberating, and making decisions through e-mails and other means between meetings as necessary.

Specifically, the Special Committee approved Mizuho Securities as the Company's financial advisor and third-party valuation agent, and Nagashima Ohno & Tsunematsu as the Company's legal advisor, after confirming that there were no issues with their independence and qualifications. The Special Committee also approved Plutus as its own financial advisor and third-party valuation agent, after confirming that there were no issues with its independence and qualifications, and confirmed that the Special Committee would receive expert advice from Mizuho Securities and Nagashima Ohno & Tsunematsu as necessary.

Then, taking into consideration the advice from a financial perspective received from Plutus and Mizuho Securities, the Special Committee confirmed the reasonableness of the content, material assumptions, and the circumstances surrounding preparation of the Business Plan when the Business Plan was disclosed to the Tender Offerors.

Furthermore, when reviewing the Consulted Matters, the Special Committee submitted a list of questions to the Tender Offerors and conducted Q&A sessions with the Tender Offerors, both in interview format and in writing, on the background and reasons leading the Tender Offerors to propose the Transactions, the purpose of the Transactions, their evaluation of the Company's business, the various terms of the Transactions, the management policy after the Transactions and other matters.

Also, as stated in "(II) Obtainment by the Company of a Share Valuation Report from an Independent Third-Party Valuation Agent" and "(III) Obtainment by the Special Committee of a Share Valuation Report and a Fairness Opinion from an Independent Third-Party Valuation Agent" above, Mizuho Securities and Plutus calculated the value of the Company Shares based on the Business Plan. The Special Committee received from Mizuho Securities and Plutus the results of calculation of the share value, as well as explanations on the methods for calculating the value of the Company Shares, the reasons for employing those calculation methods, the details of the calculation under each method and the important assumptions. After conducting Q&A sessions, deliberations and reviews, the Special Committee confirmed the reasonableness of these matters.

Additionally, regarding the Company's negotiation policy toward the Tender Offerors, in order to obtain a higher price from the Tender Offerors, the Special Committee deliberated and reviewed a negotiation policy that included conducting sufficient negotiations in line with the ordinary negotiation process for M&A transactions between mutually independent third parties, after hearing the opinions of Plutus and Mizuho Securities, and taking into consideration the advice from a financial perspective received from Plutus and Mizuho Securities. From December 19, 2025, when the Company received the non-binding December 19 Letter of Intent from the Tender Offeror proposing a Tender Offer Price of 800 yen or more, the Special Committee deliberated and reviewed the negotiation policy toward the Tender Offerors each time it received a proposal concerning the Tender Offer Price from the Tender Offeror, taking into consideration the advice from a financial perspective received from Plutus and Mizuho Securities. On April 23, 2026, the Special Committee held a meeting with the Tender Offerors. Thus, the Special Committee substantially participated in the negotiation process regarding the Tender Offer Price with the Tender Offerors.

(C) Details of Decision

Under the above circumstances, after carefully and repeatedly discussing and reviewing the Consulted Matters and taking into consideration the legal advice received from Nagashima Ohno & Tsunematsu, the advice from a financial perspective received from Plutus and Mizuho Securities, and the content of the Special Committee's Share Valuation Report (Plutus) and the Share Valuation Report (Mizuho Securities), which were submitted on September 11, 2026, the Special Committee submitted the Report dated September 14, 2026 outlined below to the Company's Board of Directors, with the unanimous agreement of its members.

A) Contents of the Report

- a) The Transactions are considered to contribute to the enhancement of the corporate value of the Company.
- b) The procedures for reviewing, discussing and negotiating the Transactions are considered fair.
- c) The method and terms of the Transactions are considered fair and reasonable.
- d) In light of a) through c) above, the Company's Board of Directors' decision regarding the Transactions is not considered to be disadvantageous to the Company's general shareholders.

Accordingly, the Company's Board of Directors should express an opinion in support of the Tender Offer and recommend that the Company's shareholders (including holders of stock acquisition rights) tender their shares in the Tender Offer.

B) Rationale of the Report

- (i) Consideration of whether the Transaction will contribute to enhancing the Company's corporate value

The Special Committee received an explanation regarding the synergies and disadvantages expected from the Transactions and the post-Transaction management policy as contemplated by the Tender Offeror, substantially as described with respect to the synergies and disadvantages contemplated by the Tender Offeror in "(II) Background, Purpose, and Decision-Making Process Which Led to Decision by the Tender Offeror to Implement the Tender Offer" and in "(III) Management Policy after the Tender Offer" under "(2) Grounds and Reasons for Opinion Regarding the Tender Offer" in "3. Details of and Grounds and Reasons for Opinion Regarding the Tender Offer" above. The Special Committee also received an explanation regarding the synergies and disadvantages expected from the Transactions as contemplated by the Company's executive management, substantially as described with respect to the synergies and disadvantages expected from the Transactions in "(C) Details of the Company's Decision" under "(IV) Company's Decision-Making Process Leading to Its Decision to Support the Tender Offer and Reasons Therefor" in "(2) Grounds and Reasons for Opinion Regarding the Tender Offer" in "3. Details of and Grounds and Reasons for Opinion Regarding the Tender Offer" above.

As a result of careful deliberation and consideration by the Special Committee, the Special Committee has determined that the understanding by the Tender Offerors and the Company's executives of the Company's management challenges and their explanations regarding the synergies to be generated by the Transactions are reasonable in light of the Company's business activities, business environment, and financial condition, and that the measures to enhance corporate value proposed by the Tender Offerors are reasonable and will contribute to the enhancement of the corporate value of the Company over the medium- to long-term. Specifically, the Special Committee believes that by leveraging the HIKARI TSUSHIN Group's services and customer base, it is expected that the added value of the properties managed by the Company will be enhanced, new revenue opportunities will be created, and satisfaction of tenants will improve. Furthermore, by expanding opportunities to acquire tenants through collaboration with services targeting corporate customers and foreign workers, it is expected that the occupancy rates of managed properties will improve and the revenue base of the Company

will be strengthened. Also, regarding the strengthening of relationships with property owners and the maintenance of the number of managed properties, which are critical management challenges of the Company, the Special Committee believes that, with the cooperation of the Tender Offerors and by implementing measures to improve relationships with property owners from a medium- to long-term perspective, through the initiatives such as distributing to property owners a portion of the revenue increase of the Company generated by implementing the services described in “a) Introduction of Services to Managed Properties” under “(II) Background, Purpose, and Decision-Making Process Which Led to Decision by the Tender Offeror to Implement the Tender Offer” in “(2) Grounds and Reasons for Opinion Regarding the Tender Offer” above in the properties managed by those owners, as well as returning to property owners a portion of the revenue improvements resulting from the realization of synergies expected in the Transactions, it will be possible to prevent the termination of leases for existing managed properties, and capture the demand related to rebuilding, etc. In addition, there is a certain degree of rationality in seeking to renew and expand the portfolio of managed properties through the investments in development projects and the strengthening of personnel structures, among other measures, supported by financial assistance from the Tender Offerors. Furthermore, while measures such as improving relationships with property owners, strengthening the development business structure, addressing unprofitable operations, and compliance with the new lease accounting standards are important for enhancing the Company’s medium- to long-term corporate value, they are expected to impact earnings for a certain period or entail upfront investment. Therefore, it is also reasonable that, by making the Company private through the Transactions, it will be possible for the Company to flexibly advance these measures from a medium- to long-term perspective without being unduly preoccupied with short-term impacts on business performance or stock prices.

On the other hand, the delisting accompanying the Transactions may result in the loss of opportunities to raise funds from the capital markets and impacts on the visibility, creditworthiness, and ability to secure talent as a listed company. However, the Special Committee believes that these disadvantages are limited, considering that, in addition to the business foundation and social credibility that the Company has built through its business activities over many years, the Company can leverage the financial strength, creditworthiness, customer base and management support functions held by the Tender Offerors.

As described above, the Special Committee determines that the effects of enhancing corporate value and various synergies expected from the Transactions will outweigh the disadvantages associated with making the Company Shares private and that the Transactions will contribute to enhancing the Company’s corporate value over the medium- to long-term.

(ii) Examination of Fairness of Procedures for Reviewing, Discussing and Negotiating the Transactions

(a) Establishment of the Special Committee and Process of Negotiations, Etc.

The Special Committee consists of Mr. Akira Watanabe, Mr. Takumi Shibata and Mr. Kan Ishii, who are independent outside directors of the Company, and Mr. Kazutaka Shimohigoshi, who is an independent outside Audit & Supervisory Board Member of the Company. It has been confirmed that each member is independent of the Company, the Prospective Tendering Shareholder, the Prospective Non-Tendering Shareholders, HTIO and the Tender Offerors, as well as the success or failure of the Transactions, and has no material interest in the success or failure of the Transactions that differs from that of the general shareholders. The remuneration of each member is a fixed amount regardless of the content of the Report and does not include contingency fees payable subject to conditions such as successful completion of the Transactions.

In addition to having knowledge and experience in the Company’s business through attendance at meetings of the Company’s Board of Directors or the Audit & Supervisory Board, each member has specialized expertise in areas such as management, finance, legal affairs, accounting and taxation. Furthermore, each member was authorized to seek advice or

explanations from Nagashima Ohno & Tsunematsu, the Company's legal advisor, Mizuho Securities, the Company's financial advisor, and Plutus, the Special Committee's own financial advisor, as necessary. Thus, a system was established that enabled each member to engage in substantial reviews, negotiations and other activities from a fair and independent standpoint. Although the Special Committee was authorized by the Company to appoint its own advisors, it determined at the time of its establishment that appointing its own legal advisor was unnecessary, and no such need arose during the review process regarding the Transactions.

During the review process regarding the Transactions, each member exchanged diverse and multifaceted views to contribute to enhancing the Company's corporate value and the interests of the Company's general shareholders, in accordance with the duty of care of a good manager as a director or audit & supervisory board member of the Company and the purpose of establishing the Special Committee, and engaged in substantive discussions based on confirmations and reviews described in "(B) Process of Review" above for the purpose of forming the opinion of the Special Committee.

Furthermore, the Board of Directors' resolution regarding the establishment of the Special Committee stipulated that the Company's Board of Directors must give the utmost respect to the contents of the Special Committee's report when making important decisions concerning the Transactions. Thus, a system was in place to enable the Special Committee to function effectively.

The Special Committee also substantively participated in the discussions and negotiations with the Tender Offerors regarding the Tender Offer Price by deliberating and reviewing the policies for discussions and negotiations with the Tender Offerors and other matters, after receiving timely reports from the Company's executive management and Mizuho Securities on the process and details of the discussions and negotiations regarding the Transactions between the Company and the Tender Offerors, while receiving advice and explanations from Nagashima Ohno & Tsunematsu, Mizuho Securities and Plutus. Specifically, on May 15, 2026, the Special Committee requested that the Tender Offerors substantially increase the price, stating that the Tender Offer Price of 800 yen per share proposed in the Additional Letter of Intent dated April 10, 2026 was insufficient in light of the intrinsic value of the Company and the interests of minority shareholders. In response, the Tender Offerors made a proposal on May 28, 2026 to set the Tender Offer Price at 900 yen, but the Special Committee requested a further increase in the price on May 29, 2026. In addition, the Tender Offerors made a proposal on June 5, 2026 to set the Tender Offer Price at 950 yen, but the Special Committee again requested an increase in the price on June 8, 2026. Thereafter, the Special Committee continued to participate in the discussions and negotiations with the Tender Offerors. In the Additional Letter of Intent dated July 6, 2026 the Tender Offerors proposed setting the Tender Offer Price at 1,000 yen per share and the Stock Acquisition Right Purchase Price at 99,900 yen per Stock Acquisition Right. In addition, in the Additional Letter of Intent dated August 17, 2026, the Tender Offerors proposed setting both the Treasury Share Repurchase (1) Price and the Treasury Share Repurchase (2) Price at 962 yen. Although there was no response to the four requests for an increase in the Tender Offer Price made after the receipt of the Additional Letter of Intent dated July 6, 2026, the Company obtained a total increase of 25.0% in three increases from the initial proposed price of 800 yen.

(b) Obtainment of Independent Professional Advice from External Experts

To ensure the fairness and appropriateness of the decision-making, the Company appointed Nagashima Ohno & Tsunematsu as its legal advisor, independent of the Company, the Prospective Tendering Shareholder, the Prospective Non-Tendering Shareholders, HTIO and the Tender Offerors, as well as the success or failure of the Transactions, and received necessary legal advice on the decision-making process and methods concerning the Transactions, including the Tender Offer, and other points to consider when making decisions concerning the Transactions.

The Company also appointed Mizuho Securities as its financial advisor, independent of the Company, the Prospective Tendering Shareholder, the Prospective Non-Tendering Shareholders, HTIO and the Tender Offerors, as well as the success or failure of the

Transactions, and received necessary advice from a professional perspective regarding matters such as the policy for negotiations with the Tender Offerors, the appropriateness of the Tender Offer Price, the feasibility of the Transactions and matters concerning financing. In addition, the Special Committee appointed Plutus as its own independent financial advisor, independent of the Company, the Prospective Tendering Shareholder, the Prospective Non-Tendering Shareholders, HTIO and the Tender Offerors, as well as the success or failure of the Transactions, received explanations from Plutus regarding the analysis of the value of the Company Shares, and held necessary Q&A sessions.

Mizuho Bank, a group company of Mizuho Securities, plans to provide acquisition financing and other financing to the Tender Offeror and also engages in lending and other transactions with the Company and HIKARI TSUSHIN as part of its ordinary banking transactions. However, Mizuho Securities has established and implemented an appropriate conflict-of-interest management system, including information barriers between Mizuho Securities and Mizuho Bank, in accordance with Article 70-4 of the Financial Instruments Business Ordinance, and conducted the valuation of the Company Shares from a position independent of Mizuho Bank's position as a lender. In light of, among other factors, Mizuho Securities' track record as a valuation agent in similar transactions and the appropriate measures implemented between Mizuho Securities and Mizuho Bank to prevent adverse effects, the Company determined that Mizuho Securities had sufficient independence to perform its duties as the financial advisor and third-party valuation agent in the Transactions and that there was no particular issue with the Company's engagement of Mizuho Securities to calculate the share value of the Company Shares. The Special Committee likewise considers that there is no particular issue in this regard.

While the remuneration for Mizuho Securities as financial advisor and third-party valuation agent includes contingency fees payable subject to conditions such as successful completion of the Transactions, the Company appointed Mizuho Securities as its financial advisor and third-party valuation agent under the above remuneration structure after determining, in light of the fact that it is economically rational for the Company because the monetary burden it would incur if the Transactions were unsuccessful would be smaller than under a remuneration structure that does not include contingency fees, as well as the fact that the remuneration structure is not one under which payment is only made if the Transactions are completed, and taking into consideration the general customary practices in similar kinds of transactions, the independence of Mizuho Securities is not impaired merely because the remuneration includes contingency fees payable subject to conditions such as successful completion of the Transactions. The Special Committee likewise believes that the independence of Mizuho Securities is not impaired under the above remuneration structure.

(c) Obtainment of a Share Valuation Report from the Company's Third-Party Valuation Agent

On September 11, 2026, the Company obtained from Mizuho Securities, which it appointed as a third-party valuation agent with expertise independent of the Company, the Prospective Tendering Shareholder, the Prospective Non-Tendering Shareholders, HTIO and the Tender Offerors, as well as the success or failure of the Transactions, the Share Valuation Report (Mizuho Securities). The details of the Share Valuation Report (Mizuho Securities) are as described in "i) Obtainment of a Share Valuation Report from the Company's Third-Party Valuation Agent" in "(a) Reasonableness of the Tender Offer Price" in "(iii) Examination of Fairness and Reasonableness of Methods and Terms of the Transactions" below.

The assessment by the Special Committee of the independence of Mizuho Securities as the Company's third-party valuation agent is as described in "(b) Obtainment of Independent Professional Advice from External Experts" above.

(d) Obtainment of a Share Valuation Report and Fairness Opinion from the Special Committee's Own Third-Party Valuation Agent

The Special Committee considered it beneficial, in considering the Matters for Consultation, to engage its own third-party valuation agent from a position independent of the Company and ascertain the intrinsic value of the Company Shares in order to ensure the appropriateness of

the terms and conditions of the Transactions, including the Tender Offer Price. Accordingly, the Special Committee requested PLUTUS, its financial advisor and third-party valuation agent independent of the Company, the Prospective Tendering Shareholder, the Prospective Non-Tendering Shareholders, HTIO, the Tender Offerors and the success or failure of the Transactions, to calculate the share value of the Company Shares and express an opinion regarding the fairness of the Tender Offer Price, or a fairness opinion. On September 11, 2026, the Special Committee obtained the Share Valuation Report of the Special Committee (PLUTUS) and the Fairness Opinion stating that the Tender Offer Price of 1,000 yen per share was fair to the Company's general shareholders from a financial point of view. For details of the Share Valuation Report of the Special Committee (PLUTUS) and the Fairness Opinion, please refer to "ii) Obtaining a Share Valuation Report and Fairness Opinion from the Special Committee's Own Third-Party Valuation Agent" under "(a) Reasonableness of the Tender Offer Price" in "(iii) Examination of Fairness and Reasonableness of Methods and Terms of the Transactions" below.

The fees payable to PLUTUS do not include any success fee payable subject to the announcement or successful completion of the Transactions or other conditions.

(e) Establishment of an Independent Review Framework at the Company

Since receiving the letter of intent dated December 19, 2025 from HIKARI TSUSHIN on the same date, the Company has established a project team consisting of Mr. Bunya Miyao, President and Representative Director, Mr. Shinji Takekura, Director, Mr. Koki Jindo, Executive Officer and CFO, and Mr. Toshinao Takagi, Executive Officer and Department Manager of Corporate Planning Department, and other employees of the Company, to conduct the Company's review, negotiations and decision-making regarding the Transactions, including responding to the due diligence on the Company conducted by the Tender Offerors, reviewing and preparing the Business Plan, and considering the Company's management policy following the Transactions, and has maintained such arrangements through the date of this Report.

Of the Company's directors, Akio Yamashita and Jin Ryu concurrently serve as Representative in Japan, Co-Head of Asia and Managing Director, respectively, of Fortress Investment Group (Japan) GK, which has the Prospective Tendering Shareholder as an affiliated entity. Accordingly, because each of them has a certain interest in the Transactions and there is a risk of a conflict of interest with the Company's general shareholders, neither of them participated in any deliberations or resolutions concerning the agenda item relating to the expression of the Company's opinion on the Tender Offer at meetings of the Company's Board of Directors. In addition, after the Tender Offeror determined its policy to enter into the Tender Agreement and commenced contact with the Prospective Tendering Shareholder, neither of them participated in any reports concerning matters relating to the Transactions or any deliberations concerning agenda items relating to the Transactions. It is therefore recognized that the Company endeavored to eliminate arbitrariness from its decision-making regarding the Transactions.

The Special Committee also confirmed that there were no issues with the review framework established at the Company for the Transactions from the perspective of independence and fairness.

(f) Tender Offer Period, Etc.

The Tender Offeror has set the Tender Offer Period at 30 business days, although the shortest period for purchases, etc. in a tender offer prescribed by laws and regulations is 20 business days. By setting the Tender Offer Period longer than the statutory minimum period, the Tender Offeror intends to provide the Company's shareholders with sufficient time to carefully consider whether the Transactions should be implemented and whether the Tender Offer Price is appropriate, and to make an appropriate decision as to whether to tender their shares in the Tender Offer, while ensuring opportunities for competing purchases, etc., thereby ensuring the fairness of the Tender Offer.

In addition, the Company and the Tender Offeror have not entered into any agreement that restricts a person making an acquisition proposal other than the Tender Offeror (a "Competing Offeror") from contacting the Company, including any agreement containing transaction protection provisions that prohibit the Company from contacting a Competing Offeror, and will not obstruct opportunities for competing purchases, etc. In this manner, in conjunction with the setting of the Tender Offer Period described above, consideration has been given to ensuring the fairness of the Tender Offer by securing opportunities for competing purchases, etc.

In the Transaction, no so-called active market check, which involves actively and proactively investigating and considering the existence of potential acquirers in the market, has been conducted. However, at least as far as the Company is concerned, there are no restrictions on other potential acquirers making competing proposals after the Tender Offer is announced, nor are there any restrictions on the Company engaging in discussions with, or providing information to, such proposers should such competing offers be made. In addition, the Tender Offer Agreement is expected to include a so-called "fiduciary out" clause which stipulates that if a competing tender offer or other sincere and feasible competing proposal meeting a certain threshold is made, and the Tender Offeror fails to raise the Tender Offer Price within a prescribed period, the Prospective Tendering Shareholder will be released from its obligation to tender and may terminate the Tender Offer Agreement. Since there are practical obstacles such as information management in implementing an active market check, the decision not to conduct an active market check does not raise any doubts regarding the fairness of the procedures related to the Transactions.

(g) Review from the Perspective of Coerciveness

In the Transactions, the minimum number of shares to be acquired in the Tender Offer to be conducted as the first stage is set so that, following the completion of the Tender Offer, the Tender Offeror and the Prospective Non-Tendering Shareholders will hold at least two-thirds of the total voting rights of the Company. Thus, the scheme enables the Share Consolidation to be implemented with certainty if the Tender Offer is successful.

In addition, the cash to be delivered to the Company's shareholders as consideration in the Share Consolidation following the completion of the Tender Offer is expected to be calculated so that it is equal to the amount obtained by multiplying the Tender Offer Price by the number of Company Shares held by the relevant shareholder, and this is scheduled to be announced at the commencement of the Tender Offer. Furthermore, if the Tender Offeror is unable to acquire all of the Stock Acquisition Rights in the Tender Offer and any Stock Acquisition Rights remain outstanding without being exercised, the Tender Offeror plans to request that the Company implement procedures reasonably necessary to complete the Transactions, including the acquisition of the Stock Acquisition Rights and the cancellation thereof, and the recommendation to the holders of the Stock Acquisition Rights that they waive the Stock Acquisition Rights. If the Company receives such request, the Company plans to cooperate, on the condition that reasonable consideration or other compensation in light of the Stock Acquisition Right Purchase Price is also assured for the holders of the Stock Acquisition Rights remaining after the implementation of the Tender Offer, and this intention is expected to be announced upon commencement of the Tender Offer.

Accordingly, it is considered that appropriate opportunities have been ensured for the Company's shareholders, including minority shareholders, and the Stock Acquisition Right Holders to make an appropriate decision as to whether to tender in the Tender Offer, thereby ensuring that no coerciveness arises.

(h) Majority-of-Minority Condition

The Tender Offerors have not set the minimum number of shares to be purchased which is equivalent to a so-called "majority-of-minority" in the Tender Offer because they believe that setting such a minimum number of shares would render the completion of the Tender Offer unstable and would not benefit the Company's general shareholders who wish to sell their Company Shares in the Tender Offer. As pointed out by the Tender Offerors, setting a majority-

of-minority condition may not benefit the Company's general shareholders, and their interests can be sufficiently considered through other measures to ensure fairness. Therefore, the fact that no majority-of-minority condition has been set does not raise doubts as to the fairness of the procedures relating to the Transactions.

Furthermore, given that the Prospective Tendering Shareholder has entered into the Tender Agreement with the Tender Offerors, the Tender Offerors determined that the interests of the Prospective Tendering Shareholder might not necessarily align with those of the Company's minority shareholders, and therefore excluded it from the calculation of the majority-of-minority condition. However, the Prospective Tendering Shareholder is an investor independent of the Tender Offerors and, except for having entered into the Tender Agreement, has no special interest in the Tender Offerors. In addition, because the Tender Agreement was entered into on the basis of bona fide discussions and negotiations conducted at arm's length between the Tender Offerors and the Prospective Tendering Shareholder as independent parties, it does not necessarily establish any conflict of interest between the Prospective Tendering Shareholder and the Tender Offerors, and the interests of the Prospective Tendering Shareholder and those of the general shareholders may also be considered to be aligned in principle. Furthermore, assuming that the Tender Agreement does not establish any conflict of interest between the Prospective Tendering Shareholder and the Tender Offerors, the minimum number of shares to be purchased, 158,716,000 shares, would constitute a majority of the number obtained by deducting the 59,188,300 shares indirectly held by HIKARI TSUSHIN from the Company's total number of issued shares as of the date of the Report (334,415,678 shares).

Accordingly, although the Tender Offerors set no majority-of-minority condition for the Tender Offer, the setting of the minimum number of shares to be purchased in the Tender Offer may be evaluated as one that respects, to a considerable extent, the intentions of the general shareholders regarding the success or failure of the Transactions.

(i) Enhancement of Provision of Information to General Shareholders and Improvement of Process Transparency

At the commencement of the Tender Offer, the Company intends to make a timely disclosure expressing its opinion regarding the Tender Offer. Upon examining the draft of such timely disclosure as of the date of preparation of the Report, the Special Committee found that sufficient disclosure is expected to be made, including (i) information concerning the Special Committee, (ii) information concerning the Share Valuation Report (Mizuho Securities), the Special Committee's Share Valuation Report (Plutus) and the Fairness Opinion, (iii) information concerning the background and purposes, etc., leading to the decision to implement the Transactions, (iv) information concerning the process of the discussions and negotiations between the Company and the Tender Offerors, and (v) information concerning the measures to ensure fairness taken in the Transactions, and it is considered that the opportunity for the Company's general shareholders to make an appropriate decision based on sufficient information is expected to be secured.

(j) Summary

As described above, it is considered that measures to ensure fairness have been taken in the procedures relating to the Transactions, that no particular circumstances that would impede the fairness of the procedures relating to the Transactions have been found, and that the procedures relating to the Transactions are fair, with sufficient measures to ensure fairness having been taken in the process.

(iii) Examination of Fairness and Reasonableness of Methods and Terms of the Transactions

(a) Reasonableness of the Tender Offer Price

i) Obtainment of a Share Valuation Report from the Company's Third-Party Valuation Agent

In reviewing the reasonableness of the Tender Offer Price and the fairness of the terms of the Transactions, the Company appointed Mizuho Securities as an independent third-party valuation agent independent of the Company, the Prospective Tendering Shareholder, the Prospective Non-Tendering Shareholders, HTIO and the Tender Offerors, as well as the success or failure of the Transactions, and obtained the Share Valuation Report (Mizuho Securities).

a) Preparation Process and Contents of the Business Plan

In reviewing the Transactions, the Company prepared business plans for the four fiscal years beginning the fiscal year ending March 31, 2027 through the fiscal year ending March 31, 2030 (the “Business Plan”), independently of the Tender Offerors, taking into account matters such as the Company’s disclosed medium-term management plan, current business performance trends, the business environment, the status of measures addressing the construction defect issue, growth plans for the leasing and development businesses, and responses to the new lease accounting standards. As stated in the press release titled “Notice Concerning Execution of Memorandum of Understanding regarding Transfer of Elderly Care Business (Transfer of Shares Involving Changes in Specified Subsidiaries) and Recording of Extraordinary Loss, as well as Revision of Earnings Forecast” scheduled to be announced on the date of the Report, the Company will transfer all outstanding shares of Azu Life Care Co., Ltd. and Azu Residence Co., Ltd., both of which are wholly-owned subsidiaries of the Company, to Japan Innovation Investment Company. In connection with the “Elderly Care Share Transfer, Etc.”, the Company expects to record in the second quarter of the fiscal year ending March 31, 2027 a total extraordinary loss of approximately 3,679 million yen related to the loss on the sale of shares in the target companies and the payment of compensation associated with the Elderly Care Share Transfer, Etc. in its consolidated financial statements, and a total extraordinary loss of approximately 4,048 million yen related to the loss on the sale of shares in the target companies and the payment of compensation associated with the Elderly Care Share Transfer, Etc. in its non-consolidated financial statements. The Company initially prepared the Business Plan without taking into account the Elderly Care Share Transfer, Etc. However, given that discussions regarding the Elderly Care Share Transfer, Etc. have progressed independently of the Transactions, the Company revised the Business Plan to reflect the impact of the Elderly Care Share Transfer, Etc. Regarding the background to the consideration of the Elderly Care Share Transfer, Etc., since the Elderly Care Business has continuously been operating at a loss, the Company had been exploring transferees as one of its exit strategies for the Elderly Care Business. As of the date of the Report, the Company has reached an agreement with Japan Innovation Investment Company to enter into a memorandum of understanding regarding the transfer of the Elderly Care Business. Although the Company will record an extraordinary loss in connection with the Elderly Care Share Transfer, Etc., given that the Elderly Care Business has continuously been operating at a loss and that potential parties capable of comprehensively taking over the Elderly Care Business are limited, the Company determined that it is a reasonable transaction that will enhance the Company’s corporate value from a medium- to long-term perspective., although it will result in the temporary recording of an extraordinary loss. The Special Committee likewise believes that it is a reasonable transaction that will enhance the Company’s corporate value.

The Special Committee received explanations from the Company’s executive management, Mizuho Securities and Plutus regarding matters such as the preparation process, important assumptions and contents of the Business Plan and conducted Q&A sessions on multiple occasions. The Special Committee also confirmed that the Business Plan was prepared based on reasonable projections in light of matters such as the disclosed medium-term management plan, current business performance trends, the business environment, the status of measures addressing the construction defect issue, growth plans for the leasing and development businesses, and responses to the new lease accounting standards, and that no particular unreasonableness was found in its preparation process or contents.

b) Review of the Share Valuation Report (Mizuho Securities)

According to the explanation provided by Mizuho Securities to the Special Committee regarding the contents of the Share Valuation Report (Mizuho Securities), Mizuho Securities calculated the share value of the Company Shares using the market price-based method, the comparable company analysis method and the DCF method.

The Special Committee received explanations from Mizuho Securities regarding the reasons for adopting each valuation method, the details of the valuation results, the selection of comparable companies under the comparable company analysis method, the contents of the Business Plan, the free cash flow projections, the discount rate and other principal assumptions under the DCF method, and conducted a question-and-answer session with Mizuho Securities, thereby confirming the reasonableness thereof. In addition, after examining the process by which the Business Plan was prepared and its material assumptions, the Special Committee also reviewed the analyses and valuations conducted by Mizuho Securities based on the Business Plan. As a result, the Special Committee determined that the share valuation methods adopted by Mizuho Securities are methods generally used in calculating share value in going-private transactions such as the Transactions, and that no particular unreasonable points were identified in the valuation process, the details of the analyses or the principal assumptions. Accordingly, the Special Committee determined that it could rely on the Share Valuation Report (Mizuho Securities) in considering the share value of the Company Shares.

The ranges of the per-share value of the Company Shares calculated in the Share Valuation Report (Mizuho Securities) are as follows.

Market price-based method: 639 yen to 657 yen

Comparable company analysis method: 752 yen to 1,082 yen

DCF method: 945 yen to 1,806 yen

ii) Obtaining a Share Valuation Report and a Fairness Opinion from the Special Committee's Own Third-Party Valuation Agent

a) Obtaining the Share Valuation Report of the Special Committee (PLUTUS)

In considering the Matters for Consultation, the Special Committee appointed PLUTUS, a third-party valuation agent independent of the Company, the Prospective Tendering Shareholder, the Prospective Non-Tendering Shareholders, HTIO, the Tender Offerors and the success or failure of the Transactions, as the Special Committee's own financial advisor and third-party valuation agent in order to independently verify the appropriateness of the terms and conditions of the Transactions, including the Tender Offer Price, and obtained the Share Valuation Report of the Special Committee (PLUTUS).

a. Process and Details of Preparation of the Business Plan

As described in "a) Preparation Process and Contents of the Business Plan" under "i) Obtainment of a Share Valuation Report from the Company's Third-Party Valuation Agent" above, the Special Committee confirmed that no particular unreasonable points were identified in the process by which the Business Plan was prepared or in the contents thereof.

b. Review of the Share Valuation Report of the Special Committee (PLUTUS)

According to the explanation provided by PLUTUS to the Special Committee regarding the contents of the Share Valuation Report of the Special Committee (PLUTUS), PLUTUS calculated the share value of the Company Shares using the market price analysis, the Comparable Company Analysis Method and the DCF Method.

The Special Committee received explanations from PLUTUS regarding the reasons for adopting each valuation method, the details of the valuation results, the selection of

comparable companies under the Comparable Company Analysis Method, the contents of the Business Plan, the free cash flow projections, the discount rate and other principal assumptions under the DCF Method, and conducted a question-and-answer session with PLUTUS, thereby confirming the reasonableness thereof. In addition, after examining the process by which the Business Plan was prepared and its material assumptions, the Special Committee also reviewed the analyses and valuations conducted by PLUTUS based on the Business Plan.

As a result, the Special Committee determined that the share valuation methods adopted by PLUTUS are methods generally used in calculating share value in going-private transactions such as the Transactions, and that no particular unreasonable points were identified in the valuation process, the details of the analyses or the principal assumptions. Accordingly, the Special Committee determined that it could rely on the Share Valuation Report of the Special Committee (PLUTUS) in considering the share value of the Company Shares.

The ranges of the per-share value of the Company Shares calculated in the Share Valuation Report of the Special Committee (PLUTUS) are as follows:

Market Price Analysis: 639 yen to 657 yen

Comparable Company Analysis Method: 632 yen to 984 yen

DCF Method: 955 yen to 1,568 yen

b) Obtaining the Fairness Opinion

The Special Committee obtained the Fairness Opinion from PLUTUS. Based on, among other matters, the results of the share valuation conducted on the basis of the Business Plan, the Fairness Opinion expresses the opinion that the Tender Offer Price of 1,000 yen per share is fair to the Company's general shareholders from a financial point of view. The Fairness Opinion was issued after PLUTUS received disclosure from the Company regarding the current status of the Company's business, the Business Plan and other relevant materials, together with explanations thereof, and conducted a share valuation, as well as after PLUTUS conducted question-and-answer sessions with the Company concerning the outline, background and purpose of the Tender Offer, considered the Company's business environment and economic, market and financial conditions to the extent deemed necessary by PLUTUS, and completed review procedures by a review committee independent of PLUTUS's engagement team. No unreasonable points were identified in the procedures for issuance or the contents of the Fairness Opinion.

Accordingly, the Fairness Opinion may be regarded as reliable.

iii) Analysis of Premium

The Tender Offer Price of 1,000 yen per Company Share represents a premium of 52.21%, rounded to the nearest second decimal place, with the same applying hereinafter to calculations of premium percentages, over the closing price of 657 yen of the Company Shares on the Prime Market of the TSE on September 11, 2026, the business day immediately preceding the date of this Report, September 14, 2026; a premium of 56.49% over the simple average closing price of 639 yen for the one-month period ending on the same date, rounded to the nearest yen, with the same applying hereinafter to calculations of simple average closing prices; a premium of 54.32% over the simple average closing price of 648 yen for the three-month period ending on the same date; and a premium of 54.08% over the simple average closing price of 649 yen for the six-month period ending on the same date.

According to Mizuho Securities, compared with the premium levels in Comparable Transactions, namely, the median premium of 47.38% over the closing price on the business day immediately preceding the announcement date, the median premium of 47.67% over the

simple average closing price for the most recent one-month period, the median premium of 48.98% over the simple average closing price for the most recent three-month period and the median premium of 53.14% over the simple average closing price for the most recent six-month period, the premium of the Tender Offer Price exceeds each corresponding premium in Comparable Transactions during the reference period. Accordingly, the Tender Offer Price may be regarded as a price that includes a reasonable premium.

Furthermore, the Tender Offer Price exceeds the Company's consolidated net assets per share of 127.98 yen as of March 31, 2026, and no particular circumstances that would negate the appropriateness of the Tender Offer Price were identified from the perspective of its comparison with such consolidated net assets per share.

iv) Negotiations with the Tender Offerors Regarding the Tender Offer Price

In considering the appropriateness of the Tender Offer Price, the Special Committee continuously held discussions and negotiations with the Tender Offerors through Mizuho Securities, taking into account the results of the analyses of the share value of the Company Shares conducted by Mizuho Securities and PLUTUS, the intrinsic value of the Company based on the Business Plan, the premium levels in comparable transactions, the synergies expected from the Transactions and various other circumstances.

Each time the Special Committee received a proposal regarding the Tender Offer Price from the Tender Offerors, it considered the appropriateness thereof based on the results of the analyses of the share value of the Company Shares conducted by Mizuho Securities and PLUTUS, the legal advice received from Nagashima Ohno & Tsunematsu and other relevant matters, and deliberated and considered the negotiation policy with the Tender Offerors from the perspective of the interests of the Company's general shareholders. The Special Committee also participated, as necessary, in meetings with the Tender Offerors and was substantively involved in the process of negotiating the Tender Offer Price and other terms and conditions of the Transactions. As a result, the Tender Offer Price was increased from the initial price proposed by the Tender Offerors of 800 yen per share to the final price of 1,000 yen per share, representing an increase of 25.0% from the initial proposed price. Furthermore, the Special Committee examined not only the Tender Offer Price but also its relationship with the Treasury Share Repurchase (1) Price and the Treasury Share Repurchase (2) Price in connection with the treasury share repurchases scheduled to be conducted after the Tender Offer, and considered the overall pricing terms of the Transactions, including by requesting explanations from the Tender Offerors from the perspective of economic fairness with the general shareholders.

In light of the foregoing negotiation process, the Tender Offer Price may be regarded as a price obtained as a result of sufficient negotiations with the Tender Offerors, through sincere and continuous discussions and negotiations conducted by the Special Committee with the Tender Offerors through Mizuho Securities, taking into account the results of the analyses of the share value of the Company Shares conducted by Mizuho Securities and PLUTUS, the legal advice received from Nagashima Ohno & Tsunematsu and other relevant matters.

v) Execution of the Tender Agreement Between the Tender Offeror and the Prospective Tendering Shareholder

The Prospective Tendering Shareholder, the Company's second-largest shareholder based on the Company's shareholder register as of March 31, 2026, has no capital relationship or other special interest with the Tender Offerors and is in a position independent of the Tender Offerors in relation to the Transactions. The fact that the Prospective Tendering Shareholder in such position intends to tender all of the Company Shares owned by it, consisting of 50,507,600 shares with an Ownership Ratio of 15.45%, in the Tender Offer may be regarded as a circumstance demonstrating that the Prospective Tendering Shareholder recognizes a certain degree of economic reasonableness in the Tender Offer Price and the other terms and conditions of the Tender Offer.

vi) Summary

As described above, taking into consideration comprehensively that (i) no particular unreasonable points were identified in the process by which the Business Plan was prepared or in the contents thereof, (ii) no particular unreasonable points were identified in the contents of the share valuations conducted by Mizuho Securities and PLUTUS or in the assumptions and analytical methods underlying those valuations, (iii) the Tender Offer Price falls within the valuation ranges calculated using the DCF Method by Mizuho Securities and PLUTUS, exceeds the valuation ranges calculated using the market price average method, falls within the valuation range calculated by Mizuho Securities using the Comparable Company Analysis Method, and exceeds the valuation range calculated by PLUTUS using the Comparable Company Analysis Method, and PLUTUS has issued the Fairness Opinion stating that the Tender Offer Price is fair to the Company's general shareholders from a financial point of view, (iv) the premium included in the Tender Offer Price exceeds the premium levels in Comparable Transactions, (v) the Tender Offer Price was determined after sincere and continuous discussions and negotiations with the Tender Offerors through Mizuho Securities, taking into account the results of the analyses of the share value of the Company Shares conducted by Mizuho Securities and PLUTUS, the legal advice received from Nagashima Ohno & Tsunematsu and other relevant matters, and was increased to a level at which the Tender Offerors explained on multiple occasions that no further increase was contemplated, and (vi) the Prospective Tendering Shareholder intends to tender all of the Company Shares owned by it in the Tender Offer, the Tender Offer Price provides the Company's general shareholders with a reasonable opportunity to sell their shares and may be regarded as a fair and appropriate price.

(b) Reasonableness of the Stock Acquisition Right Purchase Price

With respect to each of the Stock Acquisition Rights subject to the Tender Offer, the exercise period will have commenced as of the commencement of the Tender Offer and the exercise price will be lower than the Tender Offer Price. The Tender Offerors calculated the Stock Acquisition Right Purchase Price by multiplying the difference between the Tender Offer Price and the exercise price of each Stock Acquisition Right by 100 shares, which is the number of Company Shares underlying each Stock Acquisition Right. Although the Company did not obtain a valuation report or an opinion, or fairness opinion, from a third-party valuation agent regarding the purchase price for the Stock Acquisition Rights because the Stock Acquisition Right Purchase Price was determined to be the amount obtained by multiplying the difference between the Tender Offer Price and the exercise price per Company Share for each Stock Acquisition Right by the number of Company Shares underlying each Stock Acquisition Right, the Special Committee considers the calculation method reasonable. This is because the Stock Acquisition Right Purchase Price is calculated mechanically based on the Tender Offer Price, and the economic value of each Stock Acquisition Right is represented by the difference between the Tender Offer Price and the exercise price of that Stock Acquisition Right.

The Stock Acquisition Right Purchase Price is calculated on the basis of the Tender Offer Price. As described in "(a) Reasonableness of the Tender Offer Price" above, the Special Committee has determined that the Tender Offer Price is fair and appropriate. Accordingly, the Stock Acquisition Right Purchase Price calculated on the basis of the Tender Offer Price may likewise be regarded as fair and appropriate.

(c) Reasonableness of the Transaction Method

The structure adopted in the Transactions, under which, as the first step, a tender offer is conducted with the minimum number of shares to be purchased set at the number of shares that will ensure approval of the proposal concerning the Share Consolidation for the squeeze-out to be implemented as the second step, followed by implementation of the squeeze-out through the Share Consolidation as the second step, is a method generally adopted for going-private transactions. The amount of cash to be delivered as consideration to the Company's

shareholders subject to the squeeze-out is expected to be calculated so as to equal the amount obtained by multiplying the Tender Offer Price by the number of Company Shares owned by each such shareholder, and this fact is expected to be announced upon commencement of the Tender Offer. Accordingly, consideration has been given to preventing coercion. In addition, if the Tender Offeror is unable to acquire all of the Stock Acquisition Rights in the Tender Offer and any Stock Acquisition Rights remain outstanding without being exercised, the Tender Offeror plans to request that the Company implement procedures reasonably necessary to complete the Transactions, including the acquisition of the Stock Acquisition Rights and the cancellation thereof, and the recommendation to the holders of the Stock Acquisition Rights that they waive the Stock Acquisition Rights. If the Company receives such request, the Company plans to cooperate, on the condition that reasonable consideration or other compensation in light of the Stock Acquisition Right Purchase Price is also assured for the holders of the Stock Acquisition Rights remaining after the Tender Offer, and this intention is expected to be announced upon commencement of the Tender Offer. In addition, any shareholder of the Company dissatisfied with the Tender Offer Price may file a petition with a court for determination of the price after exercising the right to demand the purchase of shares.

Furthermore, the Special Committee requested explanations from the Tender Offerors regarding the prices for the treasury share repurchases scheduled to be conducted after the Tender Offer. According to the Tender Offerors, the funds required for the Transactions, including the Tender Offer, are expected to be financed through the Parent Company Capital Contribution and the Borrowings for Settlement of the Tender Offer. In obtaining the Borrowings for Settlement of the Tender Offer, Mizuho Bank and SBI Shinsei Bank, the lenders of such borrowings, have required the Tender Offeror to receive an additional capital contribution of approximately 57.0 billion yen through the Class Share Capital Contribution (Tender Offeror), in addition to the Parent Company Capital Contribution. Accordingly, the Treasury Share Repurchase (1) Price was set so that, as of the date of this Report, the aggregate acquisition consideration for the Company Shares owned by the HIKARI TSUSHIN Group that will not be tendered in the Tender Offer and are expected to be purchased by the Company or the Tender Offeror through the squeeze-out procedures, the Company Shares to be acquired through the Treasury Share Repurchase (1), and the Company Shares to be acquired through the Treasury Share Repurchase (2) would be approximately 57.0 billion yen. All funds required for the Treasury Share Repurchase (1) and the Treasury Share Repurchase (2) are expected to be funded through the Class Share Capital Contribution (Company).

According to the advice of Nagashima Ohno & Tsunematsu, Mizuho Securities and PLUTUS, generally, in a going-private transaction in which, pursuant to a separate agreement with the tender offeror, a shareholder does not tender its shares in the tender offer and instead participates in a treasury share repurchase by the target company, attention is given to ensuring that the economic benefits received by the tendering shareholders and such non-tendering shareholder are equal on an after-tax net proceeds basis. However, in the Transactions, because all consideration for the Treasury Share Repurchase (1) and the Treasury Share Repurchase (2) will be funded through the Class Share Capital Contribution (Company), HIKARI TSUSHIN KK and HTIO will not seek to recover their respective investments through the Treasury Share Repurchase (1) and the Treasury Share Repurchase (2). Accordingly, it is considered unnecessary to specifically examine whether their economic benefits are equal on an after-tax net proceeds basis to those of the general shareholders tendering their shares in the Tender Offer. According to the Tender Offerors, if the Treasury Share Repurchase (1) Price and the Treasury Share Repurchase (2) Price of 962 yen were reduced below that price, the consideration for the Treasury Share Repurchase (1) and the Treasury Share Repurchase (2), which constitutes the source of the additional capital contribution required by Mizuho Bank and SBI Shinsei Bank, would decrease. As a result, the amount of that additional capital contribution could not be maintained, the amount of the Borrowings for Settlement of the Tender Offer would decrease, and consequently the Tender Offer Price and the Stock Acquisition Right Purchase Price could decrease. It would defeat the purpose of protecting the general shareholders if seeking equality of economic benefits between the treasury share repurchase prices and the Tender Offer Price on an after-tax net proceeds basis instead adversely affected the interests of the general shareholders.

Based on the foregoing explanations, the Special Committee determined that the setting of the Treasury Share Repurchase Price does not impair fairness among shareholders as between the general shareholders tendering their shares in the Tender Offer, on the one hand, and HIKARI TSUSHIN KK and HTIO, on the other hand, and is not unreasonable.

Furthermore, the Tender Offeror plans to enter into the Tender Agreement with the Prospective Tendering Shareholder and the Non-Tender Agreement with the Prospective Non-Tendering Shareholders, and the Share Transfer (ASUKA SSI) is expected to be implemented between the Company and INSURANT GROUP as part of the Tender Offer and the series of procedures following the Tender Offer. The Special Committee reviewed the outlines thereof described in the draft Tender Offer Registration Statement and found that each was consistent with the purpose of the Transactions and that no particular unreasonable points were identified.

(d) Summary

As described above, taking into comprehensive consideration the comparison of the Tender Offer Price with the results of the share valuations conducted by Mizuho Securities and PLUTUS, the contents of the Fairness Opinion, the premium levels, the process of negotiations with the Tender Offerors and other relevant matters, the Tender Offer Price is considered to be at a reasonable level. The Stock Acquisition Right Purchase Price is likewise considered to be at a reasonable level. The series of transaction structures adopted in the Transactions, including the Tender Offer and the subsequent squeeze-out procedures, is also considered reasonable as a method for a going-private transaction.

Accordingly, the Special Committee determines that the method and terms and conditions of the Transactions are fair and appropriate.

(iv) The Decision on the Transactions by the Company's Board of Directors Will Not Be Detrimental to the Company's General Shareholders

As described in (i) through (iii) above, the Transactions are considered to contribute to the enhancement of the Company's corporate value, the procedures for the Transactions are fair, and the method and terms and conditions of the Transactions are considered fair and appropriate. Accordingly, the Special Committee determines that the decision on the Transactions by the Company's Board of Directors will not be detrimental to the Company's general shareholders or the holders of the Stock Acquisition Rights.

(v) Overall Summary

As described in (i) through (iv) above, the Tender Offer is considered to contribute to the enhancement of the Company's corporate value, the terms and conditions of the Transactions are appropriate, fair procedures have been implemented, and the Transactions will not be detrimental to the Company's general shareholders. Accordingly, the Special Committee determines that the Company should express its opinion in support of the Tender Offer and recommend that the Company's shareholders and the holders of the Stock Acquisition Rights tender their shares and Stock Acquisition Rights in the Tender Offer.

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

To ensure the fairness and appropriateness of the Company's Board of Directors' decision-making regarding the Transactions, including the Tender Offer, the Company appointed Nagashima Ohno & Tsunematsu as its legal advisor independent of the Company, the Prospective Tendering Shareholder and the Tender Offerors, and received from Nagashima Ohno & Tsunematsu legal advice throughout the review process for the Transactions, including advice concerning measures to be taken to ensure the fairness of the procedures in the Transactions. Nagashima Ohno & Tsunematsu is not a related party of the Company, the Prospective Tendering Shareholder or the Tender Offerors, and does not have any significant interest in relation to the Transactions,

including the Tender Offer. The remuneration for Nagashima Ohno & Tsunematsu does not include contingency fees payable subject to conditions such as public announcement or successful completion of the Transactions. The Special Committee confirmed that there were no issues with the independence of Nagashima Ohno & Tsunematsu.

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

Following the receipt of the December 19 Letter of Intent from HIKARI TSUSHIN on December 19, 2025, the Company, after obtaining legal advice from Nagashima Ohno & Tsunematsu, established a project team consisting of Mr. Bunya Miyao, President and Representative Director, Mr. Shinji Takekura, Director, Mr. Koki Jindo, Executive Officer and CFO, and Mr. Toshinao Takagi, Executive Officer and Department Manager of Corporate Planning Department, and other employees of the Company, to conduct the review, negotiation, and decision-making regarding the Transactions at the Company, including responding to the due diligence conducted by the Tender Offerors on the Company, reviewing and preparing the Business Plan, and reviewing the Company's management policies after the Transactions. The Special Committee approved that there were no issues with the independence and impartiality of these members.

In particular, in preparing the Business Plan, which serves as the basis for calculating the value of the Company Shares, the Company proceeded with the process while receiving advice from Mizuho Securities, its financial adviser, conducting multiple Q&A sessions with Mizuho Securities, Plutus and the Special Committee, and obtaining confirmation from Nagashima Ohno & Tsunematsu, its legal adviser, and the Special Committee regarding the fairness of the preparation process, including the independence of the officers and employees involved in the preparation.

(VII) Approval of All Disinterested Directors and Opinion of No Objection from All Disinterested Audit & Supervisory Board Members of the Company

The Company carefully deliberated and discussed whether the Transactions would contribute to the enhancement of the corporate value of the Company and whether the terms of the Transactions, including the Tender Offer Price, were appropriate, taking into consideration the content of the Share Valuation Report (Mizuho Securities) obtained from Mizuho Securities, the advice from a financial perspective received from Mizuho Securities, and the legal advice obtained from Nagashima Ohno & Tsunematsu, with the highest degree of respect for the content of the Report.

As a result, as stated in "(IV) Company's Decision-Making Process Leading to Its Decision to Support the Tender Offer and Reasons Therefor" in "(2) Grounds and Reasons for Opinion Regarding the Tender Offer" above, the Company's Board of Directors resolved, at its meeting held today, with unanimous approval of all of the Company's disinterested directors who participated in the deliberation and resolution, to the effect that the Company shall (i) express its opinion in support of the Tender Offer, and (ii) recommend that the Company's shareholders tender their shares in the Tender Offer. At the same Board of Directors meeting, all four audit & supervisory board members who participated in the deliberation expressed their opinions that they had no objection to the foregoing resolution.

Among the Company's directors, Mr. Akio Yamashita concurrently serves as Co-Head of Asia and Representative in Japan, and Mr. Jin Ryu concurrently serves as Managing Director, both at Fortress Investment Group (Japan) GK, which has the Prospective Tendering Shareholder as an affiliated entity. Therefore, they have certain interests in the Transactions and may have conflicts of interest with the Company's general shareholders. Consequently, neither participated in any deliberations or resolutions at the Company's Board of Directors meetings for the agenda item concerning the expression of opinion on the Tender Offer, or agenda items relating to the Transactions after the Tender Offeror decided on its policy to enter into the Tender Agreement and began contacting the Prospective Tendering Shareholder.

(VIII) Measures to Secure an Opportunity for Other Offerors to Conduct Tender Offer

While the shortest tender offer period specified in the applicable laws and regulations is 20 business days, the Tender Offeror has set the Tender Offer Period at 30 business days. By setting the Tender Offer Period longer than the statutory shortest period, the Tender Offeror intends to secure an opportunity for the Company's shareholders to make an appropriate decision on whether to tender their shares in the Tender Offer and to ensure the fairness of the Tender Offer by securing an opportunity for persons other than the Tender Offeror to make competing tender offers, etc. regarding the Company Shares. Furthermore, the Tender Offeror and the Company have not executed any agreement that restricts competing offerors from contacting the Company, such as an agreement containing a transaction protection clause that prohibits the Company from contacting competing offerors, and will not obstruct opportunities for a competing tender offer, etc. In this way, in conjunction with the setting of the above Tender Offer Period, by ensuring opportunities for competing tender offers, etc., consideration has been given to ensuring the fairness of the Tender Offer.

In the Transaction, no so-called active market check, which involves actively and proactively investigating and considering the existence of potential acquirers in the market, has been conducted. However, at least as far as the Company is concerned, there are no restrictions on other potential acquirers making competing proposals after the Tender Offer is announced, nor are there any restrictions on the Company engaging in discussions with, or providing information to, such proposers should such competing offers be made. In addition, the Tender Offer Agreement is expected to include a so-called "fiduciary out" clause which stipulates that if a competing tender offer or other sincere and feasible competing proposal meeting a certain threshold is made, and the Tender Offeror fails to raise the Tender Offer Price within a prescribed period, the Prospective Tendering Shareholder will be released from its obligation to tender and may terminate the Tender Offer Agreement. Since there are practical obstacles such as information management in implementing an active market check, the decision not to conduct an active market check is not considered to raise any doubts regarding the fairness of the procedures related to the Transactions.

(IX) Measures to Secure an Opportunity for the Company's Shareholders to Make an Appropriate Decision on Whether to Tender Their Shares in the Tender Offer

According to the Tender Offeror, as described in "(4) Policy for Organizational Restructuring, Etc. after the Tender Offer (Matters Relating to the So-Called Two-Step Acquisition)" below, (i) the Tender Offeror plans to request that the Company convene the Extraordinary Shareholders' Meeting, the agenda of which will include proposals for a partial amendment to the Articles of Incorporation, including a change in the total number of authorized shares and the abolition of the provisions concerning the number of shares constituting one unit and electronic provision measures, subject to the Share Consolidation of the Company Shares pursuant to Article 180 of the Companies Act becoming effective, and will not adopt any method under which the Company's shareholders are not afforded the right to demand the purchase of their shares or the right to file a petition for determination of the price; and (ii) the Tender Offeror has clarified that, upon implementation of the Share Consolidation, the amount of cash to be delivered as consideration to each of the Company's shareholders will be calculated so as to equal the amount obtained by multiplying the Tender Offer Price by the number of Company Shares owned by each such shareholder. Furthermore, if the Tender Offer is completed but the Tender Offeror is unable to acquire all of the Stock Acquisition Rights in the Tender Offer and any Stock Acquisition Rights remain outstanding without being exercised, the Tender Offeror plans to request that the Company implement procedures reasonably necessary to complete the Transactions, including the acquisition and cancellation of the Stock Acquisition Rights and the recommendation to the holders of the Stock Acquisition Rights that they waive the Stock Acquisition Rights. If the Company receives such request, the Company plans to cooperate, on the condition that reasonable consideration or other compensation in light of the Stock Acquisition Right Purchase Price is also assured for the holders of the Stock Acquisition Rights remaining after the Tender Offer. Accordingly, the Tender Offeror has given consideration to preventing coercion by ensuring that the Company's shareholders and the holders of the Stock Acquisition Rights have an

opportunity to make an appropriate decision as to whether to tender their Company Shares or Stock Acquisition Rights in the Tender Offer.

(4) Policy for Organizational Restructuring, Etc. after the Tender Offer (Matters Relating to “Two-Step Acquisition”)

According to the Tender Offeror, as described below, if the Tender Offer is completed but the Tender Offeror is unable to acquire all of the Company Shares (including the Company Shares to be delivered upon exercise of the Stock Acquisition Rights, but excluding treasury shares owned by the Company and the Shares Not to Be Tendered) and all of the Stock Acquisition Rights through the Tender Offer, the Tender Offeror plans to implement, following the successful completion of the Tender Offer, a series of procedures to make the Tender Offeror and HTIO the only shareholders of the Company by the following method (the “Squeeze-Out Procedures”), as described in “(I) Outline of the Tender Offer” under “(2) Grounds and Reasons for Opinion Regarding the Tender Offer” above.

Specifically, promptly after completion of settlement of the Tender Offer, the Tender Offeror plans to request that the Company convene the Extraordinary Shareholders’ Meeting, the agenda of which will include proposals to implement the Share Consolidation of the Company Shares pursuant to Article 180 of the Companies Act and, subject to the Share Consolidation becoming effective, to partially amend the Articles of Incorporation, including a change in the total number of authorized shares and the abolition of the provisions concerning the number of shares constituting one unit and electronic provision measures. The Tender Offeror, HTIO and HIKARI TSUSHIN KK plan to vote in favor of each of the foregoing proposals at the Extraordinary Shareholders’ Meeting.

If the proposal concerning the Share Consolidation is approved at the Extraordinary Shareholders’ Meeting, on the effective date of the Share Consolidation, the Company’s shareholders will own the number of Company Shares corresponding to the consolidation ratio approved at the Extraordinary Shareholders’ Meeting. If the Share Consolidation results in any fractional share of less than one share, the Company’s shareholders holding such fractional shares will receive cash obtained by, among other means, selling to the Company or the Tender Offeror the Company Shares corresponding to the aggregate number of such fractional shares, with any fraction of less than one share in that aggregate number to be disregarded, in accordance with the procedures prescribed in Article 235 of the Companies Act and other applicable laws and regulations. With respect to the selling price of the Company Shares corresponding to the aggregate number of such fractional shares, the Tender Offeror plans to request that the Company calculate such price so that, as a result of the sale, the amount of cash to be delivered to each Company shareholder who did not tender its Company Shares in the Tender Offer will equal the amount obtained by multiplying the Tender Offer Price by the number of Company Shares owned by that shareholder, and file a petition with a court for permission for a voluntary sale. Although the consolidation ratio for the Company Shares has not been determined as of today, the Tender Offeror plans to request that the Company determine the ratio so that the Tender Offeror and HTIO will own all of the Company Shares, excluding treasury shares owned by the Company, and the number of Company Shares owned by each Company shareholder who did not tender its Company Shares in the Tender Offer, other than HTIO, will be a fraction of less than one share. If the Tender Offer is completed, the Company plans to comply with these requests from the Tender Offeror. If the Extraordinary Shareholders’ Meeting is held, it is expected to be held around January 2027. The specific procedures, timing of implementation and other details will be determined in consultation with the Company, and the Company plans to promptly announce such details once determined.

As provisions of the Companies Act intended to protect the rights of minority shareholders in connection with the Share Consolidation, if the Share Consolidation results in any fractional share of less than one share, Articles 182-4 and 182-5 of the Companies Act and other applicable laws and regulations provide that the Company’s shareholders, excluding the Tender Offeror and the Company, may demand that the Company purchase, at a fair price, all of the fractional shares of less than one share included in the shares owned by them and may file a petition with a court for determination of the price of the Company Shares.

As described above, in the Share Consolidation, the number of Company Shares owned by each Company shareholder who did not tender its Company Shares in the Tender Offer, excluding HTIO and the Company, is expected to be a fraction of less than one share. Accordingly, the Company’s

shareholders who oppose the Share Consolidation, excluding HTIO, are expected to be entitled to file the petition described above. If any such petition is filed, the purchase price of the Company Shares will ultimately be determined by the court.

In addition, if the Tender Offer is completed but the Tender Offeror is unable to acquire all of the Stock Acquisition Rights in the Tender Offer and any Stock Acquisition Rights remain outstanding without being exercised, the Tender Offeror plans to request that the Company implement procedures reasonably necessary to complete the Transactions, including the acquisition of the Stock Acquisition Rights and the cancellation thereof, and the recommendation to the holders of the Stock Acquisition Rights that they waive the Stock Acquisition Rights. If the Company receives such request, the Company plans to cooperate, on the condition that reasonable consideration or other compensation in light of the Stock Acquisition Right Purchase Price is also assured for the holders of the Stock Acquisition Rights remaining after the Tender Offer.

According to the Tender Offeror, the method and timing of implementing the Share Consolidation procedures described above may be changed depending on, among other matters, amendments to or the implementation of applicable laws and regulations and the status of interpretations thereof by the relevant authorities. Even in such case, however, a method under which cash is ultimately delivered to the Company's shareholders who did not tender their Company Shares in the Tender Offer, excluding HTIO and the Company, is expected to be adopted. In such case, the amount of cash to be delivered to each such shareholder is expected to be calculated so as to equal the amount obtained by multiplying the Tender Offer Price by the number of Company Shares owned by that shareholder. The specific procedures, timing of implementation and other details in such case will be determined in consultation with the Company, and the Company plans to promptly announce such details once determined.

Regarding the tax treatment in connection with tendering in the Tender Offer or each of the above procedures, the Company requests that its shareholders confirm with tax accountants or other professionals under their own responsibility.

(5) Prospects of and Reasons for Delisting

As of today, the Company Shares are listed on the Prime Market of the TSE. However, since the Tender Offeror has not set a maximum number of shares to be purchased in the Tender Offer, depending on the results of the Tender Offer, the Company Shares may be delisted through the prescribed procedures in accordance with the delisting criteria of the TSE.

In addition, even in the event that the delisting criteria do not apply to the Company Shares at the time of the successful completion of the Tender Offer, the Tender Offeror plans to implement the squeeze-out procedures as described in "(4) Policy for Organizational Restructuring, Etc. after the Tender Offer (Matters Relating to the "Two-Step Acquisition")" above after the successful completion of the Tender Offer. In that case, the Company Shares will be delisted through the prescribed procedures in accordance with the delisting criteria of the TSE. After the delisting, the Company Shares will no longer be traded on the Prime Market of the TSE.

(6) Material Agreements Regarding the Tender Offer

(I) Tender Agreement

As described in "(I) Outline of the Tender Offer" under "(2) Grounds and Reasons for Opinion Regarding the Tender Offer" above, the Tender Offeror agreed with the Prospective Tendering Shareholder on September 14, 2026 that the Prospective Tendering Shareholder would tender in the Tender Offer all of the Company Shares owned by it (number of shares owned: 50,507,600 shares; ownership ratio: 15.45%). An outline of the Tender Agreement is as follows. Except for the Tender Agreement, no agreement relating to the Transactions has been entered into between the Tender Offeror and the Prospective Tendering Shareholder, and no benefit relating to the Transactions will be provided by the Tender Offeror to the Prospective Tendering Shareholder other than payment of the Tender Offer Price.

(i) If the Tender Offeror commences the Tender Offer, the Prospective Tendering Shareholder will, subject to the completion by the Prospective Tendering Shareholder of the opening of the account required for the Tender Offer and other necessary procedures, provided that the Prospective Tendering Shareholder will promptly undertake the opening of the account required for the tender and other necessary procedures after execution of the Tender Agreement, tender the Shares to Be Tendered in the Tender Offer no later than ten business days prior to the last day of the Tender Offer Period, or, if the opening of the account required for the tender and other necessary procedures is completed on or after the date falling ten business days prior to the last day of the Tender Offer Period, on the date on which such procedures are completed, and, after such tender, will not withdraw such tender or terminate the agreement for the purchase, etc. of the Shares to Be Tendered entered into as a result of such tender.

(ii) During the period from the date of execution of the Tender Agreement through the commencement date of settlement of the Tender Offer, the Prospective Tendering Shareholder will not transfer, create any security interest over or otherwise dispose of the Shares to Be Tendered, enter into any other transaction that substantially conflicts with the Tender Offer or makes the implementation of the Tender Offer difficult, or enter into any agreement relating to any such transaction; will not make any proposal, solicitation, discussion, negotiation or provision of information relating to any such transaction; and, if it receives from any third party any provision of information, proposal, solicitation, request for discussion or other approach relating to any such transaction, will immediately notify the Tender Offeror of that fact and the contents thereof.

(iii) Notwithstanding (i) and (ii) above, if: (a) a person other than the Tender Offeror, a "Offeror" in this "(I) Tender Agreement," commences or announces, no later than three business days prior to the last day of the Tender Offer Period and without any breach of the obligations set forth in (ii) above, a tender offer for the issued common shares and stock acquisition rights of the Company at a purchase price exceeding the Tender Offer Price by at least 2.5%, provided that such tender offer is intended to acquire for cash all of the issued shares and stock acquisition rights of the Company, excluding treasury shares and stock acquisition rights held by the Company, and, in the case of an announcement, only if the certainty of financing has been secured, a "Competing Tender Offer" in "(I) Tender Agreement"; or (b) a proposal for a Competing Tender Offer, limited to a sincere and feasible proposal, including certainty of financing, is made to the Prospective Tendering Shareholder or the Company no later than three business days prior to the last day of the Tender Offer Period, the Prospective Tendering Shareholder may notify the Tender Offeror of the contents of the competing proposal and request consultations regarding a change to the Tender Offer Price or any other terms and conditions of the Tender Offer. In the case of (a) above, if the Tender Offeror does not change the Tender Offer Price to a price equal to or greater than the purchase price under the Competing Tender Offer by the earlier of the date falling five business days after the date of such request and the business day immediately preceding the expiration date of the Tender Offer Period, the Prospective Tendering Shareholder will not be subject to the obligations set forth in (i) and (ii) above or (iv) below and may terminate the Tender Agreement without incurring any obligation or liability.

(iv) During the period from the date of execution of the Tender Agreement through the commencement date of settlement of the Tender Offer, the Prospective Tendering Shareholder will not, without the Tender Offeror's prior written consent, exercise the right to demand the convocation of a shareholders' meeting of the Company under Article 297 of the Companies Act, the right to propose a matter to be considered at a shareholders' meeting under Article 303, Paragraphs 1 and 2 of the Companies Act, the right to submit a proposal at a shareholders' meeting under Article 304 or Article 305, Paragraph 1 of the Companies Act, or any other shareholder right.

In addition to the foregoing, the Tender Agreement provides for representations and warranties by the Tender Offeror and the Prospective Tendering Shareholder (Note 1), indemnification obligations if the Tender Offeror or the Prospective Tendering Shareholder breaches any of its representations and warranties or any of its obligations under the Tender Agreement, termination events under the Tender Agreement, and other general provisions. The termination events provide that, if (a) the Tender Offeror or the Prospective Tendering Shareholder materially breaches any of its obligations under the Tender Agreement, (b) there is a material breach of any representation or warranty made by the Tender Offeror or the Prospective Tendering Shareholder,

or (c) the Tender Offeror withdraws the Tender Offer in accordance with applicable laws and regulations or the Tender Offer is not completed because the aggregate number of Tendered Share Certificates, Etc. is less than the minimum number of shares to be purchased, the other party may immediately terminate the Tender Agreement by written notice.

(Note 1) Under the Tender Agreement, the Tender Offeror makes representations and warranties concerning the valid incorporation and existence of the Tender Offeror; its power and authority to execute and perform the Tender Agreement; the enforceability of the Tender Agreement; the completion of the obtaining of permits, approvals and other authorizations necessary for the execution and performance of the Tender Agreement; the absence of any conflict with applicable laws and regulations; the absence of insolvency proceedings or similar proceedings; the absence of any relationship with antisocial forces or similar persons; and the funds necessary for settlement of the Tender Offer. Under the Tender Agreement, the Prospective Tendering Shareholder makes representations and warranties concerning the existence of its legal capacity and other relevant qualifications; its power and authority to execute and perform the Tender Agreement; the enforceability of the Tender Agreement; the completion of the obtaining of permits, approvals and other authorizations necessary for the execution and performance of the Tender Agreement; the absence of any conflict with applicable laws and regulations; the absence of insolvency proceedings or similar proceedings; the absence of any relationship with antisocial forces or similar persons; and its lawful and valid ownership of the Shares to Be Tendered and the absence of any security interest or other encumbrance thereon.

(II) Memorandum Regarding the Tender Offer

In relation to the Transactions, the Tender Offeror entered into a memorandum regarding the Tender Offer (the "Tender Offer Memorandum") with the Company on September 14, 2026. The summary thereof is as follows.

(i) The Company and the Tender Offeror shall, to a reasonable extent, cooperate with each other as necessary for the Transaction.

(ii) If the Tender Offer is completed, the Company shall, to a reasonable extent, convene the Extraordinary Shareholders' Meeting to propose agenda items to be separately discussed and agreed upon with the Tender Offeror, and shall take all other procedures required under applicable laws and regulations to implement the Transactions.

(iii) The Company shall provide, and cause the Company Group to provide, to a reasonable extent, such necessary cooperation as the Tender Offeror may reasonably request in order to procure borrowings from financial institutions or other third parties necessary to fund the settlement of the Tender Offer and otherwise implement the Transactions (including procedures for the repayment of existing indebtedness and discussions regarding the terms of loan agreements and security agreements with financial institutions).

In addition to the foregoing, the Tender Offer Memorandum sets forth the termination events for the Tender Offer Memorandum (it is provided that the Tender Offer Memorandum shall terminate if (a) the parties thereto agree in writing to terminate it, or (b) the Tender Offeror lawfully withdraws the Tender Offer in accordance with applicable laws and regulations or the Tender Offer is not completed), as well as other general provisions.

(III) Share Transfer Agreement (ASUKA SSI)

In connection with the Tender Offer, on September 14, 2026, the Company and INSURANT GROUP agreed that INSURANT GROUP would acquire the Shares to Be Transferred from the Company for a transfer price of 50 million yen by the business day immediately preceding the commencement date of settlement of the Tender Offer, subject to (i) the representations and warranties of INSURANT GROUP and the Company (Note 2) being true and correct in all material respects; (ii) INSURANT GROUP and the Company having performed or complied with the

matters required to be performed or complied with by each of them under the Share Transfer Agreement (ASUKA SSI) by the closing of the Share Transfer (ASUKA SSI), including completion of the procedures necessary to implement the Share Transfer (ASUKA SSI), completion of the procedures necessary to effect the Share Conversion, and use of efforts to obtain consents or give notices under contracts requiring consent or notice in connection with the Share Transfer (ASUKA SSI); (iii) the completion of the Tender Offer; (iv) the obtaining of the approval required in connection with INSURANT GROUP becoming a major shareholder of a small-amount and short-term insurance company prior to the closing of the Share Transfer (ASUKA SSI); (v) the Share Conversion having been lawfully and validly effected and the necessary registration applications having been completed; and (vi) INSURANT GROUP having received the documents prescribed in the Share Transfer Agreement (ASUKA SSI). The Share Transfer Agreement (ASUKA SSI) provides that, if the Tender Offer has not been completed by December 15, 2026, either party may terminate the Share Transfer Agreement (ASUKA SSI) by giving written notice to the other party.

(Note 2) Under the Share Transfer Agreement (ASUKA SSI), the Company makes representations and warranties concerning its valid incorporation and existence; its power and authority to execute and perform the Share Transfer Agreement (ASUKA SSI); the enforceability of the Share Transfer Agreement (ASUKA SSI); the completion of the obtaining of permits, approvals and other authorizations necessary for the execution and performance of the Share Transfer Agreement (ASUKA SSI); the absence of any conflict with applicable laws and regulations; the absence of insolvency proceedings or similar proceedings; the absence of any relationship with antisocial forces or similar persons; its lawful and valid ownership of the shares of ASUKA SSI; the valid incorporation and existence of ASUKA SSI; the status of issuance of the shares of ASUKA SSI; the absence of any subsidiary or affiliate of ASUKA SSI; the obtaining by ASUKA SSI of all necessary permits, approvals and other authorizations; and the absence of any relationship between ASUKA SSI and antisocial forces or similar persons. Under the Share Transfer Agreement (ASUKA SSI), INSURANT GROUP makes representations and warranties concerning its valid incorporation and existence; its power and authority to execute and perform the Share Transfer Agreement (ASUKA SSI); the enforceability of the Share Transfer Agreement (ASUKA SSI); the completion of the obtaining of permits, approvals and other authorizations necessary for the execution and performance of the Share Transfer Agreement (ASUKA SSI); the absence of any conflict with applicable laws and regulations; and the absence of any relationship with antisocial forces or similar persons.

(IV) Shareholders Agreement

In connection with the Tender Offer, on September 14, 2026, the Tender Offeror, the Tender Offeror Parent Company, HIKARI TSUSHIN, the MBKP Fund and the NECCS Fund entered into a shareholders agreement concerning the organization and operation of, and the handling of shares, etc. in, the Tender Offeror Parent Company, the Tender Offeror and the Company. The shareholders agreement includes (a) the rights of HIKARI TSUSHIN, the MBKP Fund and the NECCS Fund to nominate directors and corporate auditors of the Tender Offeror Parent Company, the Tender Offeror and the Company, and (b) restrictions on the transfer of shares of the Tender Offeror Parent Company owned by HIKARI TSUSHIN, the MBKP Fund and the NECCS Fund, and shares of the Tender Offeror and the Company owned by the HIKARI TSUSHIN Group. The provisions of the Shareholders Agreement concerning the organization and operation, etc. of the Tender Offeror Parent Company, the Tender Offeror and the Company will become effective on the effective date of the Share Consolidation.

(7) Other Important Matters Regarding the Tender Offer

- (I) Announcement of “Notice Concerning Revision of Interim and Year-End Dividend Forecast for the Fiscal Year Ending March 31, 2027 (No Dividend)”

At a meeting of the Board of Directors held today, the Company resolved to revise the dividend forecast for the fiscal year ending March 31, 2027, which was announced on May 15, 2026. The Company also resolved not to pay an interim dividend with a record date of September 30, 2026, and not to pay, subject to the completion of the Tender Offer, a year-end dividend with a record date of March 31, 2027. For details, please refer to the press release titled “Notice Concerning Revision of Interim and Year-End Dividend Forecast for the Fiscal Year Ending March 31, 2027 (No Dividend)” announced by the Company today.

- (II) Announcement of Notice Concerning Execution of Memorandum of Understanding regarding Transfer of Elderly Care Business (Transfer of Shares Involving Changes in Specified Subsidiaries) and Recording of Extraordinary Loss, as well as Revision of Earnings Forecast

Today, the Company entered into a Memorandum of Understanding with Japan Innovation Investment Company, to transfer all shares of Azu Life Care Co., Ltd. and Azu Residence Co., Ltd., specified subsidiaries engaged in the Elderly Care Business of the Company, to an SPC whose direct or indirect shareholders are the funds for which Japan Innovation Investment Company provides its services, and to carry out a series of transactions incidental to the said transfer of shares. The Company expects to record an extraordinary loss and revise its earnings forecast in connection therewith. For details, please refer to the press release titled “Notice Concerning Execution of Memorandum of Understanding regarding Transfer of Elderly Care Business (Transfer of Shares Involving Changes in Specified Subsidiaries) and Recording of Extraordinary Loss, as well as Revision of Earnings Forecast,” announced by the Company today.

- (III) Execution of a Transfer Agreement Regarding Share Transfer (ASUKA SSI)

For details regarding the Share Transfer (ASUKA SSI), please refer to “II. Transfer of Shares Involving a Change in a Specified Subsidiary” below.

4. Details of Benefits Received from the Tender Offeror or Any of Its Specially Related Parties

Not applicable.

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

Not applicable.

6. Questions to the Tender Offeror

Not applicable.

7. Requests for Extension of the Tender Offer Period

Not applicable.

8. Future Prospects

Please refer to “(III) Management Policy after the Tender Offer” and “(IV) Company’s Decision-Making Process Leading to Its Decision to Support the Tender Offer and Reasons Therefor” in “(2) Grounds and Reasons for Opinion Regarding the Tender Offer,” “(4) Policy for Organizational Restructuring, Etc. after the Tender Offer (Matters Relating to “Two-Step Acquisition”)” and “(5) Prospects of and

Reasons for Delisting” in “3. Details of and Grounds and Reasons for Opinion Regarding the Tender Offer” above.

II. Transfer of Shares Involving a Change in a Specified Subsidiary

1. Reasons and Method of Change

In the Share Transfer (ASUKA SSI), the Company plans, after converting all of the issued common shares of ASUKA SSI, which is a wholly owned subsidiary and specified subsidiary of the Company, into Class A Shares (Voting Shares) and Class B Shares (Non-Voting Shares), to transfer 373 shares of Class A Shares (Voting Shares), which are the Shares to Be Transferred (voting rights ratio after the conversion: 50.0%), to INSURANT GROUP, a consolidated subsidiary of HIKARI TSUSHIN. The Share Transfer (ASUKA SSI) is scheduled to be implemented by the business day immediately prior to the commencement date of settlement of the Tender Offer, subject to, among others, the completion of the Tender Offer and the obtaining by INSURANT GROUP of the approval pertaining to a major shareholder of a small-amount and short-term insurance company. As a result, a change in the Company’s specified subsidiary is expected to occur.

2. Overview of Specified Subsidiary to Be Changed

(1)	Name	ASUKA SSI		
(2)	Location	1-8-8 Arai, Nakano-ku, Tokyo		
(3)	Name and title of representative	Yasushi Oike, Representative Director, President		
(4)	Description of business	Small-amount and short-term insurance business		
(5)	Capital	1 billion yen		
(6)	Date of incorporation	September 29, 2006		
(7)	Major shareholder and shareholding ratio	Leopalace21 Corporation		100%
(8)	Relationship between the Company and the relevant company			
	Capital relationship	Wholly-owned subsidiary of the Company		
	Personnel relationship	One employee of the Company concurrently serves as a director of the relevant company, and one Audit & Supervisory Board Members of the Company concurrently serves as a corporate auditor of the relevant company.		
	Business relationship	There are transactions under an insurance agency agreement and other transactions.		
(9)	Financial condition and operating results for the past three years			
	Fiscal year ended	March 2024	March 2025	March 2026
	Net assets (millions of yen)	1,273	1,280	1,339
	Total assets (millions of yen)	3,096	2,989	3,044
	Net assets per share (yen)	127,340.44	128,042.13	133,943.81
	Sales (millions of yen)	6,510	5,968	5,685
	Ordinary profit (millions of yen)	176	173	199
	Net income (millions of yen)	133	127	179
	Net income per share (yen)	13,314.79	12,701.69	17,901.68
	Dividend per share (yen)	12,000	12,000	16,000

3. Overview of Transferee

(1)	Name	THE INSURANT GROUP
(2)	Location	1-4-10 Nishi-Ikebukuro, Toshima-ku, Tokyo

(3)	Name and title of representative	Seiya Owada, Representative Director
(4)	Description of business	Management of group companies engaged in insurance business and guarantee businesses, etc.
(5)	Capital	100 million yen
(6)	Date of incorporation	October 23, 2024
(7)	Net assets	10,121 million yen
(8)	Total assets	61,788 million yen
(9)	Major shareholder and voting rights ratio	HIKARI TSUSHIN, INC. 100%
(10)	Relationship between the Company and the Tender Offeror	
	Capital relationship	HIKARI TSUSHIN, the parent company of INSURANT GROUP, indirectly holds 59,188,300 shares of the Company Shares (ownership ratio: 18.11%) (the number of shares held and the ownership ratio are as of March 31, 2026).
	Personnel relationship	Not applicable.
	Business relationship	Not applicable.
	Status as related party	Not applicable.

4. Number of Shares Transferred, Transfer Price, and Status of Shareholdings Before and After the Transfer

(1)	Current number of shares held	Common stock: 10,000 shares
(2)	Number of shares held after conversion	Class A shares (Voting Shares): 746 shares Class B Shares (Non-Voting Shares): 9,254 shares
(3)	Number of shares transferred	Class A shares (Voting Shares): 373 shares
(4)	Transfer price	50 million yen
(5)	Number of shares held after transfer	Class A shares (Voting Shares): 373 shares Class B Shares (Non-Voting Shares): 9,254 shares

5. Schedule for Change

(1)	Date of resolution of the Board of Directors	September 14, 2026
(2)	Date of execution of the Share Transfer Agreement	September 14, 2026
(3)	Date of the Share Transfer	Around November 6, 2026 (Scheduled)

(Note) The execution of the Share Transfer (ASUKA SSI) shall be subject to, among others, the successful completion of the Tender Offer and the obtaining by INSURANT GROUP of the approval pertaining to a major shareholder of a small-amount and short-term insurance company.

6. Future Prospects

The impact of the Share Transfer (ASUKA SSI) on the Company's full-year consolidated financial results forecast for the fiscal year ending March 31, 2027 is currently under review. If any matter requiring disclosure arises, the Company will promptly disclose such matter.

End of Document