



February 25, 2026

Company Name Sun Frontier Fudousan Co., Ltd.
 Representative Seiichi Saito, President and CEO
 (Stock Code: 8934, TSE Prime Market)
 Inquiries Takeshi Hirahara, Senior Executive Officer,
 and General Manager of Corporate Planning
 Department

**Notice concerning Opinion on the Tender Offer for the Shares of the Company by SI Corporation
 a Wholly-Owned Subsidiary of ITOCHU Corporation**

Sun Frontier Fudousan Co., Ltd. (the “Company”) hereby announces that it has resolved at its Board of Directors meeting held today to state an opinion in favor of a tender offer (the “Tender Offer”) for the common shares of the Company (the “Company Shares”) by SI Corporation (the “Tender Offeror”), and also to leave the decision regarding whether the Company’s shareholders should tender their shares in the Tender Offer to the discretion of each shareholder.

ITOCHU Corporation (“ITOCHU”; together with the Tender Offeror, the “Tender Offeror et al”) aims to establish a closer capital relationship with the Company, within the scope that maintains the Company’s independence as a listed company and the autonomy of its business operations, in conjunction with the Tender Offer and the capital increase by third-party allotment of new Company Shares the Company will implement with ITOCHU as the scheduled allottee (the “Capital Increase by Third-Party Allotment”; together with the Tender Offer, the “Transactions”).

However, ITOCHU does not intend to delist the Company Shares, and the Company Shares are planned to remain listed on the Prime Market of Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”) even after the successful completion of the Tender Offer.

As stated in the “Notice of Offering of Capital and Business Alignment, Issue of New Shares, and Change in a Major Shareholder” released by the Company today, the Company also resolved at its Board of Directors meeting held today to execute an agreement (the “Capital and Business Alliance Agreement”) regarding a capital and business alliance (the “Capital and Business Alliance”) with ITOCHU and to implement the Capital Increase by Third-Party Allotment as follows.

1. Overview of the Tender Offeror

(1) Name	SI Corporation
(2) Location	5-1, Kita-Aoyama 2-chome, Minato-ku, Tokyo
(3) Name and title of representative	Toshiya Takamura, Representative Director
(4) Description of business	The Tender Offeror intends to engage in the following businesses: 1. the business of controlling and managing the business activities of other companies by owning shares or interests in such companies; and

	2. any and all businesses incidental or related to the foregoing.
(5) Stated capital	1 yen (as of February 25, 2026)
(6) Date of incorporation	January 29, 2026
(7) Large shareholder and its ownership percentage (as of February 25, 2026)	ITOCHU Corporation 100.00%
(8) Relationships between the Company and the Tender Offeror	
Capital relationships	N/A
Personnel relationships	N/A
Transactional relationships	N/A
Status as related person	N/A

Note 1: According to the Tender Offeror et al, as of February 23, 2026, the Tender Offeror's registered head office was located at 14th Floor, Hibiya Central Building, 1-2-9 Nishi-Shimbashi, Minato-ku, Tokyo. However, as of February 24, 2026 the Tender Offeror has relocated their head office to 2-5-1 Kita-Aoyama, Minato-ku, Tokyo, and, as of today, the registration procedures to effect that change of head office address are pending.

Note 2: According to the Tender Offeror et al, the Tender Offeror plans to change their corporate form from a joint-stock company (*kabushiki kaisha*) to a limited liability company (*godo kaisha*) between the day after the last day of the purchase period for the Tender Offer and the start date for settlement.

Note 3: According to the Tender Offeror et al, as of February 23, 2026, the Tender Offeror's representative director was Nobuhiro Suga. However, on February 24, 2026 Nobuhiro Suga resigned from the position of representative director and Toshiya Takamura assumed the position of representative director of the Tender Offeror, and, as of today, procedures to record to the commercial register that change of representative director are pending.

2. Price of Purchase, Etc.

(1) 2,800 yen per common share (the "Tender Offer Price")

3. Substance of and Grounds and Reasons for Opinions Relating to the Tender Offer

(1) Substance of opinions relating to the Tender Offer

At the Board of Directors meeting held today, the Company resolved to express an opinion in favor of the Tender Offer based on the grounds and reasons stated in "(2) Grounds and reasons for opinions relating to the Tender Offer" below. In addition, in light of the fact that it is considered sufficiently reasonable for the shareholders of the Company to choose the option of owning the Company Shares even after the Tender Offer given that the maximum number of shares to be purchased has been set in the Tender Offer and the Company Shares are planned to remain listed even after the Tender Offer, the Company also resolved at its Board of Directors meeting to leave the decision regarding whether its shareholders should tender their shares in the Tender Offer to the discretion of each shareholder.

The resolution at the abovementioned Board of Directors meeting was made in accordance with the method stated in "(ii) Unanimous approval by all Company directors present not having a conflict of interest (including Audit & Supervisory Committee members)" in "(7) Measures to ensure the fairness of the Tender Offer and measures to avoid conflicts of interest" below.

(2) Grounds and reasons for opinions relating to the Tender Offer

The grounds and reasons for the opinions regarding the Tender Offer that relate to the Tender Offeror et al are based on explanations received from ITOCHU.

(i) Overview of the Tender Offer

The Tender Offeror is a *kabushiki kaisha* wholly owned by ITOCHU and was established on January 29, 2026 primarily for the purpose of acquiring and holding through the Tender Offer the Company Shares listed on the Prime Market of the TSE. As of today, the Tender Offeror et al. do not hold any Company Shares.

At a meeting of its board of directors held today, ITOCHU resolved to enter into a capital and business alliance agreement with the Company (that agreement, the “Capital and Business Alliance Agreement”; the capital and business alliance between ITOCHU and the Company pursuant thereto, the “Capital and Business Alliance”—for an outline of the Capital and Business Alliance Agreement, please refer to “(II) Capital and Business Alliance Agreement” in “(3) Material Agreements Related to Tender Offer” below). Based on the Capital and Business Alliance Agreement, ITOCHU also resolved to subscribe to a capital increase by third-party allotment through the issuance of 5,500,000 new shares of the Company (Ownership Ratio (Note 1): 9.98%; Ownership Ratio After Capital Increase (Note 2): 9.07%; the “Number of Allotted Shares”) to be conducted by the Company with ITOCHU as the intended allottee (the “Third-Party Allotment”; together with the Tender Offer, the “Transaction”), to acquire the Company Shares by implementing the Tender Offer through the Tender Offeror, and to enter into the Capital and Business Alliance with the Company.

(Note 1) “Ownership Ratio” means the ratio (rounded to the two decimal place; the same shall apply hereinafter in calculations of the Ownership Ratio) of the relevant Company Shares held by the applicable person to the number of shares obtained by deducting (i) the number of treasury shares owned by the Company as of December 31, 2025 (94,295 shares) (provided that the Company Shares (128,300 shares) owned by Mizuho Trust & Banking Co., Ltd. as trust assets under the incentive plan for granting the Company Shares to employees (namely, the Employee Stock Ownership Plan (J-ESOP)) are not included in the treasury shares owned by the Company because, unlike treasury shares owned by the Company, the voting rights attached to such shares are exercised based on instructions from the trust administrator; the same shall apply hereinafter in descriptions concerning treasury shares) from (ii) the total number of issued shares of the Company as of December 31, 2025 (48,755,500 shares), as stated in the “Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2026 (Under Japanese GAAP)” published by the Company on February 5, 2026 (the “the Company’s Third Quarter Financial Results”) (resulting in 48,661,205 shares), and then adding (iii) the number of shares underlying the share acquisition rights remaining as of today as reported by the Company (excluding share acquisition rights attached to the 1st series of unsecured convertible bonds with share acquisition rights; the “Share Acquisition Rights” (Note 3)) (34,580 shares) and (iv) the number of shares underlying the share

acquisition rights attached to the 1st series of unsecured bonds with share acquisition rights remaining as of today (the “Bonds With Share Acquisition Rights”) (total face value: 9,999,920,000 yen) (49 units) (6,434,900 shares), which results in 55,130,685 shares (the “Base Number of Shares Before Capital Increase”). In calculating the number of the Company Shares underlying the share acquisition rights attached to the Bonds With Share Acquisition Rights, the number is calculated by dividing the total face value of the Bonds With Share Acquisition Rights as of today (9,999,920,000 yen) by the conversion price (1,554 yen), resulting in 6,434,900 shares (with fractions of less than one unit being rounded down). The same shall apply hereinafter in calculating the number of the Company Shares underlying the share acquisition rights attached to the Bonds With Share Acquisition Rights with a total face value of 9,999,920,000 yen.

(Note 2) “Ownership Ratio After Capital Increase” means the ratio (rounded to the two decimal place; the same shall apply hereinafter in calculations of the Ownership Ratio After Capital Increase) calculated based on the total number of shares obtained by adding the Number of Allotted Shares (5,500,000 shares) to the Base Number of Shares Before Capital Increase, being 60,630,685 shares (the “Base Number of Shares After Capital Increase”).

(Note 3) A breakdown of the Share Acquisition Rights reported by the Company as remaining outstanding as of today, totaling 3,458 units, is as follows:

Date of Issuance Resolution	Name of Share Acquisition Rights	Number of Share Acquisition Rights as of Today (units)	Number of Company Shares Underlying the Share Acquisition Rights (shares)	Exercise Period
June 22, 2018	1st Series of Share Acquisition Rights	393	3,930	From August 1, 2018 to July 31, 2048
June 21, 2019	2nd Series of Share Acquisition Rights	555	5,550	From August 1, 2019 to July 31, 2049
June 30, 2020	3rd Series of Share Acquisition Rights	834	8,340	From August 1, 2020 to July 31, 2050
June 22, 2021	4th Series of Share Acquisition Rights	1,676	16,760	From July 31, 2021 to July 30, 2051

In connection with the Tender Offer, the Tender Offeror entered into a tender offer agreement (the “Tender Offer Agreement”) dated February 25, 2026 with AAGS S5, L.P. (the “Shareholder Agreeing to Tender Shares”), pursuant to which the Shareholder Agreeing to Tender Shares agreed to tender, in the Tender Offer, 3,151,200 Company Shares (Ownership Ratio: 5.72%; Ownership Ratio After Capital Increase: 5.20%) to be acquired by the Shareholder Agreeing to Tender Shares through the exercise of all

or part (conversion price as of today: 1,554 yen) of share acquisition rights attached to the Bonds With Share Acquisition Rights owned by the Shareholder Agreeing to Tender Shares (the “Shares Agreed to Be Tendered”). For details of the Tender Offer Agreement, please refer to “(I) Tender Offer Agreement” in “(4) Matters Relating to Material Agreements regarding the Tender Offer” below. Even after the Shareholder Agreeing to Tender Shares tenders the Shares Agreed to Be Tendered in the Tender Offer, such shareholder will continue to hold any share acquisition rights attached to the Bonds With Share Acquisition Rights that have not been exercised. Accordingly, the Company thinks that no changes will arise in the business alliance between the Company and Advantage Partners Inc., which is the service provider of the Shareholder Agreeing to Tender Shares (for details of such business alliance, please refer to “Notice of Business Alliance” published by the Company on September 20, 2023). The Tender Offeror et al. have the same understanding.

As ITOCHU expects to invest certain management resources, including the secondment of personnel and the mutual utilization of information networks, in the specific measures to be implemented pursuant to the Capital and Business Alliance Agreement, ITOCHU intends to establish a closer capital relationship with the Company. On the other hand, while seeking to strengthen its capital relationship with the Company, ITOCHU considers that the independence of the Company as a listed company and the autonomy of its business operations should be maintained and therefore believes that it is desirable to keep ITOCHU’s voting rights ratio within a certain range. Further, the Company, while intending to continue practicing the management philosophy it has cultivated since its establishment and wishing to have its managerial autonomy since its founding respected, intends, in order to maintain its independence as a listed company, to keep its tradable share ratio at a level that enables it to stably secure a tradable share ratio of 35%, which is required as a maintenance criterion for listing on the Prime Market of the TSE, and as high as possible, and also intends to limit the degree of dilution resulting from the capital increase through third-party allotment to a level that would not constitute a capital increase by third-party allotment involving dilution of 25% or more, which would require obtaining an opinion from an independent third party or confirming shareholders’ intent pursuant to Article 432 of the Securities Listing Regulations of the TSE, and, taking into account the impact of dilution on existing shareholders, to restrict issuances of new shares to the minimum extent necessary to meet its funding needs. Based on such circumstances, ITOCHU and the Company held discussions, and as a result, ITOCHU has concluded that, by subscribing for 5,500,000 Company Shares (Ownership Ratio: 9.98%; Ownership Ratio After Capital Increase: 9.07%) issued by the Third-Party Allotment and, by implementing the Tender Offer through the Tender Offeror, acquiring up to 12,156,900 Company Shares in total together with the Company Shares to be acquired through the subscription for the shares issued by the Third-Party Allotment (Ownership Ratio: 22.05%; Ownership Ratio After Capital Increase: 20.05%), which is a level at which ITOCHU can stably treat the Company as an equity-method affiliate, ITOCHU would be able to address the funding needs of the Company and establish a closer capital relationship with the Company while the Company would also be able to stably secure a tradable share ratio of at least 35% even after taking into account potential future changes in its shareholder composition; therefore, ITOCHU agreed with the Company to subscribe for 5,500,000 Company Shares issued by the Third-Party

Allotment and further determined to acquire, by implementing the Tender Offer through the Tender Offeror, up to 6,656,900 Company Shares (Ownership Ratio: 12.07%; Ownership Ratio After Capital Increase: 10.98%). The number of the Company Shares to be newly issued by the Third-Party Allotment is 5,500,000 shares (corresponding to 55,000 voting rights), representing 11.3% of the total number of issued shares of the Company (48,755,500 shares) as of December 31, 2025, and 11.3% of the total number of voting rights of the Company (486,319 voting rights) as of September 30, 2025. As a result, a certain degree of dilution will occur with respect to the Company Shares, which may give rise to a risk of a decline in the share price. However, the issuance of new shares by the Third-Party Allotment will be carried out at a scale determined by taking into consideration the Company's specific funding needs for the acquisition of real estate or construction costs related to new hotel development and the urban office revitalization business of the Company, to the extent necessary to enhance the Company's corporate value through the Capital and Business Alliance, and therefore such dilution is limited to the minimum extent necessary in light of the purpose of the Capital and Business Alliance. In addition, in connection with the Transactions, compared to cases in which ITOCHU would acquire, through a third-party allotment, all of the Company Shares at a level at which ITOCHU can stably treat the Company as an equity-method affiliate, the degree of the risk of a decline in the share price resulting from dilution is considered to be smaller. The purpose of the Third-Party Allotment is for ITOCHU to acquire the Company Shares in order to address the funding needs of the Company and establish a closer capital relationship with the Company in implementing the Capital and Business Alliance. Accordingly, the Third-Party Allotment is not subject to the successful completion of the Tender Offer and is scheduled to be carried out regardless of the success or failure of the Tender Offer.

In addition, while the purchase price per Company Share in the Tender Offer (the "Tender Offer Price") is 2,800 yen, the payment amount per Company Share in the Third-Party Allotment (the "Third-Party Allotment Payment Amount") is 2,438 yen, which is the simple average closing price of the Company Shares on the Prime Market of the TSE during the three-month period up to and including the business day immediately preceding the announcement. As a result, there is a difference between the Tender Offer Price and the Third-Party Allotment Payment Amount. This is because, although the Third-Party Allotment and the Tender Offer constitute a series of integrated transactions aimed at addressing the funding needs of the Company and establishing a closer capital relationship with the Company, the Tender Offer is a transaction with the Company's shareholders, in which the Tender Offeror acquires the Company Shares by paying cash to such shareholders, whereas the Third-Party Allotment is a transaction with the Company, in which ITOCHU acquires the Company Shares by paying cash to the Company, and therefore the nature of the transactions differs, resulting in different considerations to be applied. Specifically, with respect to the Tender Offer, there exists a possibility that a number of the Company Shares may not be tendered at a level at which ITOCHU can stably treat the Company as an equity-method affiliate. Accordingly, it is important to enhance the likelihood of the Company's shareholders tendering their shares, and ITOCHU considers it necessary to offer a sufficient premium over the market price, taking into account trends in the market price of the Company Shares. In addition, while shareholders who do not tender

their shares in the Tender Offer may enjoy benefits from enhancement of the Company's corporate value through the realization of synergies arising from the establishment of a closer capital relationship between the Tender Offeror and the Company after the Tender Offer, shareholders who tender their shares in the Tender Offer will not be able to enjoy such benefits after selling their shares. Accordingly, ITOCHU considers that it is necessary, by having the Tender Offer Price include a premium, to distribute a portion of such synergies from the Tender Offeror to the Company's shareholders who sell their Company Shares in the Tender Offer. For these reasons, taking into account factors such as the outlook for tenders, the distribution of synergies, and the results of discussions with the Shareholder Agreeing to Tender Shares, the Tender Offeror determined the Tender Offer Price to be 2,800 yen, as described above (representing a premium of 8.95% (rounded to the two decimal places; the same shall apply in calculating premium rates hereinafter) over the closing price of 2,570 yen of the Company Shares on the Prime Market of the TSE on the business day immediately preceding the announcement of the Tender Offer).

Further, as the implementation of the Capital and Business Alliance required addressing the Company's business-related funding needs, the Third-Party Allotment was regarded as a given premise in ITOCHU's acquisition of the Company Shares. As a result, ITOCHU has not given particular consideration to acquiring, solely through a tender offer, the number of the Company Shares it seeks to acquire in the Transaction. As described above, because the Tender Offer, together with the Company Shares to be acquired by ITOCHU through the subscription for such shares issued by the Third-Party Allotment, is intended to enable ITOCHU to address the funding needs of the Company and establish a closer capital relationship with the Company within a range that allows the Company to maintain its independence as a listed company and the autonomy of its business operations, and because ITOCHU intends to maintain the listing of the Company Shares even after the successful completion of the Tender Offer, the maximum number of shares to be purchased in the Tender Offer has been set at 6,656,900 shares (Ownership Ratio: 12.07%; Ownership Ratio After Capital Increase: 10.98%). Accordingly, if the total number of shares tendered in the Tender Offer (the "Tendered Shares") exceeds the maximum number of shares to be purchased (6,656,900 shares), all or part of the excess will not be purchased, and delivery of the shares and other settlement procedures relating to the purchase of shares will be conducted in accordance with the pro rata allocation method prescribed in Article 27-13, paragraph (5) of the Act and Article 32 of the Cabinet Office Order Regarding Disclosure Required for Tender Offers for Share Certificates, etc. by Persons Other Than Issuers (Cabinet Office Ordinance No. 38 of 1990, as amended; the "Cabinet Office Order"). On the other hand, in order to provide shareholders of the Company who wish to sell their shares through the Tender Offer with an appropriate opportunity to do so, and because, as described in "(ii) Background, objectives, and decision-making process leading to the Tender Offeror's decision to conduct the Tender Offer" below, ITOCHU considers that strengthening its capital relationship with the Company by acquiring as many Company Shares as possible by implementing the Tender Offer through the Tender Offeror would serve the purpose of the Capital and Business Alliance, even if, together with the Company Shares to be acquired by ITOCHU through the subscription for such shares issued by the Third-Party Allotment, the Ownership Ratio After Capital Increase of the Company Shares held by the Tender

Offeror et al. does not reach 20.0%, no minimum number of shares to be purchased has been set for the Tender Offer, and if the total number of Tendered Shares is equal to or less than the maximum number of shares to be purchased (6,656,900 shares), all of the Tendered Shares will be purchased.

(ii) Background, objectives, and decision-making process leading to the Tender Offeror's decision to conduct the Tender Offer

ITOCHU, which is the parent company of the Tender Offeror, has listed its common shares on the former Osaka Securities Exchange and on the TSE since July 1950. ITOCHU forms the ITOCHU Group, which consists of ITOCHU and its 186 subsidiaries and 78 affiliates (as of September 30, 2025; the same shall apply hereinafter), and through its domestic and overseas business networks, "Textile Company," "Machinery Company," "Metals & Minerals Company," "Energy & Chemicals Company," "Food Company," "General Products & Realty Company," "ICT & Financial Business Company," and "The 8th Company" (Note 1) (Note 2), whose business areas have been extended from "upstream" business areas, such as those relating to raw materials, to "downstream" consumer business areas, ITOCHU has been running diversified businesses, in order to offer a variety of products and services that support people's daily lives.

Among these, the General Products & Realty Company consists of two divisions: the Forest Products, General Merchandise & Logistics Division and the Construction & Real Estate Division. The Forest Products, General Merchandise & Logistics Division deals with North American building materials, pulp, mobility, goods, and materials, and operates a distribution business including third-party logistics (3PL) (Note 3) and international transportation. The Construction & Real Estate Division deals with the construction materials business that handles wood products and OEM materials, the real estate development business that develops mainly residential housing and logistics facilities, and the real estate investment and building operation and management business. ITOCHU believes that each division utilizes its collective strength and global network to provide society with new value and contribute to the realization of fulfilling housing experiences and the enhancement of ITOCHU's corporate value.

The Tender Offeror, the trade name of which is SI Corporation, is a *kabushiki kaisha* wholly owned by ITOCHU and was established on January 29, 2026 primarily for the purpose of acquiring and holding the Company Shares through the Tender Offer. ITOCHU has appointed the Tender Offeror as the entity implementing the Tender Offer from the perspective of ensuring flexibility in future capital policies following the Transaction. However, as described in "(4) Planned additional acquisition of share certificates, etc. after the Tender Offer" below, whether additional Company Shares will be acquired after the Transaction has not been determined at this time. Although the Tender Offeror et al. may reconsider the acquisition of additional Company Shares following the Transaction, no consideration has been given at this time to the timing or terms thereof.

(Note 1) A "Company" in the applicable sentence refers to a business division within ITOCHU that is deemed to be one highly independent unit. Delegation of management resources and discretion to each Company allows it to manage responsibly, rapidly and flexibly, and develop businesses meeting the needs in each field.

- (Note 2) The 8th Company collaborates with the other seven business companies to fully leverage various business platforms, particularly in the consumer sector which is an area of strength of ITOCHU. Through this, ITOCHU accelerates initiatives that combine different industries and extend across the boundaries of business companies and create new businesses and develop new customers from a market-oriented perspective to meet market and consumer needs.
- (Note 3) 3PL (Third Party Logistics) refers to a form of business in which a third-party company undertakes a customer's overall logistics operations and proposes measures to improve logistics efficiency. In its domestic logistics services, ITOCHU provides a wide range of services across various fields, including inventory storage for a broad array of products; the provision of logistics functions such as customs clearance, inspection, and distribution processing; and the resolution of fundamental logistics issues through the review and optimization of logistics bases.

On the other hand, the Company was founded in April 1999 as Sun Frontier Co., Ltd. for the business purpose of brokering the sale, leasing and management of commercial real estate. In November 2000, the Company changed its trade name to the current Sun Frontier Fudousan Co., Ltd. The Company was subsequently listed on the JASDAQ Securities Exchange in December 2004, listed on the First Section of the Tokyo Stock Exchange in February 2007, and transitioned to the Prime Market of the Tokyo Stock Exchange in April 2022 following the restructuring of the Exchange's market segments, where the Company remains listed as of today.

Since its founding in 1999, the Company has upheld "Altruism" (i.e., a mindset that is the spirit in which all employees collaborate with compassion, approach their work with integrity, and contribute to society under the values of "we believe in helping others, as many as we can, throughout our lives") as its corporate motto, and the Company has conducted its business operations with the objective of achieving the realization of its management philosophy to "to look after every employee and pursue the happiness of both mind and matter. At the same time, to cocreate a rich and sustainable society by contributing to the evolution and the development of the human society." As of today, the business of the Company's group (meaning the corporate group that is comprised of the Company and 39 subsidiaries; the same shall apply hereinafter) is comprised of the following four segments: the "Real Estate Revitalization Business" and the "Real Estate Service Business," which aim to conduct urban development through the revitalization and efficient use of existing real estate, the "Hotel and Tourism Business," which is tied to the promotion of regional development, and the "Other" segment, which includes the overseas development and management business, construction business, and the like.

The Company believes the Company's original "Real Estate Revitalization Business" has high social significance from both an environmental and economic perspective. The Company believes such business is significant from an environmental standpoint because by utilizing and renovating existing buildings rather than demolishing them, the Company helps reduce construction waste and promotes the effective use of resources. From an economic standpoint, the Company positions the business as having social significance as well because it revitalizes properties that are not being fully utilized due to aging or declining occupancy rates and enhance their

economic value, thereby creating added value through the effective use of real estate. Through these types of real estate revitalization operations, the Company believes that the “Real Estate Revitalization Business” operates as a business model which is differentiated compared to its competitors.

Meanwhile, the Company’s “Real Estate Service Business,” which serves as a platform, greatly enhances its customer base in the mid- to long-term by continuously providing services such as property management as well as rental and sales brokerage services to real estate owners and tenants. The Company believes that, through these services, the “Real Estate Service Business” fulfills a foundational role as a platform where information and transaction opportunities related to real estate continuously accumulate.

The “Real Estate Service Business” has strong synergy with the Company’s “Real Estate Revitalization Business” because the Company is able to utilize the property information and the tenant needs it obtains from its “Real Estate Revitalization Business” customer base and, at the same time, the properties acquired and revitalized through the “Real Estate Revitalization Business” can be managed and leased through the “Real Estate Services Business.”

The Company believes that, by promoting these two businesses, the “Real Estate Revitalization Business” and the “Real Estate Service Business,” in an integrated manner, it has, from a relatively early stage, developed a business model in Japan’s existing real estate revitalization market that combines acquisition, renovation, and operation in a single, unified process. In addition, in light of the fact that the Company was a pioneer of “setup offices,” in which interiors and facilities are prepared prior to tenant occupancy, and that it has obtained trademark registration for the term “Replanning,” meaning revitalization, the Company believes that it has established a pioneering position in the revitalization of existing real estate. Through such business development, the Company believes that it has been able to not only expand its existing businesses, but also to carry out meticulous and bold investments in new ancillary businesses.

Further, the Company has positioned the “Hotel and Tourism Business,” which engages in the Company’s hotel development and management businesses, as a business that aims to contribute to the revitalization of regional economies by promoting the maintenance and creation of local employment and enhancing the value of tourism resources, through the development and operation of hotels that leverage regional assets. Furthermore, the Company is conducting its business through a profit model in which it develops hotels throughout all regions of Japan, and after obtaining development profits by selling the hotel’s real estate after operating the hotel for a certain period, the Company continues to operate the hotel through a leaseback scheme, thereby generating operating income. In addition, the Company has increasingly been acquiring existing hotels through M&A transactions and concentrating on hotel management outsourcing and leasing, and in this way has been striving to expand its hotel operations network by exhausting various means.

Under these circumstances, the Company’s group, which in 2013 had set a target of “increasing net sales tenfold over the next 10 years” (net sales were approximately 10.6 billion yen in the fiscal year ended March 2013, with ordinary income of approximately 2 billion yen), recently achieved net sales of approximately 103.1 billion yen and ordinary income of 20.4 billion yen, both of which were goals set out in the Medium-

Term Management Plan which concluded in the fiscal year ending March 31, 2025, and the Company's group has been further seeking opportunities to accelerate its major leaps forward. In addition, the Company's group has also been continuously considering strategic alliances as one valid option to enhance its corporate value by resolving corporate issues by practicing its management philosophy while maintaining its corporate culture and identity.

In light of these circumstances, ITOCHU has long promoted capital and business alliances with companies with which synergy effects can be expected. In particular, within the construction and real estate industries, ITOCHU has pursued initiatives based on the following basic policies: (i) to build construction partnerships (Note 4), (ii) to bring technologies to realize a more safe, secure, and decarbonized society, (iii) to collaborate in real estate businesses under a capital efficiency and optimization strategy (Note 5), and (iv) to expand its customer base and enhance competitiveness. By constructing a value chain spanning from upstream activities (construction materials) to downstream activities (real estate), ITOCHU has strengthened alliances with leading companies in the construction and real estate fields and has worked to address social issues such as the SDGs and national resilience. More specifically, in December 2021, ITOCHU commenced a capital and business alliance with Nishimatsu Construction Co., Ltd., through which it has deepened cooperation in areas including real estate development projects, placement of construction orders, and procurement of materials and equipment. Furthermore, in May 2023, ITOCHU entered into a capital and business alliance with Oriental Shiraishi Corporation and has jointly promoted public-private partnership projects through bridge construction businesses and prestressed concrete technologies, with the aim of contributing to the development of social infrastructure.

(Note 4) Under construction partnerships, ITOCHU promotes labor savings, efficiency improvement, and DX in the construction industry through building construction partnerships with leading companies in the industry, which have the technologies and construction methods to resolve frontline issues, including investment in Nishimatsu Construction Co., Ltd. and Oriental Shiraishi Corporation.

(Note 5) The business model of real estate businesses under a capital efficiency and optimization strategy refers to the building and expansion of a value chain through real estate development and investment in and management of income-generating real estate.

Through these efforts to strengthen alliances, ITOCHU has become capable of providing an integrated set of functions across various asset classes, including residential properties, logistics facilities, and office buildings, encompassing material supply and construction, land acquisition and development, property management and leasing, and operation. On the other hand, ITOCHU has recognized challenges in further enhancing profitability within its existing business domains, due to rising domestic new construction development costs and the depletion of construction resources caused by labor shortages. As ITOCHU explored new opportunities for revenue growth as alternatives to its existing business domains, it turned its attention to the real estate renovation sector. In particular, in the office building market, which is the largest asset class in the domestic real estate market, the supply of newly

constructed office buildings in central urban areas and regional core cities is becoming increasingly limited, due to constraints on land acquisition and prolonged construction periods resulting from labor shortages. Meanwhile, there exists a substantial stock of aging office buildings. ITOCHU believes that renovating such office buildings, which would previously have been demolished as sites for new development, can serve as an effective means of maintaining supply while reducing environmental impact. ITOCHU considers the resolution of these social and market challenges to be the key to unlocking potential revenue growth, and accordingly has sought to strengthen alliances in the real estate renovation sector.

Under these circumstances, in mid-February 2025, ITOCHU became aware, through Daiwa Securities Co., Ltd. (“Daiwa Securities”), of the potential for a strategic partnership between ITOCHU and the Company, and confirmed, via Daiwa Securities, that both parties had an initial willingness the Company to engage in discussions the Company. From ITOCHU’s perspective, as it was aiming to expand its business in the renovation domain as a new pillar of growth, building on the business foundation it had established in domestic residential and logistics real estate development businesses, ITOCHU considered the Company, whose strength lies in the Real Estate Revitalization Business, to be a potential partner for expanding its business in the renovation domain. Accordingly, in mid-March 2025, ITOCHU held an initial meeting with the Company and received a proposal for subscribing for shares issued in a capital increase by third-party allotment to be implemented by the Company. Subsequently, as the Company confirmed with ITOCHU that the two companies were aligned in terms of business potential and strategic direction, it commenced concrete discussions and examinations with ITOCHU to explore the possibility of building a strategic partnership, including the Transaction, such as by holding multiple subcommittee meetings by business area with ITOCHU for the purpose of examining concrete possibilities for collaboration. In conducting such discussions and examinations with the Company, on June 4, 2025, ITOCHU appointed Nishimura & Asahi as its legal advisor independent from the Tender Offeror et al., the Company, and the Shareholder Agreeing to Tender Shares, and, on October 3, 2025, appointed KPMG FAS Co., Ltd. (“KPMG”) as a third-party valuation agency independent from the Tender Offeror et al., the Company, and the Shareholder Agreeing to Tender Shares, thereby establishing a framework for discussions and examinations regarding the formation of a partnership, including the Transaction.

In mid-March 2025, during the initial meeting with the Company, ITOCHU received a request from the Company for funding to support the expansion of its existing office building business, including engagement in large-scale projects, as well as the further development of the hotel chain operated by the Company. ITOCHU considered that, as the Company continued to pursue expansion of its business domains, its funding needs remained strong and that strengthening the Company’s financial soundness so as to ensure liquidity on hand and additional borrowing capacity sufficient to meet such funding needs on an ongoing basis would increase the likelihood that the Company’s business can be operated on a stable basis, which in turn would not only increase the likelihood of ITOCHU stably receiving dividend income from the Company, but also minimize the risk of collaboration between ITOCHU and the Company being disrupted

due to a deterioration in the Company's financial soundness, thereby enabling ITOCHU to expect that it will steadily enjoy the benefits of the alliance going forward, and thereby contribute to enhancement of ITOCHU's corporate value. Accordingly, after careful consideration, ITOCHU proceeded to examine a policy of subscribing for shares in a capital increase issued by third-party allotment to be implemented by the Company as a means of realizing the growth strategies pursued by both companies, addressing the Company's funding needs, and establishing a strong capital relationship with the Company.

Further, ITOCHU held discussions with the Company regarding the terms of the Third-Party Allotment, including the number of new shares to be issued, and in parallel, held multiple subcommittee meetings by business area with the Company for the purpose of examining concrete possibilities for collaboration. Thereafter, in early September 2025, ITOCHU was introduced by the Company to the Shareholder Agreeing to Tender Shares, a key stakeholder holding Bonds with Share Acquisition Rights, and had an opportunity to engage in initial discussions with the Shareholder Agreeing to Tender Shares regarding the potential for a business alliance between ITOCHU and the Company. Thereafter, in parallel with its discussions and examinations with the Company, ITOCHU continued to hold discussions with the Shareholder Agreeing to Tender Shares regarding the methods for implementing a business alliance between ITOCHU and the Company, the synergies that could arise from such business alliance, as well as the concrete methods of ITOCHU's capital participation in the Company, including the acquisition by ITOCHU of the Company Shares underlying the share acquisition rights attached to the Bonds With Share Acquisition Rights owned by the Shareholder Agreeing to Tender Shares and the subscription for shares issued in a capital increase by third-party allotment. Based on the discussions and examinations conducted respectively with the Company and the Shareholder Agreeing to Tender Shares, ITOCHU concluded that the likelihood of acquiring the Company Shares from the Shareholder Agreeing to Tender Shares was low and confirmed that the Company had strong funding needs, and therefore establishing a partnership with the Company by subscribing for shares issued in a capital increase by third-party allotment would contribute to enhancement of the corporate value of both ITOCHU and the Company. Accordingly, in order to begin formally considering with the Company the formation of such partnership, on October 1, 2025, ITOCHU submitted a written proposal (the "Letter of Intent") setting forth (i) ITOCHU's intent to subscribe for shares issued in a capital increase issued by third-party allotment to be implemented by the Company, (ii) ITOCHU's intention to acquire the Company Shares such that the ratio of voting rights held by ITOCHU would be 20.0%, assuming that all Share Acquisition Rights pertaining to the Bonds With Share Acquisition Rights relating to the voting rights of the Company held by ITOCHU were exercised in full, and (iii) a proposal on collaboration accompanying the formation of the partnership.

In response, according to the Company, the Company stated to ITOCHU that, with respect to a capital increase by third-party allotment to ITOCHU, careful consideration would be required regarding the necessity and appropriateness of the contemplated amount of the capital increase, taking into account the impact that a large-scale

third-party allotment could have on the Company's minority shareholders.

In addition, under these circumstances, in mid-October 2025, ITOCHU received an inquiry from the Shareholder Agreeing to Tender Shares indicating that, if it were deemed economically reasonable for it, it intended to transfer a portion of the shares underlying the Share Acquisition Rights attached to the Bonds with Share Acquisition Rights held by it. Subsequently, on October 20, 2025, based on the content of the Letter of Intent, ITOCHU received notice from the Company, as described in "(i) Overview of the Tender Offer" above, that the Company had requested that, among other matters," above, that, while intending to continue practicing the management philosophy it has cultivated since its establishment and wishing to have its managerial autonomy since its founding respected, the Company intends, in order to maintain its independence as a listed company, to keep its tradable share ratio at a level that enables it to stably secure a tradable share ratio of 35%, which is required as a maintenance criterion for listing on the Prime Market of the TSE, and as high as possible, to limit the degree of dilution resulting from the capital increase through third-party allotment to a level that would not constitute a capital increase by third-party allotment involving dilution of 25% or more, which would require obtaining an opinion from an independent third party or confirming shareholders' intent pursuant to Article 432 of the Securities Listing Regulations of the TSE, and, taking into account the impact of dilution on existing shareholders, the Company had requested that any issuances of new shares be limited to the minimum necessary in light of its funding needs. Accordingly, taking into consideration the intentions of the Shareholder Agreeing to Tender Shares and the requests of the Company, ITOCHU, in late October 2025, conveyed to the Shareholder Agreeing to Tender Shares its interest in acquiring the Company Shares, including the Shares Agreed to Be Tendered, in order to commence consideration of a transaction structure that would include such acquisition.

On December 16, 2025, ITOCHU proposed to the Company that ITOCHU build a closer capital relationship with the Company and, as a specific method therefor, comprehensively considering the request of the Company and the intention of the Shareholder Agreeing to Tender Shares to sell its shares as stated above, combine a tender offer and a third-party allotment in order to strengthen the Company's financial soundness and meet the Company's demand for funds, while taking into account dilution of the Company Shares and securing the opportunity to acquire the Company Shares from the Company's other shareholders in addition to the Shareholder Agreeing to Tender Shares, so that ITOCHU may acquire the Company Shares necessary to establish a closer capital relationship with the Company. On December 25, 2025, ITOCHU appointed Nomura Securities Co., Ltd. as a financial advisor independent from the Tender Offeror et al., the Company, and the Shareholder Agreeing to Tender Shares, in order to discuss and consider with the Company a transaction based on the aforementioned structure. ITOCHU carefully discussed and considered with the Company the details of the capital and business alliance, the scheme for combining a tender offer and a third-party allotment, and the number of shares to be subscribed through the third-party allotment.

After submission of the Letter of Intent on October 1, 2025, ITOCHU and the Company

commenced exchanges regarding due diligence on the Company, and thereafter, from early October 2025 to late November 2025, ITOCHU proceeded with discussions with the Company on the details of the business alliance to be specified in the capital and business alliance agreement, and conducted due diligence on the Company to examine the possibility of realizing the Transaction and the Capital and Business Alliance.

Furthermore, on December 26, 2025, ITOCHU informed the Shareholder Agreeing to Tender Shares that ITOCHU was considering, with the Company, building a closer capital relationship with the Company and, as a specific method therefor, combining a tender offer and a third-party allotment, requested that the Shareholder Agreeing to Tender Shares consider tendering its shares in the Tender Offer, and commenced discussions to enter into a tender offer agreement. Specifically, based on the aforementioned trends in the market price of the Company Shares, the results of the due diligence, and the outlook for tenders in the Tender Offer, on February 17, 2026, ITOCHU notified the Shareholder Agreeing to Tender Shares that it was considering setting the Tender Offer Price at or above 2,600 yen (which price includes a premium of 4.84% on 2,480 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on February 16, 2026, the business day immediately preceding the date of the proposal; 5.65% on the simple average closing price of 2,461 yen (rounded to the nearest whole number; the same applies hereinafter to the calculation of the simple average closing price) for the latest one-month period ending on the same day as a record date; 7.44% on the simple average closing price of 2,420 yen for the latest three-month period ending on the same day; and 9.66% on the simple average closing price of 2,371 yen for the latest six-month period ending on the same day) and that the Tender Offer Price will be determined on the business day immediately preceding the announcement of the Tender Offer based on the trends in the market price of the Company Shares.

Subsequently, on February 24, 2026, taking into account the trends in the market price of the Company Shares and the outlook for tenders by the Company's general shareholders in the Tender Offer, ITOCHU decided to conduct the Tender Offer at a price of 2,800 yen, subject to the final decision to be made by a resolution of ITOCHU's board of directors at the meeting scheduled to be held on February 25, 2026, and informed the Shareholder Agreeing to Tender Shares to that effect.

In response, on the same date, the Shareholder Agreeing to Tender Shares informed ITOCHU that it accepted the proposed price and that if the Tender Offer is conducted with the proposed price, it would tender 3,151,200 shares in the Tender Offer from among the shares to be offered for the share acquisition rights attached to the Bonds With Share Acquisition Rights owned by it. Thereafter, at a meeting of its board of directors held on February 25, 2026, ITOCHU decided to set the Tender Offer Price at 2,800 yen, and on the same date, the Tender Offeror and the Shareholder Agreeing to Tender Shares entered into the Tender Offer Agreement. According to the Shareholder Agreeing to Tender Shares, it has not yet determined as of today how it would handle the situation where the total number of Tendered Shares exceeds the maximum number of shares to be purchased in the Tender Offer, and as a result of settlement on a pro rata basis, there are shares remaining in its hands. In addition, on February 24, 2026, ITOCHU notified the Shareholder Agreeing to Tender Shares that the Tender Offer Price will be set at 2,800 yen (which price includes

a premium of 9.67% on 2,553 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on February 20, 2026, the business day immediately preceding the date of the notification; 13.31% on the simple average closing price of 2,471 yen for the latest one-month period ending on the same day as a record date; 14.94% on the simple average closing price of 2,436 yen for the latest three-month period ending on the same day; and 17.70% on the simple average closing price of 2,379 yen for the latest six-month period ending on the same day), and on the same date, ITOCHU orally notified the Company that the Tender Offer Price would be set at 2,800 yen subject to the final decision to be made by a resolution of ITOCHU's board of directors at the meeting scheduled to be held on February 25, 2026, because ITOCHU reached an agreement on the Tender Offer Price with the Shareholder Agreeing to Tender Shares, and therefore, some of the shares to be offered for the share acquisition rights attached to the Bonds With Share Acquisition Rights owned by the Shareholder Agreeing to Tender Shares are expected to be tendered in the Tender Offer, and the price includes the following premiums: 9.67% on 2,553 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on February 20, 2026, the business day immediately preceding February 24, 2026; 13.31% on the simple average closing price of 2,471 yen for the latest one-month period ending on the same day as a record date; 14.94% on the simple average closing price of 2,379 yen for the latest three-month period ending on the same day; and 17.70% on the simple average closing price of 2,379 yen for the latest six-month period ending on the same day, and therefore, ITOCHU determined that the price is at a level based on which tenders by minority shareholders of the Company in the Tender Offer are expected to a certain extent.

In response, on the same date, ITOCHU was informed by the Company that it accepted the Tender Offer Price, and they reached an agreement, subject to the final decision to be made by a resolution of the Company's board of directors scheduled at the meeting to be held on February 25, 2026. Thereafter, as described above, at a meeting of its board of directors held on February 25, 2026, ITOCHU informed the Company that it had decided to set the Tender Offer Price at 2,800 yen, and received a response from the Company reaffirming its acceptance thereof.

With respect to the Third-Party Allotment Payment Amount, on February 17, 2026, ITOCHU and the Company, after discussions taking into account trends in the market price of the Company Shares, determined that adopting an average share price over a certain period, rather than using the share price at a single point in time as a reference, would eliminate the impact of special factors such as temporary fluctuations in the share price and would provide a more objective basis for valuation, and agreed to set the Third-Party Allotment Payment Amount at the Company the simple average closing price of the Company Shares on the Prime Market of the TSE for the three-month period up to and including the business day immediately preceding the announcement, subject to the final decision to be made by a resolution of ITOCHU's board of directors scheduled at the meeting to be held on today.

In addition, while the Tender Offer Price is 2,800 yen, the Third-Party Allotment Payment Amount is 2,438 yen, which is the simple average closing price of the Company Shares on the Prime Market of the TSE during the three-month period up to

and including the business day immediately preceding the announcement. As a result, there is a difference between the Tender Offer Price and the Third-Party Allotment Payment Amount. This is because, although the Third-Party Allotment and the Tender Offer constitute a series of integrated transactions aimed at addressing the funding needs of the Company and establishing a closer capital relationship with the Company, the Tender Offer is a transaction with the Company's shareholders, in which the Tender Offeror acquires the Company Shares by paying cash to such shareholders, whereas the Third-Party Allotment is a transaction with the Company, in which ITOCHU acquires the Company Shares by paying cash to the Company, and therefore the nature of the transactions differs, resulting in different considerations to be applied. Specifically, with respect to the Tender Offer, there exists a possibility that a number of the Company Shares may not be tendered at a level at which ITOCHU can stably treat the Company as an equity-method affiliate. Accordingly, it is important to enhance the likelihood of the Company's shareholders tendering their shares, and ITOCHU considers it necessary to offer a sufficient premium over the market price, taking into account trends in the market price of the Company Shares. In addition, while shareholders who do not tender their shares in the Tender Offer may enjoy benefits from enhancement of the Company's corporate value through the realization of synergies arising from the establishment of a closer capital relationship between the Tender Offeror and the Company after the Tender Offer, shareholders who tender their shares in the Tender Offer will not be able to enjoy such benefits after selling their shares. Accordingly, ITOCHU also considers that it is necessary, by having the Tender Offer Price include a premium, to distribute a portion of such synergies from the Tender Offeror to the Company's shareholders who sell their Company Shares in the Tender Offer. For these reasons, taking into account factors such as the outlook for tenders, the distribution of synergies, and the results of discussions with the Shareholder Agreeing to Tender Shares, the Tender Offeror determined the Tender Offer Price to be 2,800 yen, as described above (representing a premium of 8.95% over the closing price of 2,570 yen of the Company Shares on the Prime Market of the TSE on the business day immediately preceding the announcement of the Tender Offer)

Furthermore, in parallel with these discussions, from early October 2025, ITOCHU and the Company held multiple discussions on the synergies expected from the Capital and Business Alliance and the specific details of the Capital and Business Alliance. ITOCHU and the Company have also examined potential dis-synergies arising from the Capital and Business Alliance; however, at this time, no dis-synergies are anticipated. Since the Capital and Business Alliance was implemented, ITOCHU and the Company have come to a common understanding that implementing the following measures while complementing both companies' respective areas of expertise will be effective in further enhancing the corporate value and interests of shareholders of ITOCHU and the Company:

As a result of the aforementioned discussions and consideration, ITOCHU concluded that ITOCHU addressing the Company's funding needs and building a closer capital relationship with the Company, and as a specific method therefor, combining a tender offer and a third-party allotment, would be useful as a means to enhance the corporate value of both companies. Therefore, on today, ITOCHU and the Company entered into

the Capital and Business Alliance Agreement and decided to implement the Transaction and the Capital and Business Alliance.

(iii) Decision-making process leading to the Company's decision to support the Tender Offer, and the reasons therefor

As stated in “(ii) Background, objectives, and decision-making process leading to the Tender Offeror's decision to conduct the Tender Offer” above, in February 2025, the Company was approached by ITOCHU, through Daiwa Securities, with the intent to hold discussions as the strategic partner. Accordingly, for carrying out the discussions and examinations with ITOCHU, in mid-February 2025 the Company respectively appointed Daiwa Securities as its financial advisor independent from the Tender Offeror et al, the Company, and the Shareholder Agreeing to Tender Shares and Mori Hamada & Matsumoto (“MH”) as its legal advisor. The Company also established a framework for discussing and examining the creation of a partnership that included the Transactions.

In light of the Company's future business development, particularly the anticipated expansion in project scale and business scope in the “Real Estate Revitalization Business” and the “Hotel and Tourism Business,” the Company expects that there will be continuous funding needs for land acquisitions, construction costs, and other related expenses. Accordingly, the Company has come to believe that, rather than merely receiving capital participation through the market, it is preferable to establish a stable capital relationship, by way of a capital increase by third-party allotment, with a strategic partner capable of supporting the Company's business growth from a medium- to long-term perspective. The Company believes that such an approach would enable it to steadily pursue business opportunities while addressing its financing needs. Furthermore, while giving due consideration to the impact a capital increase by third-party allotment would have on minority shareholders and taking into account the Company's specific business opportunities and funding requirements, the Company has determined that it is reasonable to employ this method within the necessary scope. As a result, the Company informed ITOCHU that it considers the Capital Increase by Third-Party Allotment to be a desirable means of establishing the partnership.

Subsequently, through the discussions referred to in “(ii) Background, objectives, and decision-making process leading to the Tender Offeror's decision to conduct the Tender Offer” above, on October 1, 2025, the Company received the Letter of Intent from ITOCHU. In response, the Company informed ITOCHU that with respect to the aforementioned Capital Increase by Third-Party Allotment, it believed that it would need to carefully consider the necessity and appropriateness of the projected amount of the capital increase in light of the effect such a large-scale increase could have on the Company's minority shareholders.

Thereafter, after carefully considering the content of the Letter of Intent, on October 20, 2025, the Company responded to ITOCHU that, based on the Letter of Intent, the Company would request ITOCHU to respect its management autonomy, which it had maintained since its founding, while continuing to implement the management philosophy that it had cultivated since its establishment. The Company also stated in its response that, in order to maintain its independence as a listed company,

it intended to maintain a 35% tradable share ratio (as required under the continued listing criteria of the Prime Market of the Tokyo Stock Exchange) at a level that it could stably ensure, and to maintain as high of a tradable share ratio as possible. Further, the Company stated in its response that it would like to limit the degree of any dilution resulting from any capital increase by third-party allotment to a level that would not constitute a third-party allotment involving a dilution of 25% or more, which would require the acquisition of an opinion from an independent third party or the implementation of procedures to confirm the intent of shareholders pursuant to Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, and, taking into account the impact of a dilution on existing shareholders, to restrict the issuance of new shares to the minimum necessary to meet its funding needs. In response, on December 16, 2025, ITOCHU proposed to the Company that ITOCHU build a closer capital relationship with the Company and, as a specific method therefor, comprehensively considering the request of the Company and the intention of the Shareholder Agreeing to transfer a portion of the shares underlying the Share Acquisition Rights attached to the Bonds with Share Acquisition Rights held by it, combine a tender offer and a third-party allotment in order to strengthen the Company's financial soundness and meet the Company's demand for funds, while taking into account dilution of the Company Shares and securing the opportunity to acquire the Company Shares from the Company's other shareholders in addition to the Shareholder Agreeing to Tender Shares, so that ITOCHU may acquire the Company Shares necessary to establish a closer capital relationship with the Company.

The Company carefully considered the abovementioned proposal. The Company believes that ITOCHU and its Group, one of the world's leading non-conglomerate (*zaibatsu*) general trading companies and a planned allottee of the Capital Increase by Third-Party Allotment, has a wealth of capable human talent, has built a stable revenue base characterized by its strengths in non-resource businesses, has a proven track record of launching new ventures, and boasts strong brand power and a diverse business portfolio. The Company believes that the combination of ITOCHU's wide networks and abundant information and capital resources with the Company's manufacturing (*monozukuri*) capabilities and heartwarming services, which are key differentiating features of the Company's group, are expected to greatly increase the Company's business opportunities and generate synergies between the two groups. Particularly in business operations, while the Company's group has built its strengths in one-stop services which specialize in revitalizing and utilizing small-to-medium-sized office buildings in Tokyo's five central wards (Chiyoda Ward, Chuo Ward, Minato Ward, Shibuya Ward, and Shinjuku Ward), the ITOCHU Group leverages its strengths in the development and management of residential properties in the greater Tokyo area and the Keihanshin region. The Company believes that the ITOCHU Group also has experience in developing and managing large-scale properties such as major office buildings, commercial facilities, and logistics facilities. On top of this, ITOCHU's "*Sampo-yoshi*" corporate mission (meaning "good for all three sides": good for the seller, good for the buyer, and good for society) emphasizes the provision of value not only to business partners and customers but also to society as a whole, and embodies a commitment to realizing benefits for all stakeholders. The emphasis it places on contributing to others is aligned with the spirit of "Altruism," which is the philosophy of the Company's group. Accordingly, the Company believes that both

companies share similarities and a sense of kinship in their corporate cultures. The Company believes that by leveraging the strengths of the ITOCHU Group, particularly its abundant financial resources, extensive domestic and international networks, stable procurement capabilities for materials and equipment, the advanced capabilities of its general contractors, and its extensive experience and overwhelming track record cultivated in commercial, distribution, and residential buildings, it can further expand its business, focusing primarily on the Company's "Real Estate Revitalization Business" which includes the renewal of downtown office buildings. Further, carrying out the business collaborations stated below would enable the Company and ITOCHU to enhance the competitiveness of both companies because there is almost no overlap in the existing business fields of both corporate groups; instead, the business fields have a complementary relationship. In addition, the Company believes that leveraging the abovementioned strengths of the ITOCHU Group would allow it to aim to further enhance the corporate value of the Company's group, with a focus on its "Real Estate Revitalization Business" and "Hotel and Tourism Business," and therefore the Company has decided to carry out the business alliance.

- Expanding investment opportunities by leveraging the Company's expertise and results in its replanning business (Note 6) and the group networks and capital resources of the ITOCHU Group (including jointly pursuing projects involving the acquisition, revitalization, and development of properties of sizes and in regions into which the Company has not previously been able to expand)
- Increasing opportunities for hotel openings by leveraging the Company's development and operational expertise in its hotel business and ITOCHU's development track record across diverse asset types, as well as its real estate value chain and allocating roles in order to efficiently exercise their respective functions
- Collaborating in order to efficiently and multilaterally identify real estate to be acquired by leveraging the information networks owned by the Parties
- Improving the efficiency of materials and equipment procurement in the Company's replanning and development businesses through the effective utilization of ITOCHU's supplier and wholesaler functions
- Achieving broader customer outreach and expanding opportunities to secure project orders through the mutual complementation of the real estate management and operational functions of the Parties
- Collaboration between the Parties in their overseas real estate businesses, as well as mutual introductions to each Party's existing business contacts
- Diversifying approaches to business development with local governments and expanding business scopes by combining the Company's hotel business, which seeks to secure the opportunities for hotel openings in real estate owned by local governments and other public entities focused on regional revitalization, with ITOCHU's public-private partnership businesses, which seek to develop public facilities through collaboration with local governments
- Implementing mutual secondments of personnel for the purpose of ensuring the steady implementation of the above measures

Note 6: The "replanning business" refers to the business in which the Company purchases an existing office building located in a city center, renovates such building so as to transform it into a high-quality office building embodying new concepts with the superior design that reflects customer-

oriented needs, enhances the market value of such building by improving its occupancy rates through the attraction of tenants rooted in the location of such building, and subsequently resells the building to building owners or investors.

The Company needs to continue new hotel development in order to continuously enhance its corporate value, and it is currently continuing with such hotel development. A portion of the funds raised through the Capital Increase by Third-Party Allotment will be appropriated for matters such as real estate acquisitions for new hotel development and hotel construction expenses, which could lead to further business expansion. In addition to the hotel development planned for the fiscal year ending March 2027 (in Matsuyama-shi, Ehime, Ozu-machi, Kumamoto, Utsunomiya-shi, Tochigi, Rokkasho-mura, Aomori, Toyokawa-shi, Aichi, Sakata-shi, Yamagata, Akita-shi, Akita, and Nago-shi, Okinawa), the Company plans to allocate approximately 6 billion yen for hotel development costs planned for areas including Higashi Ginza, Tokyo, Karuizawa-machi, Nagano, Hakone-machi, Kanagawa, Atami-shi, Shizuoka, Fujikawaguchiko-machi, Yamanashi, and Ishigaki-shi, Okinawa.

In addition, the Company has been emphasizing its revitalization business for offices located in central Tokyo and has been proceeding with its current projects, and the Company aims to further expand the scale of such office revitalization business through collaborations with ITOCHU under the business alliance. Funds will also be required for land acquisitions, construction expenses, and the like for these office projects. Accordingly, implementing the business alliance together with the Capital Increase by Third-Party Allotment and appropriating some of the approximately 6.8 billion yen in funds raised thereby to the funding needs of the aforementioned projects will allow the Company to further expand its Tokyo office revitalization business and also proceed more effectively with the business alliance with ITOCHU.

The Company believes that the abovementioned business collaborations constitute effective measures which will enable the maximization of the strengths of both groups and will be able to address the Company's funding needs, including those arising from the Capital and Business Alliance due to the Capital Increase by Third-Party Allotment. Therefore, the Company believes that the Capital and Business Alliance will contribute to the enhancement of the Company's mid- to long-term corporate value and increasing shareholder value.

As stated above, the Company determined that the Capital Increase by Third-Party Allotment addresses the Company's need for fundraising that will arise as a result of the Capital and Business Alliance and will contribute to the enhancement of the Company's mid- to long-term corporate value and the increase of shareholder value. At the same time, the Company also determined that ITOCHU's planning to build an even closer capital relationship with the Company by conducting the Tender Offer in addition to the Capital Increase by Third-Party Allotment will realize the purposes of said Capital and Business Alliance by enabling both companies to build a stronger collaborative relationship, which will in turn further contribute to enhancing the

Company's corporate value and shareholder value.

With respect to the Tender Offer Price, ITOCHU informed the Company on February 24, 2026 that it had made a proposal to the Shareholder Agreeing to Tender Shares to set the Tender Offer Price at 2,800 yen, and that on the same day, ITOCHU had agreed with the Shareholder Agreeing to Tender Shares on the Tender Offer Price. In addition, ITOCHU additionally verbally informed the Company that, of the shares underlying the Share Acquisition Rights attached to the Bonds With Share Acquisition Rights held by the Shareholder Agreeing to Tender Shares, some portion was expected to be tendered in the Tender Offer, and that it had assessed the level of potential participation by the Company's minority shareholders as reasonably foreseeable, and ITOCHU decided to set the Tender Offer Price at TBD yen subject to the final decision to be resolved by ITOCHU's board of directors meeting scheduled to be held today. In response, based on the advice it received from Daiwa Securities and MH and as a result of a detailed examination on the Tender Offer price communicated by ITOCHU from the perspective of whether the Tender Offer would contribute to the enhancement of the Company's corporate value and shareholder value, while also giving due consideration to the protection of the interests of minority shareholders, the Company determined that the protection of the interests of the minority shareholders had been sufficiently considered in the proposal because the Company believes the following: (i) the Tender Offer Price (2,800 yen) is set to be higher than the highest closing price of the Company Shares in the previous 18 years (2,571 yen; as of February 19, 2026) (the longest continuous period, counting back from February 24, 2026, the day before the public announcement of the Tender Offer, during which the Tender Offer Price consistently exceeded the market price of the Company shares.) and does not have an adverse economic effect on the shareholders who have acquired the Company Shares on the market, (ii) the Company can deem that the opportunity for the minority shareholders of the Company who wish to sell their Company Shares to sell such shares at an appropriate price has been ensured (while there is a possibility that the total number of share certificates, etc. tendered will exceed the upper limit of the number of shares to be purchased and the settlement will be conducted on a pro rata basis, even in such case, the minority shareholders of the Company who wish to sell their Company Shares will generally be able to sell a portion of the Company Shares they hold in the Tender Offer, and, with respect to the remaining Company Shares that such shareholders could not sell in the Tender Offer, given that the Tender Offeror intends to continue to maintain the listing of the Company Shares after the Transactions, if those shareholders still wish to sell their shares, they will have opportunities to do so on the Prime Market of the Tokyo Stock Exchange, and on the other hand, if those shareholders continue to hold such shares, they will have opportunities to enjoy the benefits resulting from an increase in the Company's corporate value through the implementation of measures by the Company and ITOCHU); and (iii) given that the Tender Offeror et al intend to continue to maintain the listing of the Company Shares after the Transactions, for minority shareholders of the Company who do not wish to sell their Company Shares, they will be able to choose to continue to hold their Company Shares even after the Transactions, and in the mid- to long-term, as a result of the implementation of measures by the Company and ITOCHU increasing the Company's corporate value, it can be expected that the benefits to be obtained will outweigh the disadvantages resulting from the dilution of the Company Shares caused

by the Capital Increase by Third-Party Allotment. Accordingly, the Company responded to the Tender Offeror on February 24, 2026 that it will accept the Tender Offer Price of 2,800 yen subject to the final decision to be made by a resolution at the Board of Directors meeting of the Company to be held today.

Thereafter, ITOCHU informed the Company that its board of directors held today had resolved to set the Tender Offer Price at 2,800 yen. In response, the Company responded that it would accept such proposal.

Although it is possible that, when also taking into account that the certain matters to be approved in advance have been stipulated in the Capital and Business Alliance Agreement, decision-making speed may be slower than if the Company were self-managed, the Company believes that the benefits of enhanced corporate value and increased shareholder value through advancing the above measures with ITOCHU through building a closer capital relationship therewith outweigh such disadvantage. For details on the matters that require prior approvals in the Capital and Business Alliance Agreement, please see “(e) Matters that Require Prior Approvals” in “(ii) Capital and Business Alliance Agreement” in “4. Matters Relating to Material Agreements Between the Tender Offeror and the Company’s Shareholders Concerning Tendering Shares for the Tender Offer” below.

As a result of these examinations, the Company determined that building an even closer capital relationship with ITOCHU through the Transactions and further promoting the above measures will contribute to the mid- to long-term enhancement of the Company’s corporate value and increase in shareholder value. In addition, taking into account that the Tender Offer Price has been set at a level reflecting sufficient consideration of the protection of the interests of the minority shareholders of the Company, the Company resolved at its Board of Directors meeting held today to state an opinion in favor of the Tender Offer.

In light of the fact that it is considered sufficiently reasonable for the shareholders of the Company to choose the option of owning the Company Shares even after the Tender Offer given that the maximum number of shares to be purchased has been set in the Tender Offer and the Company Shares are planned to remain listed even after the Tender Offer, the Company has also resolved to leave the decision regarding whether its shareholders should tender their shares in the Tender Offer to the discretion of each shareholder.

For the details of the Capital Increase by Third-Party Allotment, see the “Notice of Offering of Capital and Business Alignment, Issue of New Shares, and Change in a Major Shareholder” released by the Company today as well as the securities registration statement the Company submitted to the Kanto Local Finance Bureau today.

(iv) Management policy after the Tender Offer

After the Transactions, ITOCHU and the Company will aim to realize their further growth strategies by establishing a solid capital relationship and making a close alliance. For details, please see the release titled “Notice of Offering of Capital and Business Alignment, Issue of New Shares, and Change in a Major Shareholder” published by the Company today. In addition, ITOCHU and the Company hope that the Company’s current management and employees, as the core of business operations, will continue to devote themselves to the development of the Company’s business.

(3) Matters relating to calculation**(i) Measures taken by the Company**

With respect to the Tender Offer Price, as stated in “(iii) Decision-making process leading to the Company’s decision to support the Tender Offer, and the reasons therefor” in “(2) Grounds and reasons for opinions relating to the Tender Offer” above, because ITOCHU does not intend to delist the Company Shares through the Tender Offer and the Company Shares are planned to remain listed after the Tender Offer, the Company has resolved to take a neutral position and reserve its judgment regarding the appropriateness of the Tender Offer Price. Therefore, the Company has not independently obtained a share valuation report from a third-party valuation institution for the Tender Offer.

(ii) Receipt by ITOCHU of a share valuation report from an independent third-party valuation institution

Before deciding the Tender Offer Price, ITOCHU requested that KPMG, as a third-party valuation agency independent from the Tender Offeror et al., the Company, and the Shareholder Agreeing to Tender Shares, calculate the value of the Company Shares. KPMG is not a related party of the Tender Offeror et al., the Company, or the Shareholder Agreeing to Tender Shares, nor does it have any material interest in the Tender Offer. The remuneration for KPMG consists of only fixed fees and hourly-based fees to be paid regardless of the success or failure of the Transaction, without any contingency fees subject to successful completion of the Transaction.

For details of the share valuation report concerning the share value of the Company (the “Share Valuation Report”) obtained by ITOCHU from KPMG on February 24, 2026, please see “(iii) Obtainment by the Tender Offeror of a share valuation report from an Independent third-party valuation institution” in “(7) Measures to ensure the fairness of the Tender Offer and measures to avoid conflicts of interest” below.

(4) Planned additional acquisition of share certificates, etc. after the Tender Offer

The Company, at the board of directors’ meeting held on February 25, 2026, resolved to conduct the Third-Party Allotment (5,500,000 shares of common stock, payment amount per share of 2,438 yen, and total amount of 13,409,000,000 yen), for which the payment date is April 1, 2026, and in which the allottee is ITOCHU. In the Capital and Business Alliance Agreement, ITOCHU has agreed to subscribe for all of the 5,500,000 shares of common stock (Ownership Ratio: 9.98%; Ownership Ratio After Capital Increase: 9.07%) issued by the Company through the Third-Party Allotment, with April 1, 2026 as the payment date. Since the purpose of the Third-Party Allotment is for ITOCHU to acquire the Company Shares in order to build a closer capital relationship with the Company, while meeting the Company’s demand for funds, to implement the Capital and Business Alliance, the Third-Party Allotment is not conditional on the success or failure of the Tender Offer and will be implemented regardless of the success or failure of the Tender Offer..

In addition, while the Tender Offer Price is 2,800 yen, the Third-Party Allotment Payment Amount is 2,438 yen, which is the Company the simple average closing price of the Company Shares on the Prime Market of the TSE during the three-month period up to and including the business day immediately preceding the announcement. As a result, there is a difference

between the Tender Offer Price and the Third-Party Allotment Payment Amount. This is because, although the Third-Party Allotment and the Tender Offer constitute a series of integrated transactions aimed at establishing a closer capital relationship with the Company while meeting the Company's demand for funds, the Tender Offer is a transaction with the Company's shareholders, in which the Tender Offeror acquires the Company Shares by paying cash to such shareholders, whereas the Third-Party Allotment is a transaction with the Company, in which the Tender Offeror acquires the Company Shares by paying cash to the Company, and therefore the nature of the transactions differs, resulting in different considerations to be applied. Specifically, with respect to the Tender Offer, there exists a possibility that a sufficient number of the Company Shares may not be tendered at a level at which ITOCHU can stably treat the Company as an equity-method affiliate. Accordingly, it is important to enhance the likelihood of the Company's shareholders tendering their shares, and ITOCHU considers it necessary to offer a sufficient premium over the market price, taking into account trends in the market price of the Company Shares. In addition, while shareholders who do not tender their shares in the Tender Offer may enjoy benefits from enhancement of the Company's corporate value through the realization of synergies arising from the establishment of a closer capital relationship between the Tender Offeror and the Company after the Tender Offer, shareholders who tender their shares in the Tender Offer will not be able to enjoy those benefits after selling their shares. Accordingly, ITOCHU also considers that it is necessary, by having the Tender Offer Price include a premium, to distribute a portion of such synergies from the Tender Offeror to the Company's shareholders who sell their Company Shares in the Tender Offer. For these reasons, taking into account factors such as the outlook for tenders, the distribution of synergies, and the results of discussions with the Shareholder Agreeing to Tender Shares, the Tender Offeror determined the Tender Offer Price to be 2,800 yen, as described above (representing a premium of 8.95% over the closing price of 2,570 yen of the Company Shares on the Prime Market of the TSE on the same day).

In addition, since it was necessary to meet the Company's business demand for funds in implementing the Capital and Business Alliance, it is a given premise that ITOCHU will implement the Third-Party Allotment when acquiring the Company Shares. Therefore, ITOCHU did not specifically consider acquiring the Company Shares in a number that it seeks to acquire in the Transaction through a tender offer alone.

It is currently undecided whether additional Company Shares will be acquired after implementation of the Transaction, and there is a possibility that the Tender Offeror et al. may reconsider acquiring additional Company Shares after implementation of the Transaction; however, at present, the timing and conditions thereof have not been considered.

(5) Expectations for delisting and reasons therefor

As of today, the Company Shares are listed on the Prime Market of the Tokyo Stock Exchange. However, the Tender Offer does not intend to delist the Company Shares, and the Tender Offeror et al have set the maximum number of shares to be purchased to be 6,656,900 shares (ownership ratio: 12.07%, "Ownership ratio of shares before the purchase": 10.98%, and the maximum ownership ratio after capital increase of the total number of Company Shares to be held by the Tender Offeror after the Transactions even in the case where the Tender Offer is successfully completed and the payment for the Capital Increase by Third-Party Allotment has been completed: 20.05% as stated in "(4) Schedule for additional acquisition of share

certificates, etc. after the Tender Offer” above). Therefore, even after the successful completion of the Tender Offer, the Company Shares are planned to remain listed on the Prime Market of Tokyo Stock Exchange.

(6) Post-Tender Offer reorganization and other policies (matters relating to a ‘two-step acquisition’)

No so-called “two-step acquisition” is planned for the Tender Offer.

(7) Measures to ensure the fairness of the Tender Offer and measures to avoid conflicts of interest

As of today, the Tender Offeror et al do not own any Company Shares, and the Tender Offer does not constitute a tender offer by a controlling shareholder. In addition, neither all nor part of the management team of the Company are planned to make any direct or indirect contribution to the Tender Offeror, and the Tender Offer does not constitute a so-called management buyout (MBO). However, in expressing its opinion on the Tender Offer, the Company and the Tender Offeror have taken the following measures to ensure the fairness of the Tender Offer and to avoid conflicts of interest.

Of the following statements, the statements regarding the measures implemented by the Tender Offeror are based on the explanation provided by the Tender Offeror.

(i) Obtainment by the Company of advice from an independent legal advisor

In order to ensure the transparency and fairness of matters such as the decision-making process by the Board of Directors of the Company on the Transactions, the Company appointed Mori Hamada & Matsumoto as its external legal advisor independent of the Tender Offeror et al, the Company, and the Shareholder Agreeing to Tender Shares, and has been receiving advice from Mori Hamada & Matsumoto on the method and process of the decision-making and other matters to be noted in relation to the decision-making by the Board of Directors of the Company regarding the Transactions. The remuneration for Mori Hamada & Matsumoto consists solely of the remuneration paid on an hourly basis, which is payable regardless of whether the Transactions succeed, and no contingency fees, which are payable subject to the successful completion of the Transactions, will be paid.

(ii) Unanimous approval by all Company directors present not having a conflict of interest (including Audit & Supervisory Committee members)

Out of ten directors of the Company, nine directors other than one director, who was absent from the meeting due to personal reasons, attended the Board of Directors meeting held today, all of whom participated in deliberations regarding the Tender Offer and resolved, by the unanimous agreement of the participating directors (including the Audit & Supervisory Committee members), to state an opinion in favor of the Tender Offer and to leave that decision regarding whether the Company’s shareholders should tender their shares in the Tender Offer to the discretion of each shareholder based on the reasons stated in “(iii) Decision-making process leading to the Company’s decision to support the Tender Offer, and the reasons therefor” in “(2) Grounds and reasons for opinions relating to the Tender Offer” in “3. Substance of and Grounds and Reasons for Opinions Relating to the Tender Offer.”

In addition, out of three Audit & Supervisory Committee members, two members

excluding Mr. Shinichi Tominaga, who was absent from the meeting due to personal reasons, have stated their opinion that they have no objection to the resolution above.

(iii) Obtainment by the Tender Offeror of a share valuation report from an independent third-party valuation institution

In connection with the determination of the Tender Offer Price, ITOCHU requested that KPMG calculate the value of the Company Shares as a third-party valuation agency independent from the Tender Offeror et al., the Company, and the Shareholder Agreeing to Tender Shares. KPMG is not a related party of the Tender Offeror et al., the Company, or the Shareholder Agreeing to Tender Shares, nor does it have any material interest in the Tender Offer.

After considering the valuation methods that should be employed in calculating the value of the share price of the Company Shares from among multiple share valuation methods, KPMG performed such valuation using an average share price analysis because the Company Shares are listed on the Prime Market of the TSE and the market share price exists and the discounted cash flow analysis (the “DCF Analysis”) to reflect the status of future business activities in the valuation., and ITOCHU received the Stock Valuation Report from KPMG on February 24, 2026. ITOCHU has not obtained any opinion from KPMG concerning the fairness of the Tender Offer Price (known as a “fairness opinion”), because the Tender Offeror et al. and the Company took measures to ensure the fairness of the Tender Offer Price and avoid conflicts of interest.

The value ranges per share of the Company Shares calculated using the aforementioned valuation methods are as follows:

Average share price analysis: 2,382 yen to 2,570 yen

DCF Analysis: 2,486 yen to 3,033 yen

In performing the average share price analysis, KPMG used February 24, 2026, as the record date for valuation, which is the business day immediately preceding the date of the resolution by ITOCHU’s board of directors concerning the Tender Offer, and calculated the value range per share of the Company Shares as 2,382 yen to 2,570 yen, based on the closing price of the Company Shares of 2,570 yen on the Prime Market of the TSE on the record date for valuation, a simple average closing price of 2,472 yen for the latest one-month period ending on the record date for valuation (from January 25, 2026 to February 24, 2026); a simple average closing price of 2,439 yen for the latest three-month period ending on the record date for valuation (from November 25, 2025 to February 24, 2026); and a simple average closing price of 2,382 yen for the latest six-month period ending on the record date for valuation (from August 25, 2025 to February 24, 2026). In performing the DCF Analysis, based on the Company’s financial forecast for the fiscal year ending March 2026 to the fiscal year ending March 2031 that ITOCHU adjusted based on the results of the due diligence conducted on the Company, other publicly available information, and various other factors, KPMG calculated the value range per share of the Company Shares as 2,486 yen to 3,033 yen by dividing the value of the shares obtained by discounting the equity cash flow which the Company is expected to generate in the fiscal year ending March 2026 and thereafter to the present value at a certain discounted rate by the number of shares of the Company. In calculating the value per share of the Company Shares, the Base Number of Shares Before Capital Increase was used as the number of shares of the Company. In addition, the synergy effects expected to be realized through the Tender Offer are not reflected because it is difficult to specifically estimate them at present.

The financial forecast that KPMG used in performing the DCF Analysis does not include fiscal years for which significant increases or decreases in operating profit are expected. However, such forecast includes fiscal years for which significant increases or decreases in equity cash flows are

expected. Specifically, in the fiscal year ending March 2026, an increase in equity cash flow is expected due to an increase in borrowings for the purchase of real estate; in the fiscal year ending March 2027, a decrease in equity cash flow is expected due to an increase in the purchase of real estate; in the fiscal year ending March 2028, a decrease in equity cash flow is expected due to an increase in net repayment of borrowings; and in the fiscal year ending March 2029, an increase in equity cash flow is expected due to an increase in the sale of real estate and an increase in net borrowings related to the purchase of additional real estate.

In addition to the calculation results in the Stock Valuation Report obtained from KPMG on February 24, 2026, ITOCHU comprehensively considered the results of due diligence conducted by ITOCHU on the Company, whether the Company's board of directors approved the Tender Offer, trends in the market price of the Company Shares, prospects of tenders in the Tender Offer, and whether the Tender Offer provides a reasonable sale opportunity for shareholders of the Company, and based on the results of the discussions with the Shareholder Agreeing to Tender Shares the Company and other matters, ITOCHU, at the board of directors' meeting held on February 25, 2026, decided to set the Tender Offer Price at 2,800 yen per share.

The Tender Offer Price of 2,800 yen per share includes the following premiums: 8.95% on 2,570 yen, which was the closing price of the Company Shares on the Prime Market of the TSE on February 24, 2026, the business day immediately preceding the announcement date of the Tender Offer; 13.27 % on the simple average closing price of 2,472 yen for the latest one-month period; 14.80% on the simple average closing price of 2,439 yen for the latest three-month period; and 17.55% on the simple average closing price of 2,382 yen for the latest six-month period.

(Note 7) In calculating the value of the Company Shares, KPMG has, in principle, relied upon the materials and information provided by ITOCHU and the Company, as well as publicly available information, assuming that all such materials and information are accurate and complete and that there are no undisclosed facts that would have a material impact on the valuation of the Company Shares. KPMG has not independently verified the accuracy or completeness of such information. Furthermore, KPMG has not conducted any independent evaluation or appraisal of individual assets and liabilities (including any off-balance-sheet assets, liabilities and other contingent liabilities) of the Company, nor has it requested any third party to conduct an evaluation or assessment. In addition, regarding the information concerning the Company's financial forecasts, KPMG has assumed that such financial forecasts have been reasonably prepared based on the best forecasts and judgments currently available to the Tender Offeror et al.. The valuation of the Company Shares reflects information available and economic conditions existing as of February 24, 2026.

4. Matters Relating to Material Agreements regarding the Tender Offer

(i) Tender Offer Agreement

The Tender Offeror entered into the Tender Offer Agreement with the Shareholder Agreeing to Tender Shares on February 25, 2026, and it is agreed that the Shares Agreed to Be Tendered will be tendered in the Tender Offer by the day on which 20 business days have elapsed from the commencement date of the Tender Offer. Except for the Tender Offer Agreement, no agreement has been entered into with the Shareholder Agreeing to Tender Shares in connection with the Transaction or the Capital and Business Alliance, and except for payment of the Tender Offer Price, no benefits will be granted in the Tender Offer.

In the Tender Offer Agreement, the following conditions precedent to the obligation of the Shareholder Agreeing to Tender Shares to tender shares in the Tender Offer are provided: (i) the Company has passed a resolution of its board of directors for its neutral or supportive opinion regarding the Tender Offer, the contents of which has been made public by the Company, and the resolution not been changed (except in the case of changing a neutral or supportive opinion regarding the Tender Offer) or withdrawn; (ii) the Tender Offer by the Tender Offeror has been lawfully commenced in accordance with applicable laws, regulations, etc., and the Tender Offer Period has been maintained (except in the case where the Tender Offer Period is extended pursuant to Article 27-8, Paragraph 8 of the Act as a result of the need to submit an amended statement of the tender offer registration statement due to reasons beyond the control of the Tender Offeror) and not withdrawn; (iii) the representations and warranties of the Tender Offeror specified in the Tender Offer Agreement are true and accurate in material respects; (iv) the Tender Offeror has fulfilled or complied with the obligations to be fulfilled or complied with by it by the commencement date of the Tender Offer based on the Tender Offer Agreement in all material respects; (v) there is no decision, etc. by a judicial or administrative agency restricting or prohibiting the Shareholder Agreeing to Tender Shares from exercising the Bonds With Share Acquisition Rights or tendering shares in the Tender Offer, and there is no specific possibility thereof; (vi) a securities account in the name of the Shareholder Agreeing to Tender Shares has been opened with Nomura Securities, the tender offer agent, and a record of an increase by the number of the Shares Agreed to Be Tendered or more in the number of the Company Shares in the securities account has been completed; (vii) the Shareholder Agreeing to Tender Shares is not aware of any material facts regarding the Company's business, etc. that have not been disclosed by the Company, and as of the commencement date of the Tender Offer, the Tender Offeror is not aware of any material facts regarding the Company's business, etc., that have not been disclosed by the Company or any fact that a tender offer, etc., will be launched as set forth in Article 167, paragraph 2 of the Act that has not been disclosed by the Tender Offeror, etc.; and (viii) there is no decision, etc., by a judicial or administrative agency restricting or prohibiting the Tender Offer, and there is no specific possibility thereof. However, the Shareholder Agreeing to Tender Shares may, at its discretion, waive its right to assert non-fulfillment of all or part of those conditions.

(Note 1) The Tender Offeror has represented and warranted the following to the Shareholder Agreeing to Tender Shares, on the date of execution of the Tender Offer Agreement and the commencement date of settlement for the Tender Offer: (i) its lawful and valid establishment and existence; (ii) its authority and ability to enter into the Tender Offer Agreement; (iii) validity and enforceability of the Tender Offer Agreement; (iv) non-existence of violations of laws and regulations regarding execution and performance of the Tender Offer Agreement; (v) implementation of procedures related to execution and performance of the Tender Offer Agreement; (vi) non-existence of insolvency proceedings, etc.; (vii) non-applicability of antisocial forces and absence of relationships with antisocial forces; and (viii) non-recognition of undisclosed material facts.

(Note 2) Under the Tender Offer Agreement, the Tender Offeror has (i) an obligation to give notice if a breach of any of its representations or warranties or a possibility of non-fulfillment of the conditions precedent to the obligation of the Shareholder Agreeing to Tender Shares to tender

shares in the Tender Offer is found, and (ii) a confidentiality duty.

Furthermore, if the Shareholder Agreeing to Tender Shares receives a legally binding, specific, and feasible proposal from a person other than the Tender Offeror that the person conduct a tender offer for the Company Shares at a tender offer price that exceeds the Tender Offer Price (a “Counter Proposal”) by four business days before the last day of the purchase period for the Tender Offer (the “Tender Offer Period”), the Shareholder Agreeing to Tender Shares may request a discussion with the Tender Offeror to change the Tender Offer Price. If, even after such discussion between the Tender Offeror and the Shareholder Agreeing to Tender Shares, the Tender Offeror fails to change the Tender Offer Price to an amount equal to or greater than the tender offer price pertaining to the Counter Proposal by (i) the day on which five business days have elapsed from the date of the request for discussion or the date of notification pertaining to the discussion or (ii) the day immediately preceding the last day of the Tender Offer Period, whichever comes earlier, the Shareholder Agreeing to Tender Shares will not be obligated to tender the Shares Agreed to Be Tendered in the Tender Offer or may withdraw its tender in the Tender Offer and accept the Counter Proposal (the “Fiduciary Out Provisions”).

In addition, (a) the Shareholder Agreeing to Tender Shares has, until the commencement date of the Tender Offer, the obligation (i) not to make any agreements with a person other than the Tender Offeror et al. concerning a transaction that materially competes, contradicts, or conflicts with the Transaction or the Capital and Business Alliance or is likely to make the implementation of the Transaction or the Capital and Business Alliance difficult (a “Conflicting Transaction”) or accept such a Conflicting Transaction, (ii) not to provide any information regarding the Company or other information to any person other than the Tender Offeror et al. for the purpose of promoting a Conflicting Transaction, and (iii) not to offer or solicit an offer for a Conflicting Transaction or hold any discussions or negotiations in relation to a Conflicting Transaction, (b) if the Shareholder Agreeing to Tender Shares receives a proposal for a Conflicting Transaction from a third party or becomes aware of the existence of such a Conflicting Transaction, the Shareholder Agreeing to Tender Shares has, until the commencement date of settlement for the Tender Offer, the obligation to notify the Tender Offeror to that effect and the content of the proposal as promptly as practically possible, and to discuss in good faith with the Tender Offeror the response to the proposal, and (c) if the Tender Offer is successfully completed, the Company holds a shareholders meeting with a record date for exercising rights before the commencement date of settlement for the Tender Offer, and the Shareholder Agreeing to Tender Shares is able to exercise its voting rights at the shareholders meeting, the Shareholder Agreeing to Tender Shares has the obligation to comply with the Tender Offeror’s reasonable instructions regarding the exercise of voting rights at the shareholders meeting pertaining to the Company Shares purchased through the Tender Offer from among the Shares Agreed to Be Tendered. However, if the Shareholder Agreeing to Tender Shares is not obligated to tender the Shares Agreed to Be Tendered in the Tender Offer under the Fiduciary Out Provisions, it will not have the obligations mentioned in (a) and (b) above.

In addition, the “Subscription Agreement” dated September 20, 2023, between the Shareholder Agreeing to Tender Shares and the Company, which was executed when the Shareholder Agreeing to Tender Shares subscribed for the Bonds With Share Acquisition Rights in connection with a business alliance between the Company and Advantage Partners Inc., which is the service provider of the Shareholder Agreeing to Tender Shares, provides that completion of discussion between the Company and the Shareholder Agreeing to Tender

Shares and acquisition of consent, etc., of the Shareholder Agreeing to Tender Shares (the “Shareholder Agreeing to Tender Shares Consent, Etc.”) that are required in implementing the Transaction and the Capital and Business Alliance shall be confirmed, and that such consent, etc., shall not be changed or withdrawn. However, if, before the Third-Party Allotment is implemented, (i) (a) the main conditions for the Third-Party Allotment are changed or (b) conditions other than the main conditions for the Third-Party Allotment are changed and implementation of the Third-Party Allotment results in irreparable disadvantages to the Shareholders Agreeing to Tender Shares, or (ii) if, due to a change in the conditions for the Capital and Business Alliance, implementation of the Transaction and the Capital and Business Alliance results in irreparable disadvantages to the Shareholders Agreeing to Tender Shares, the Shareholders Agreeing to Tender Shares may change or withdraw the Shareholder Agreeing to Tender Shares Consent, Etc., after discussion with the Company.

(ii) Capital and Business Alliance Agreement

ITOCHU executed the Capital and Business Alliance Agreement with the Company today. Under the Capital and Business Alliance Agreement, (i) ITOCHU and the Company have agreed that ITOCHU will subscribe for all of 5,500,000 shares of common stock issued by the Company through the Capital Increase by Third-Party Allotment, with April 1, 2026 as the payment date and the payment amount per share to be 2,438 yen, and (ii) ITOCHU and the Company have agreed to enter into a business alliance for the purpose of combining their resources and know-how and thereby achieving the mid- to long-term enhancement of the corporate value of their respective companies through the expansion of their existing businesses and development of new businesses.

The outline of the Capital and Business Alliance Agreement is as follows.

(a) Purpose

The purpose of the Capital and Business Alliance Agreement is to establish a capital relationship between ITOCHU and the Company through ITOCHU’s acquisition of the Company Shares by way of the Transactions on the assumption that while the Company respects its management autonomy, which it had maintained since its founding, while continuing to implement the management philosophy that it had cultivated since its establishment and maintains its independence as a listed company and to combine the resources and know-how of both parties based on the spirit of mutual equality, thereby achieving the mid- to long-term enhancement of the corporate value of both parties through the expansion of their existing businesses and the development of new businesses.

(b) Matters relating to the Tender Offer

The Company shall adopt a resolution to support the Tender Offer (the “Support Resolution”) at the Board of Directors meeting to be held on the execution date of the Capital and Business Alliance Agreement, and shall announce the details of the Support Resolution pursuant to laws and regulations.

For the period from the execution date of the Capital and Business Alliance Agreement to the last day of the tender offer period, the Company shall maintain, and shall not change or withhold, the Support Resolution, and shall not pass any resolutions that are contrary to the Support Resolution. However, upon the receipt of a Conflicting Proposal (as defined in “(d) Obligation of Exclusive Negotiation” below) from a person

other than ITOCHU and even after consultations with ITOCHU, if the Company reasonably determines at its Board of Directors meeting that there is a possibility that expressing an opinion in favor of the Tender Offer may constitute a breach of the directors' duty of care of the Company, the Company may change or withhold the Support Resolution.

(c) Implementation of the Capital Increase by Third-Party Allotment

The Company shall implement the Capital Increase by Third-Party Allotment, and ITOCHU shall subscribe for the shares of common stock to be issued by the Company on the condition that the securities registration statement submitted by the Company in connection with the Capital Increase by Third-Party Allotment pursuant to the Financial Instruments and Exchange Act has become effective.

The payment made by ITOCHU for the Capital Increase by Third-Party Allotment shall be subject to the satisfaction of all of the conditions set out in the Capital and Business Alliance Agreement, including:

- (i) that the representations and warranties by the Company (Note 1) are true and accurate in material respects;
- (ii) that the Company has, in material respects, performed or complied with the obligations for which it was required to perform or comply with prior to the payment for the Capital Increase by Third-Party Allotment;
- (iii) that the securities registration statement for the Capital Increase by Third-Party Allotment has legally and validly become effective and legally and validly remains effective;
- (iv) that the subscription agreement for the total number of shares relating to the Capital Increase by Third-Party Allotment has been legally and validly executed and legally and validly remains effective without any amendment;
- (v) that there exists no decision or other action by any judicial or administrative agency that restricts or prohibits the implementation of the Capital Increase by Third-Party Allotment or the Capital and Business Alliance, and that there exists no litigation or other proceeding that restricts or prohibits, or disputes the validity of, the Capital Increase by Third-Party Allotment or the Capital and Business Alliance, nor any petition for such litigation or other proceeding (excluding abusive petitions without reasonable grounds);
- (vi) that the Company has adopted a resolution of its Board of Directors approving the Capital Increase by Third-Party Allotment, and such resolution has not been amended or revoked and remains effective, and that ITOCHU has received a copy of the minutes of the meeting of the Board of Directors relating to such resolution;
- (vii) that the Company has obtained in writing from the Shareholder Agreeing to Tender Shares the Shareholder Agreeing to Tender Shares Consent, Etc., and that such approvals or the like have not been amended or revoked and remain effective as of the time of payment for the Capital Increase by Third-Party Allotment; and
- (viii) that no event or circumstance that may have a material adverse effect on the financial condition, operating results, cash flow, business, assets, or liabilities of the Company's group has occurred or been discovered.

Even if any of the conditions set out above are not satisfied, nothing shall preclude

ITOCHU from making the payment for the Capital Increase by Third-Party Allotment at its sole discretion.

The issuance of shares by the Company for the Capital Increase by Third-Party Allotment shall be subject to the conditions:

- (i) that the representations and warranties by ITOCHU (Note 2) are true and accurate in material respects;
- (ii) that ITOCHU has, in material respects, performed or complied with the obligations for which it was required to perform or comply with prior to the payment for the Capital Increase by Third-Party Allotment;
- (iii) that the securities registration statement for the Capital Increase by Third-Party Allotment has legally and validly become effective and legally and validly remains effective;
- (iv) that the subscription agreement for the total number of shares relating to the Capital Increase by Third-Party Allotment has been legally and validly executed and legally and validly remains effective without any amendment; and
- (v) that there exists no decision or other action by any judicial or administrative agency that restricts or prohibits the implementation of the Capital Increase by Third-Party Allotment or the Capital and Business Alliance, and that there exists no litigation or other proceeding that restricts or prohibits, or disputes the validity of, the Capital Increase by Third-Party Allotment or the Capital and Business Alliance, nor any petition for such litigation or other proceeding (excluding abusive petitions without reasonable grounds).

Even if any of the conditions set out above are not satisfied, nothing shall preclude the Company from issuing shares for the Capital Increase by Third-Party Allotment at its sole discretion.

In accordance with Article 124, Paragraph 4 of the Companies Act, the Company shall, at the shareholders' meeting of the Company to be held on or after the execution date of the Capital and Business Alliance Agreement and with the date before the day prior to the payment of the Capital Increase by Third-Party Allotment as a reference date, determine that ITOCHU may exercise the voting rights represented by the Company Shares issued in the Capital Increase by Third-Party Allotment.

Note 1: Under the Capital and Business Alliance Agreement, the Company has made representations and warranties to the Tender Offeror as of the execution date of the Capital and Business Alliance Agreement and as of the date on which the payment for the Capital Increase by Third-Party Allotment is made, with respect to the following matters.

The representations and warranties of the Company include matters related to the following:

- (i) its lawful and valid incorporation and existence;
- (ii) its authority and capacity to execute the Capital and Business Alliance Agreement;
- (iii) the validity and enforceability of the Capital and Business Alliance Agreement;
- (iv) the absence of any violation of laws, regulations, or the like in connection with the execution and performance of the Capital and Business Alliance Agreement;

- (v) the performance of procedures required for the execution and performance of the Capital and Business Alliance Agreement;
- (vi) the absence of insolvency proceedings or other proceedings; and
- (vii) that the Company does not constitute an anti-social force and the absence of any relationship of the Company with anti-social forces.

The representations and warranties of the Company's group include matters related to the following:

- (a) its lawful and valid incorporation and existence;
- (b) the absence of insolvency proceedings or other proceedings;
- (c) the lawful and valid issuance and existence of its shares and other securities;
- (d) the appropriateness and accuracy of its financial statements;
- (e) the absence of subsequent events occurring on or after October 1, 2025;
- (f) the lawful and valid execution and existence of contracts or the like;
- (g) the scope of any related party transactions;
- (h) the absence of debt guarantees;
- (i) its lawful and valid ownership, right to use, and right of utilization with respect to its material assets;
- (j) its lawful and valid ownership and right to use with respect to its material intellectual property rights;
- (k) its lawful and valid ownership, right to use, and right of utilization with respect to its material systems;
- (l) the thorough implementation of information security measures;
- (m) the acquisition of permissions, licenses, and other approvals relating to its businesses;
- (n) its payment of taxes and public charges;
- (o) the absence of any violation of laws or regulations;
- (p) its compliance with labor-related laws and regulations;
- (q) the absence of any litigation or dispute;
- (r) its compliance with environmental laws and regulations;
- (s) its enrollment in insurance;
- (t) that the Company does not constitute an anti-social force and the absence of any relationship of the Company with anti-social forces;
- (u) the absence of payment to brokers or advisors; and
- (v) the accuracy and adequacy of its information disclosure.

Note 2: Under the Capital and Business Alliance Agreement, the Tender Offeror has made representations and warranties to the Company as of the execution date of the Capital and Business Alliance Agreement and as of the date on which the payment for the Capital Increase by Third-Party Allotment is made, with respect to the following matters.

The representations and warranties of the Tender Offeror include matters related to the following:

- (i) its lawful and valid incorporation and existence;
- (ii) its authority and capacity to execute the Capital and Business Alliance Agreement;
- (iii) the validity and enforceability of the Capital and Business Alliance Agreement;

- (iv) the absence of any violation of laws, regulations, or the like in connection with the execution and performance of the Capital and Business Alliance Agreement;
- (v) the performance of procedures required for the execution and performance of the Capital and Business Alliance Agreement;
- (vi) the absence of insolvency proceedings or other proceedings;
- (vii) the securing of funds necessary for the payment for the Capital Increase by Third-Party Allotment; and
- (viii) that the Company does not constitute an anti-social force and the absence of any relationship of the Company with anti-social forces.

(d) **Obligation of Exclusive Negotiation**

During the period from the execution date of the Capital and Business Alliance Agreement until the payment of the Capital Increase by Third-Party Allotment, the Company will not, directly or indirectly, provide any information, make any proposal or solicitation, conduct any consultations or negotiations, or execute any transaction to or with any third party in connection with a capital alliance, share assignment, merger, company split, share exchange, share transfer, share delivery, or transfer of business, in whole or part, or other similar transactions that may contradict or conflict with the Transactions or the Capital and Business Alliance (the “Conflicting Transactions”) (the “Obligation of Exclusive Negotiation”).

In addition, if the Company becomes aware that the Company’s group receives from a third party any proposal or solicitation in connection with a Conflicting Transaction (a “Conflicting Proposal”), the Company will immediately notify ITOCHU of the details thereof and consult with ITOCHU in good faith on the response thereto. Upon the receipt of a Conflicting Proposal, if the Company reasonably determines at its Board of Directors meeting that even after such consultation with ITOCHU, there is a possibility that not conducting an examination, etc. on the Conflicting Proposal may constitute a breach of the directors’ duty of care of the Company, and the Company gives written notice to ITOCHU to that effect, the Company will cease to bear the Obligation of Exclusive Negotiation.

(e) **Right to Recommend Candidates for Directors**

ITOCHU has the right to recommend to the Company one person as a would-be candidate for director to be proposed by the Company at the shareholders’ meeting of the Company to be held on or after the date of payment of the Capital Increase by Third-Party Allotment, and the Company will seriously consider at the Nomination and Compensation Committee whether such recommended person should become a candidate for director.

In addition, during the period in which a person recommended by ITOCHU is not a director, ITOCHU may in principle cause one person nominated by ITOCHU to attend and observe at the Board of Directors meeting of the Company.

(f) **Matters that Require Prior Approvals**

If the holding ratio of the voting rights held by the ITOCHU and its subsidiaries in the Company is equal to or more than 5%, then in principle, the Company shall not decide on or conduct, or cause any subsidiaries thereof to decide on or conduct, any of the following acts without the prior written approval of ITOCHU after the date of the

payment of the Capital Increase by Third-Party Allotment:

- (i) the act of issuing or disposing of shares, etc. of the Company in a manner by which the ratio of the number of voting rights represented by the shares of the Company held by ITOCHU and its subsidiaries to the total number of voting rights represented by the issued shares of the Company will be decreased, or entering into an agreement regarding such act; or
- (ii) the act of the Company or its subsidiaries entering into (a) a business alliance that contradicts or conflicts with the business alliance (the “Business Alliance”) as stated in “(g) Contents of the Business Alliance” (including those for real estate development, etc. to be executed through establishing a joint venture with a specific third-party group and for the sale of real estate that has been reinstated to a bare site (which means real estate that has been cleared to a vacant lot or otherwise is in a state with no tenants.) to a specific third-party group exceeding a certain scale) and (b) a business alliance with companies and their subsidiaries separately agreed to by ITOCHU and the Company as being competitors of ITOCHU (limited to those engaged in real estate revitalization businesses, real estate service businesses, or hotel and tourism businesses) (including, in each case, the act of executing agreements regarding those acts).

(g) Contents of the Business Alliance

ITOCHU and the Company will implement the business alliance with the following contents to pursue business synergies of both parties, and the details thereof will be determined upon separate consultation between both parties.

- (i) Expanding investment opportunities by leveraging the Company’s expertise and results in its replanning business and the group networks and capital resources of the ITOCHU Group (including jointly pursuing projects involving the acquisition, revitalization, and development of properties of sizes and in regions into which the Company has not previously been able to expand)
- (ii) Increasing opportunities for hotel openings by leveraging the Company’s development and operational expertise in its hotel business and ITOCHU’s development track record across diverse asset types, as well as its real estate value chain, and collaborating with each other
- (iii) Collaborating in sourcing land and buildings by leveraging the information networks of both parties
- (iv) Improving the efficiency of materials and equipment procurement in the Company’s replanning and development businesses through the effective utilization of ITOCHU’s supplier and wholesaler functions
- (v) Achieving broader customer outreach and expanding opportunities to secure project orders through the mutual complementation of the real estate management and operational functions of both parties
- (vi) Collaboration between both parties in their overseas real estate businesses, as well as mutual introductions to each party’s existing business contacts
- (vii) Diversifying approaches to business development with local governments and expanding business scope by combining the Company’s hotel business focused on regional revitalization with ITOCHU’s public-private partnership businesses
- (viii) Implementing mutual secondments of personnel for the purpose of ensuring the steady implementation of the above measures

(ix) Other matters agreed between the parties

ITOCHU and the Company will establish an alliance promotion committee comprised of persons designated by ITOCHU and the Company to conduct discussions regarding the consideration and implementation of the business alliance as stated in (b) above.

(i) Effectiveness

The provisions of (e), (f), and (g) stated above become effective subject to the legal and valid completion of the Capital Increase by Third-Party Allotment.

(h) Termination Events

The Capital and Business Alliance Agreement will be terminated if the payment is not executed by the due date for the Capital Increase by Third-Party Allotment, if the Capital and Business Alliance Agreement is cancelled by ITOCHU or the Company pursuant to the Capital and Business Alliance Agreement (Note 3), or if ITOCHU and the Company agree in writing to terminate the Capital and Business Alliance Agreement.

Note 3: It is stipulated in the Capital and Business Alliance Agreement that ITOCHU and the Company may terminate the Capital and Business Alliance Agreement before the payment of the Capital Increase by Third-Party Allotment by giving written notice to the other party in any of the following events: (i) the breaching party materially breaches any of its representations and warranties; (ii) the breaching party defaults or fails to perform any of its contractual obligations in any material respect, and the breaching party fails to cure such breach or failure despite the non-breaching party giving written notice for cure to the breaching party; or (iii) in the event that a petition, etc. for the commencement of insolvency proceedings is filed with respect to the breaching party and after the payment of the Capital Increase by Third-Party Allotment is made, (a) the breaching party materially breaches any of its representations and warranties that may have a material adverse effect on the execution of the Business Alliance, (b) the breaching party defaults or fails to perform any of its contractual obligations that may have a material adverse effect on the execution of the Business Alliance, and the breaching party fails to cure such breach or failure within 14 days after the non-breaching party gives written notice for cure to the breaching party, (c) a petition, etc. for the commencement of insolvency proceedings is filed by the breaching party, or (d) ITOCHU ceases to hold any shares, etc. of the Company.

5. Granting of Benefits by the Tender Offeror or Other Specially Related Persons

N/A

6. Policy of Response to Basic Policies Relating to Company Control

N/A

7. Questions for the Tender Offeror

N/A

8. Request for Extension of the Tender Offer Period

N/A

9. Future Prospects

See “(ii) Background, objectives, and decision-making process leading to the Tender Offeror’s decision to conduct the Tender Offer” in “(2) Grounds and reasons for opinions relating to the Tender Offer,” “(5) Expectations for delisting and reasons therefor,” and “(6) Post-Tender Offer reorganization and other policies (matters relating to the ‘two-step acquisition’)” in “3. Substance of and Grounds and Reasons for Opinions Relating to the Tender Offer” above.