[Translation]
September 14, 2026

To whom it may concern:

Company name:	HIKARI TSUSHIN, INC.
Name of representative:	Hideaki Wada President, Representative Director and COO (Securities code 9435; Tokyo Prime Market)
Inquiries:	Investor Relations and Public Relations Department (Tel: +81-03-5951-3718)

Notice Regarding Commencement of Tender Offer by K891, Inc. which is a subsidiary as of the date of commencement of the Tender Offer for Share Certificates, Etc. of Leopalace21 Corporation (Securities Code 8848) and a Change in a Subsidiary (Change to an Affiliated Company)

As of today, K891, Inc.(the "**Tender Offeror**"), a subsidiary of HIKARI TSUSHIN INC. (the "**Company**"), hereby announces as follows that it decided on September 14, 2026 to acquire the common shares and the stock acquisition rights of Leopalace21 Corporation (a company listed on the Prime Market of the Tokyo Stock Exchange, Inc. with securities code 8848) through a tender offer (the "**Tender Offer**") under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the "**Act**").

As of today, the Tender Offeror is a subsidiary of the Company; however, on the condition that the Tender Offer is successfully completed, it is expected for K892, Inc., the parent company of the Tender Offeror, to receive a contribution by third party allotment from an investment fund to which MBK Partners or its associated companies provide services and from an investment fund operated by OHANAPANA Inc., a wholly-owned subsidiary of NEC Capital Solutions Limited. As a result, by the commencement date of the settlement of the Tender Offer, the Tender Offeror will no longer be a subsidiary of the Company and will be an associated company of the Company that constitutes an other affiliated company of the Company.

For details, please refer to the "Notice Regarding Commencement of Tender Offer for Share Certificates, Etc. of Leopalace21 Corporation (Securities Code 8848) by K891, Inc., which is Scheduled to Be Jointly Operated by HIKARI TSUSHIN INC., an Investment Fund of MBK Partners., and an Investment Fund of NEC Capital Solutions Limited" (as attached) announced by the Tender Offeror.

1. Outline of the Tender Offeror

Company Name	K891, Inc.
Location	1-4-10 Nishi-Ikebukuro, Toshima-ku, Tokyo
Title and name of representative	Ryo Shibata, President and Representative Director
Type of business	Acquisition, holding, disposal, etc. of shares

Stated capital	1 million yen

2. Future Prospects

The effect of the Tender Offer on the Company's consolidated financial results is minor. The Company will promptly announce any amendments to the forecast of its financial results (if any).

(Reference) The Company's consolidated earnings forecast for the fiscal year ending March 31, 2027 and consolidated financial results for the fiscal year ended March 31, 2026

(Unit: million yen)

	Revenue	Operating profit	Profit attributable to owners of parent
Consolidated earnings forecast for the fiscal year ending March 31, 2027	775,000	130,000	120,000
Consolidated financial results for the fiscal year ended March 31, 2026	734,791	116,664	151,014

End

This document is a disclosure by HIKARI TSUSHIN INC. in accordance with the Securities Listing Regulations of the Tokyo Stock Exchange, and also serves as an announcement made pursuant to a request from K891, Inc. (the Tender Offeror) to HIKARI TSUSHIN INC. (the Tender Offeror's parent company), in accordance with Article 30, Paragraph 1, Item 4 of the Order for Enforcement of the Financial Instruments and Exchange Act.

September 14, 2026

To whom it may concern:

Company name: K891, Inc.
Name of representative: Ryo Shibata
Representative Director
(Tel: +81-03-5951-3718)

Notice Regarding Commencement of Tender Offer for Share Certificates, Etc. of Leopalace21 Corporation (Securities Code 8848) by K891, Inc., which is Scheduled to Be Jointly Operated by HIKARI TSUSHIN INC., an Investment Fund of MBK Partners., and an Investment Fund of NEC Capital Solutions Limited

K891, Inc. (the "**Tender Offeror**") hereby announces as follows that it decided on September 14, 2026 to acquire the common shares of Leopalace21 Corporation (a company listed on the Prime Market of the Tokyo Stock Exchange, Inc. (the "**TSE**") with securities code 8848; hereinafter the "**Target Company**"; those common shares, the "**Target Company Shares**") and the Stock Acquisition Rights (as defined in "(B) Stock Acquisition Rights" in "(3) Purchase Price, etc." in "3. Overview of the Target Company and the Terms and Conditions of the Tender Offer" below; the Target Company Shares and the Stock Acquisition Rights are hereinafter collectively referred to as the "**Share Certificates, Etc.**") through a tender offer (the "**Tender Offer**") under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the "**Act**").

1. Outline of the Tender Offer

Purpose of the Tender Offer	To make the Target Company a wholly-owned subsidiary of the Tender Offeror
Period of the Tender Offer	From September 15, 2026 (Tuesday) to October 30, 2026 (Friday) (30 business days)
Purchase price, etc.	(1) 1,000 yen per common share (2) Stock Acquisition Rights 99,900 yen for each 2nd series stock acquisition right 99,900 yen for each 3rd series stock acquisition right 99,900 yen for each 4th series stock acquisition right 99,900 yen for each 6th series stock acquisition right
Minimum number of Share Certificates, Etc. to be purchased	158,716,000 (shares) (Note 1)
Maximum number of Share Certificates, Etc. to be purchased	N/A

Opinion of the Target Company	The Target Company has resolved to express an opinion in support of the Tender Offer and recommend that the Target Company's shareholders and the holders of its Share Acquisition Rights (the "**Stock Acquisition Rights Holders**") tender their Share Certificates, Etc. in the Tender Offer.

Note 1: In respect of the minimum number of share certificates, etc. to be purchased, the ownership ratio of share certificates, etc. (meaning the ownership ratio of share certificates, etc. provided for in Article 27-2, Paragraph 8 of the Act, and including the ownership ratio of specially related parties provided for in Paragraph 1, Item of the same Article (except for persons excluded from specially related parties under Article 3, Paragraph 2, Item 1 of the Cabinet Ordinance with Respect to Disclosure of a Tender Offer for Share Certificates, Etc. by an Offeror Other than the Issuing Company (Ministry of Finance Ordinance No. 38 of 1990, as amended for the purpose of calculating the ownership ratio of share certificates, etc. under each item of Article 27-2, Paragraph 1 of the Act) after a tender offer in the case a tender offer is conducted will be 66.36%. When calculating the ownership ratio of share certificates, etc., the number of voting rights (3,267,807 voting rights) of all shareholders as of March 31, 2026 stated in the annual securities report for the 53rd fiscal year submitted by the Target Company on June 19, 2026 (the "**Target Company's Annual Securities Report**") is used as the denominator. While the number of shares less than one unit of the Target Company as of today is unknown, and the number of voting rights of all shareholders, etc. of the Target Company as of today is unclear because the number of voting rights of all shareholders, etc. as of March 31, 2026 is the most recent number of voting rights of all shareholders that can be ascertained from documents published or submitted by the Target Company, the number of voting rights (3,267,807 voting rights) of all shareholders as of March 31, 2026 stated in the Target Company's Annual Securities Report is used for calculating the ownership ratio of share certificates, etc.

2. Purpose of the Tender Offer

(1) Outline of the Purpose of the Tender Offer

The Tender Offeror is a wholly-owned subsidiary of K892, Inc.(the "Tender Offeror Parent Company"), and is a stock company (*kabushiki kaisha*) established on March 4, 2026 primarily for the purpose of owning all of the Target Company Shares and the Stock Acquisition Rights as well as for controlling and managing the business activities of the Target Company. As of today, HIKARI TSUSHIN, INC. ("Hikari Tsushin") holds all of the issued shares of the Tender Offeror Parent Company (excluding the treasury shares held by the Tender Offeror Parent Company), and the Tender Offeror Parent Company holds all of the issued shares of the Tender Offeror (excluding the treasury shares held by the Tender Offeror). After the successful completion of the Tender Offer but prior to the commencement date of the settlement of the Tender Offer, the Tender Offeror Parent Company will receive contributions (collectively, the "Contributions") from Hikari Tsushin, the investment fund for which services are provided by MBK Partners or its affiliates (collectively, "MBKP") (such fund, the "MBKP Fund"), the investment fund managed by OHANAPANA K.K. ("OHANAPANA"), a wholly-owned subsidiary of NEC Capital Solutions Limited ("NECCS") (such fund, the "NECCS Fund"; Hikari Tsushin, the MBKP

Fund, the NECCS Fund, the Tender Offeror, and the Tender Offeror Parent Company are hereinafter collectively referred to as the "Tender Offeror Parties"). Following the receipt of the Contributions, Hikari Tsushin, the MBKP Fund, and the NECCS Fund plan to hold all of the issued shares of the Tender Offeror Parent Company (excluding the treasury shares held by the Tender Offeror Parent Company), with the respective voting rights ratio (rounded to one decimal place) of each aforementioned party in the Tender Offeror Parent Company following the Contributions planned to be 34.0%, 33.0%, and 33.0%. In addition, after the successful completion of the Tender Offer but prior to the commencement date of the settlement of the Tender Offer, Hikari Tsushin plans to make a contribution, separately from the Contributions, in exchange for subscribing for non-voting class shares of the Tender Offeror Parent Company.

As of today, Hikari Tsushin holds: 50,581,700 Target Company Shares (ownership ratio (Note 1): 15.48%) through the UH Partners 2 Investment Limited Partnership ("UH Partners 2 LPS"), an investment fund managed by Hikari Tsushin's consolidated subsidiary UH Partners 2, Inc. ("UH Partners 2"); 4,664,600 Target Company Shares (ownership ratio: 1.43%) through its consolidated subsidiary Hikari Tsushin K.K. ("Hikari Tsushin K.K."); 3,941,900 Target Company Shares (ownership ratio: 1.21%) through the Hikari Tsushin KK Investment Limited Partnership (the "Hikari Tsushin KK LPS"), an investment fund managed by Hikari Tsushin K.K.; and 100 Target Company Shares (ownership ratio: 0.00%) through its consolidated subsidiary HCMA Alpha, Inc. ("HCMA"), for a total of 59,188,300 Target Company Shares (ownership ratio 18.11%). As of today, none of the Tender Offeror, the Tender Offeror Parent Company, MBKP, the MBKP Fund, NECCS, OHANAPANA, or the NECCS Fund holds any Target Company Shares or Stock Acquisition Rights.

Note 1: "Ownership ratio" means the ratio (which in its calculation has been rounded to two decimal places; the same applies to calculations for ownership ratios below) to the number of shares (326,856,214 shares; the "Reference Number of Shares") obtained by (i) subtracting the number of treasury shares held by the Target Company as of March 31, 2026 (7,610,264 shares) (however, this does not include the Target Company Shares held as of that date (9,101,800 shares) by Custody Bank of Japan, Ltd. (Trust Account) under the share delivery trust for Target Company officers and the share delivery trust for Target Company employees; the same applies hereinafter to the number of treasury shares held by the Target Company) from (ii) the number of shares (334,466,478 shares) obtained by adding (a) the total number of issued shares of the Target Company as of March 31, 2026 as stated in the Target Company's annual securities report (334,415,678 shares) to (b) the number of Target Company Shares (50,800 shares) represented by the remaining and exercisable Stock Acquisition Rights (508 units (Note 2)) as of that date as reported by the Target Company.

Note 2: A breakdown of the remaining and exercisable Stock Acquisition Rights as of March 31, 2026 reported by the Target Company to the Tender Offeror (508 units, representing 50,800 Target Company Shares) is set out below.

Name of stock acquisition rights	Number of stock acquisition rights	Number of Target Company Shares to be

		delivered upon exercise
2nd Series of Stock Acquisition Rights	82 stock acquisition rights	8,200 shares
3rd Series of Stock Acquisition Rights	72 stock acquisition rights	7,200 shares
4th Series of Stock Acquisition Rights	72 stock acquisition rights	7,200 shares
6th Series of Stock Acquisition Rights	282 stock acquisition rights	28,200 shares

The Tender Offeror will implement the Tender Offer as part of a series of transactions (the "Transactions") in order to make the Target Company a wholly-owned subsidiary of the Tender Offeror by acquiring all of the Target Company Shares listed on the Prime Market of the TSE(including the Target Company Shares to be delivered through the exercise of the Stock Acquisition Rights, but excluding the treasury shares held by the Target Company and the Shares Planned Not to Be Tendered (as defined below) held by the Shareholders Planning Not to Tender (as defined below)) and all of the Stock Acquisition Rights.

In connection with the Tender Offer, the Tender Offeror has executed a tender offer acceptance agreement dated September 14, 2026 with Chidori Godo Kaisha, which as of March 31, 2026 is an other associated company and second largest shareholder of the Target Company (number of shares owned: 50,507,600 shares; ownership ratio: 15.45%) (the "Shareholder Planning to Tender"; the aforementioned tender offer acceptance agreement executed with the Shareholder Planning to Tender, the "Tender Agreement"), under which it is agreed that the Shareholder Planning to Tender will tender all of the Target Company Shares it holds in the Tender Offer (such shares, the "Shares Planned to Be Tendered"). In addition, the Tender Offeror has agreed dated September 14, 2026 with UH Partners 2 LPS, the largest shareholder of the Target Company as of March 31, 2026 (number of shares owned: 50,581,700 shares; ownership ratio: 15.48%), shareholder of the Target Company Hikari Tsushin K.K. (number of shares owned: 4,664,600 shares; ownership ratio: 1.43%), and shareholder of the Target Company Hikari Tsushin KK LPS (number of shares owned: 3,941,900 shares; ownership ratio: 1.21%) (UH Partners 2 LPS, Hikari Tsushin K.K., and Hikari Tsushin KK LPS collectively, the "Shareholders Planning Not to Tender") as well as HIKARI TSUSHIN INVESTMENTS OKINAWA Co., Ltd. (Note 3) ("HTIO"), that the Shareholders Planning Not to Tender will not tender any of the Target Company Shares held by the Shareholders Planning Not to Tender (the "Shares Planned Not to Be Tendered") in the Tender Offer. Further, the Tender Offeror has agreed with Target Company shareholder HCMA (number of shares owned: 100 shares; ownership ratio: 0.00%) that HCMA will tender all of the Target Company Shares it holds in the Tender Offer.

Further, THE INSURANT GROUP (the "Insurant Group"), a consolidated subsidiary of Hikari Tsushin, and the Target Company have agreed that following the conversion of all issued and outstanding common shares of ASUKA SMALL AMOUNT AND SHORT TERM INSURANCE CO., LIMITED ("Asuka SSI"), a wholly-owned subsidiary of the Target Company whose issued and outstanding common shares are all held by the Target Company into Class A Shares with voting rights and Class B Shares without voting rights, the Insurant Group will acquire 373 Class A shares (voting rights ratio after the conversion: 50.0%) (the "Shares Subject to Transfer"; such acquisition, the "Share Transfer"), and the

Insurant Group and the Target Company have executed a share transfer agreement dated September 14, 2026, with respect to the Share Transfer (the "Share Transfer Agreement"). Under the Share Transfer Agreement, subject to the successful completion of the Tender Offer, the Insurant Group will acquire by transfer the Shares Subject to Transfer from the Target Company by no later than the business day prior to the commencement date of the settlement of the Tender Offer. (Note: 4)

Note 3: As of the date hereof, HTIO, a consolidated subsidiary of HIKARI TSUSHIN does not directly hold any Target Company Shares, but is an unlimited liability partner that has contributed to the Hikari Tsushin KK LPS and the UH Partners 2 LPS.

Note 4: Hikari Tsushin and its associated companies (collectively, the "**Hikari Tsushin Group**") decided to acquire 50% of the voting rights in Asuka SSI for the purpose of enhancing the corporate value of Asuka SSI by leveraging the knowledge relating to the insurance business that the Hikari Tsushin Group has accumulated through its own insurance business, including in relation to the development of insurance agency channels, sales promotion, and insurance agency management, and thereby supporting Asuka SSI in expanding its external insurance agency channels, strengthening its sales capabilities, and other initiatives. In addition, by having the Insurant Group hold 50% of the voting rights in Asuka SSI, the Hikari Tsushin Group intends to support the sound and sustainable business operations of Asuka SSI by maintaining the involvement and fulfilling the responsibilities required of a major shareholder and providing management, financial, and other support, while ensuring that Asuka SSI maintains the flexibility necessary for autonomous and agile business operations.

The Tender Offeror, the Shareholders Planning Not to Tender, and HTIO have agreed that, for the purpose of simplifying the procedures for Share Buyback (2) (as defined below; the same applies below), from among the Shareholders Planning Not to Tender, UH Partners 2 LPS and Hikari Tsushin KK LPS will consolidate in HTIO and Hikari Tsushin K.K. a portion of the Target Company Shares they hold (Note 5) by way of a distribution in kind (the "Consolidation" (Note 6)) and, in the event that the Extraordinary Shareholders Meeting (as defined below) is held after the successful completion of the Tender Offer, they will vote in favor of the proposals related to a share consolidation to make the Tender Offeror and HTIO the only shareholders of the Target Company (the "Share Consolidation").

As a result of the Consolidation, after the commencement date of the settlement of the Tender Offer, HTIO will come to hold 53,433,130 Target Company Shares (ownership ratio: 16.35%) and Hikari Tsushin K.K. will come to hold 4,704,019 Target Company Shares (ownership ratio: 1.44%) as of a time prior to the implementation of Share Buyback (1). (as defined below; the same applies below). With respect to the distribution in kind in the Consolidation, no consideration or equivalent thereof will be paid by HTIO or Hikari Tsushin K.K. to UH Partners 2 LPS or Hikari Tsushin KK LPS, and the per-share price for the distribution in kind in the Consolidation will not be equal to or greater than the purchase price per Target Company Share in the Tender Offer (the "**Tender Offer Price**"). As a result of the Consolidation, after the commencement date of the settlement of the Tender Offer and as of a time prior to the implementation of Share Buyback (1), UH Partners 2 LPS and Hikari Tsushin KK LPS, from among the Shareholders Planning Not to Tender, will come to hold no Target Company Shares.

Note 5: As a result of the distribution in kind, 49,570,067 Target Company Shares held by UH Partners 2 LPS and 3,863,063 Target Company Shares held by Hikari Tsushin KK LPS (totaling 53,433,130 shares) will be consolidated in HTIO , and 39,419 Target Company Shares held by Hikari Tsushin KK LPS will be consolidated in Hikari Tsushin K.K..

Note 6: The Consolidation will be conducted between UH Partners 2 LPS and Hikari Tsushin KK LPS and HTIO and Hikari Tsushin K.K., which have continuously been in a relationship that constitutes specially related parties as provided in Article 27-2, Paragraph 7, Item 1 of the Act for at least one year prior to the date on which the Consolidation will be implemented, and therefore constitutes a "purchase, etc. excluded from application" provided in the proviso to Article 27-2, Paragraph 1 of the Act.

The Tender Offeror has set the minimum number of Share Certificates, Etc. to be purchased in the Tender Offer at 158,716,000 shares (ownership ratio: 48.56%), and if the total number of Share Certificates, Etc. tendered in the Tender Offer (the "**Tendered Share Certificates, Etc.**") is less than the minimum number of Share Certificates, Etc. to be purchased (158,716,000 shares), then the Tender Offeror will not purchase any of the Tendered Share Certificates, Etc. However, as stated above, because the Tender Offeror intends to take the Target Company Shares private by acquiring all of the Target Company Shares (including the Target Company Shares to be delivered upon exercise of the Stock Acquisition Rights, but excluding the treasury shares held by the Target Company and the Shares Planned Not to Be Tendered) and all of the Stock Acquisition Rights, the Tender Offeror has not set a maximum number of Share Certificates, Etc. to be purchased and will purchase all of the Tendered Share Certificates, Etc. if the total number of Tendered Share Certificates, Etc. is equal to or greater than the minimum number of Share Certificates, Etc. to be purchased (158,716,000 shares). The minimum number of Share Certificates, Etc. to be purchased (158,716,000 shares) has been set as the number obtained by multiplying (a) the number of shares constituting one unit of the Target Company (100 shares) by (b) the number of voting rights (1,587,160 voting rights) obtained by subtracting the number of voting rights (591,882 voting rights) pertaining to the Shares Planned Not to Be Tendered (59,188,200 shares) from the number obtained by multiplying the following number of voting rights by two-thirds and rounding the result up to the nearest whole number (resulting in 2,179,042 voting rights): the number of voting rights (3,268,562 voting rights) pertaining to the number of shares (326,856,214 shares) obtained by subtracting the number of treasury shares held by the Target Company as of March 31, 2026 (7,610,264 shares) from the sum of (i) the number of Target Company Shares (50,800 shares) underlying the Stock Acquisition Rights that were reported by the Target Company to be outstanding and exercisable as of March 31, 2026 (i.e., 82 2nd Series of Stock Acquisition Rights, 72 3rd Series of Stock Acquisition Rights, 72 4th Series of Stock Acquisition Rights, and 282 6th Series of Stock Acquisition Rights) and (ii) the total number of issued shares of the Target Company as of March 31, 2026 (334,415,678 shares), as stated in the Target Company's Annual Securities Report. This because the Tender Offeror intends to acquire through the Tender Offer all of the Target Company Shares (including the Target Company Shares to be delivered upon exercise of the Stock Acquisition Rights, but excluding the treasury shares held by the Target Company and the Shares Planned Not to Be Tendered) and all of the Stock Acquisition Rights and to take the Target Company Shares private, and, given that a special resolution at a shareholders meeting as provided for in Article 309, Paragraph 2 of the Companies Act (Act No. 86 of 2005, as amended; the "**Companies Act**") is required to implement the procedures for the Share Consolidation described in "(2) Policy for Organizational Restructuring, Etc. After the Tender Offer" below, the minimum number of Share Certificates, Etc. to be purchased has been set so that the Tender Offeror and the Shareholders Planning Not to Tender will hold at least two-thirds of the total number of voting rights of all shareholders of the Target Company after the Tender Offer, thereby satisfying that requirement and ensuring the implementation of the Transactions.

If the Tender Offeror is unable to acquire all of the Target Company Shares (including the Target Company Shares to be delivered upon exercise of the Stock Acquisition Rights, but excluding the treasury shares held by the Target Company and the Shares Planned Not to Be Tendered held by the Shareholders Planning Not to Tender) and all of the Stock Acquisition Rights through the Tender Offer, then, promptly after completion of the settlement of the Tender Offer, the Tender Offeror intends to request the Target Company to (i) implement a share buyback with respect to the Target Company Shares held by Hikari Tsushin K.K., a Shareholder Planning Not to Tender, on the effective date of the Share Consolidation but prior to the Share Consolidation becoming effective ("**Share Buyback (1)**") and (ii) hold, as described in "(2) Policy for Organizational Restructuring, Etc. After the Tender Offer" below, an extraordinary shareholders meeting whose agenda items will include proposals for the Share Consolidation of the Target Company Shares pursuant to Article 180 of the Companies Act and, subject to the Share Consolidation becoming effective, partial amendment to the Target Company's articles of incorporation, including a change to the total number of shares authorized to be issued and the abolition of the provisions regarding the number of shares constituting one unit and measures for electronic provision (that meeting, the "**Extraordinary Shareholders Meeting**"). The acquisition price per share for Share Buyback (1) (the "**Share Buyback (1) Price**") is expected to be 962 yen (Note 7).

Note 7: Mizuho Bank, Ltd. ("**Mizuho Bank**") and SBI Shinsei Bank, Limited ("**SBI Shinsei Bank**"), which are the lenders under the Tender Offer Settlement Financing (as defined below; the same applies below), have, in connection with that financing, required that, through the Class Shares (Tender Offeror) Investment (as defined below; the same applies below), approximately 57 billion yen be additionally invested in the Tender Offeror in addition to the Parent Company Investment (as defined below; the same applies below). Accordingly, the Share Buyback (1) Price has been set so that the aggregate amount of the consideration for the acquisition of the following will be approximately 57 billion yen: (i) the Target Company Shares held as of today by the Hikari Tsushin Group that will not be tendered in the Tender Offer and are expected to be purchased by the Target Company or the Tender Offeror through the Squeeze-Out Procedures (as defined in "(2) Policy for Organizational Restructuring, Etc. After the Tender Offer"); (ii) the shares to be acquired in Share Buyback (1); and (iii) the shares to be acquired in Share Buyback (2). Although Share Buyback (1) will be implemented using the funds of Target Company, funds required for Share Buyback (1) and Share Buyback (2) will be procured through the Class Shares (Target Company) Investment (as defined below; the same applies below), which follows Share Buyback (1), and thus funds required for Share Buyback (1) and Share Buyback (2) are expected to be obtained entirely through the Class Shares (Target Company)

Investment. In addition, the Share Buyback (1) Price and the Share Buyback (2) Price (as defined below; the same applies below), each of which is 962 yen, were determined taking into account the fact that those prices are in a relationship through which, if the Share Buyback (1) Price and the Share Buyback (2) Price were to be reduced below the aforementioned price, the consideration for Share Buyback (1) and Share Buyback (2), which constitutes the source of funds for the additional investment required by Mizuho Bank and SBI Shinsei Bank, would decrease, making it impossible to maintain the amount of that additional investment, which would then reduce the amount of the Tender Offer Settlement Financing and could, in turn, result in a reduction in the Tender Offer Price and the Stock Acquisition Right Purchase Price. Accordingly, the Tender Offeror believes in contributing to the maximization of the interests of the Target Company's general shareholders.

It is planned that a capital increase through a third-party allotment will be implemented on the business day immediately following the effective date of the Share Consolidation, in which Hikari Tsushin will make an investment in the Target Company in exchange for subscribing for non-voting class shares of the Target Company (the "**Class Shares (Target Company)**"; that investment, the "**Class Shares (Target Company) Investment**") (Note 8), and, on the same day, the amounts of the Target Company's stated capital and capital reserve will be reduced pursuant to Article 447, Paragraph 1 and Article 448, Paragraph 1 of the Companies Act (the "**Capital Reduction**") (Note 9). Thereafter, using the funds and distributable amount secured through the Class Shares (Target Company) Investment and the Capital Reduction, the Target Company intends to conduct a share buyback to acquire all of the Target Company Shares held by HTIO ("**Share Buyback (2)**"), thereby making the Tender Offeror the only holder of the Target Company's common shares. The Tender Offeror, the Shareholders Planning Not to Tender, and HTIO have agreed that HTIO will sell the Target Company Shares held by HTIO through HTIO's acceptance of Share Buyback (2).

The acquisition price per share prior to the share consolidation for Share Buyback (2) (the "**Share Buyback (2) Price**") is expected to be the same amount as the Share Buyback (1) Price (however, that price is expected to be adjusted based on the consolidation ratio of the Target Company Shares in the Share Consolidation). As stated above, the funds obtained by the Target Company through the Class Shares (Target Company) Investment are expected to be applied to Share Buyback (1) and Share Buyback (2).

Note 8: The class shares to be issued in the Class Shares (Target Company) Investment are expected to be non-voting shares subject to transfer restrictions.

Note 9: In connection with the Capital Reduction, the Tender Offeror intends to request the Target Company to transfer to other capital surplus all or a portion of the amounts by which the Target Company's stated capital and capital reserve are reduced.

In addition, while, as stated above, Mizuho Bank and SBI Shinsei Bank have required that approximately 57 billion yen be additionally invested in the Tender Offeror in addition to the Parent Company Investment, that additional investment is planned to be made through executing the following transactions after the implementation of

Share Buyback (2), a capital increase through a third-party allotment, in which the Hikari Tsushin Group will make an investment in the Tender Offeror in exchange for subscribing for non-voting class shares of the Tender Offeror (the "**Class Shares (Tender Offeror)**"; that investment, the "**Class Shares (Tender Offeror) Investment**") (Note 10); and the acquisition by the Tender Offeror from Hikari Tsushin, using the funds procured through the Class Shares (Tender Offeror) Investment, of all of the Class Shares (Target Company) held by Hikari Tsushin (the "**Class Shares (Target Company) Transfer**").

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

After the implementation of the Transactions, the Tender Offeror and the Target Company intend to conduct an absorption-type merger in which the Tender Offeror will be the surviving company and the Target Company will be the disappearing company (the "**Absorption-Type Merger**").

The Tender Offeror intends to fund the Transactions, including the Tender Offer, through an investment by the Tender Offeror Parent Company (the "**Parent Company Investment**") and borrowings from Mizuho Bank, SBI Shinsei Bank, and Deutsche Bank AG, Tokyo Branch ("**Deutsche Bank**") (the "**Tender Offer Settlement Financing**") and, subject to the successful completion of the Tender Offer and other conditions, intends to receive the Parent Company Investment and the Tender Offer Settlement Financing by no later than the business day immediately preceding the commencement date of settlement of the Tender Offer.

In addition, in connection with the Tender Offer, the Tender Offeror, the Tender Offeror Parent Company, Hikari Tsushin, the MBKP Fund, and the NECCS Fund entered into a shareholders agreement dated September 14, 2026 (the "**Shareholders Agreement**").

According to the "Notice Regarding Expression of Opinion in Support of the Tender Offer for the Share Certificates, Etc. of the Company by K891, Inc. and Recommendation to Tender Them and Transfer of Shares Involving a Change in a Specified Subsidiary" released by the Target Company on September 14, 2026 (the "**Target Company's Press Release**"), the Target Company resolved at its board of directors meeting held on September 14, 2026 to express an opinion in support of the Tender Offer and recommend that the Target Company's shareholders and the Stock Acquisition Rights Holders tender their Share Certificates, Etc. in the Tender Offer.

(2) Policy for Organizational Restructuring, Etc. After the Tender Offer

As set out in "(1) Outline of the Purpose of the Tender Offer" above, if, despite the successful completion of the Tender Offer, the Tender Offeror is unable to acquire all of the Target Company Shares (including the Target Company Shares to be delivered upon exercise of the Stock Acquisition Rights, but excluding the treasury shares held by the Target Company and the Shares Planned Not to Be Tendered) and all of the Stock Acquisition Rights through the Tender Offer, then the Tender Offeror intends, after the successful completion of the Tender Offer, to use the following methods to carry out a series of procedures (the "**Squeeze-Out Procedures**") in order to make the Tender Offeror and HTIO the only shareholders of the Target Company.

Specifically, the Tender Offeror will, promptly after the completion of the settlement of the Tender Offer, request the Target Company to schedule the holding of an extraordinary shareholders meeting (the "**Extraordinary Shareholders Meeting**") at which, subject to the Share Consolidation regarding the Target Company Shares becoming effective in accordance with Article 180 of the Companies Act, partial amendment to the Target Company's articles of incorporation will be proposed, which will include a change to the total number of shares authorized to be issued and the abolition of the provisions regarding the number of shares constituting one unit and measures for electronic provision. The Tender Offeror, HTIO, and Hikari Tsushin K.K. intend to approve each of the above proposals at the Extraordinary Shareholders Meeting.

If the proposal for the Share Consolidation is approved at the Extraordinary Shareholders Meeting, the shareholders of the Target Company will, on the effective date of the Share Consolidation, hold the number of Target Company Shares proportionate to the ratio of the Share Consolidation that is approved at the Extraordinary Shareholders Meeting. If, due to the Share Consolidation, the numbers of shares that shareholders of the Target Company receive include fractions less than one share, such shareholders whose shares include fractions less than one share will receive an amount of cash obtained by selling the Target Company Shares equivalent to the total sum of the fractions less than one share (with such aggregate sum rounded down to the nearest whole number; the same applies hereinafter) to the Target Company or the Tender Offeror as per the procedures specified in Article 235 of the Companies Act and other applicable laws and regulations. With respect to the selling price for the number of shares equivalent to the total sum of the fractions less than one share in the Target Company, the Tender Offeror intends to request the Target Company to file a petition to the court for permission to sell such Target Company Shares by private contract on the basis that they will be valued so that the amount of cash received by each shareholder of the Target Company who did not tender their shares in the Tender Offer as a result of the sale will be equal to the price obtained by multiplying the Tender Offer Price by the number of Target Company Shares held by each such shareholder. Although the ratio of the consolidation of the Target Company Shares has not been determined as of today, the Tender Offeror intends to request the Target Company to make a decision so that the Tender Offeror and HTIO will hold all of the Target Company Shares (excluding the treasury shares held by the Target Company) and that shareholders of the Target Company (excluding HTIO) who do not tender their shares in the Tender Offer will have a fraction of less than one share. According to the Target Company's press release, the Target Company intends to comply with these requests from the Tender Offeror upon the successful completion of the Tender Offer. If the Extraordinary Shareholders Meeting is held, it is scheduled to take place around January 2026. The specific details and expected timing for the Extraordinary Shareholders Meeting will be determined through consultation with the Target Company and then promptly announced by the Target Company.

In order to protect the rights of minority shareholders in relation to the Share Consolidation, the Companies Act provides that if there is a fraction less than one share as a result of the Share Consolidation, each shareholder of the Target Company (excluding the Tender Offeror and the Target Company) may request that the Target Company purchase all such shares that are held and will be a fraction less than one share of the Target Company Shares at a fair price and may file a petition to the court to determine the price of the Target Company Shares in accordance with Articles 182-4 and 182-5 of the Companies Act and other applicable laws and regulations.

As stated above, because the number of the Target Company Shares held by the shareholders of the Target Company (excluding HTIO and the Target Company) who do not tender their shares in the Tender Offer will be less than one, the shareholders of the Target Company (excluding HTIO) objecting to the Share Consolidation may file a petition as described above. Please note that if such petition is filed, the purchase price of the Target Company Shares will ultimately be decided by the court.

In addition, if, despite the successful completion of the Tender Offer, the Tender Offeror is unable to acquire all of the Stock Acquisition Rights through the Tender Offer, and the Stock Acquisition Rights remain unexercised, then the Tender Offeror plans to request the Target Company to implement the procedures that are reasonably required for executing the Transactions, such as the acquisition and cancellation of the Stock Acquisition Rights and recommending to the Stock Acquisition Rights Holders that they waive their Stock Acquisition Rights. According to the Target Company's Press Release, should the Target Company receive such request, it intends to provide the necessary cooperation in connection therewith, subject to the condition that reasonable consideration or other appropriate treatment, taking into account the Stock Acquisition Right Purchase Price, is assured to the holders of the Stock Acquisition Rights who remain following completion of the Tender Offer.

With regard to the above procedures for the Share Consolidation, it is possible that, depending on amendments to or the implementation and interpretation of the relevant laws and regulations by authorities, the methods and timing of implementation may be altered. However, even in such case, it is intended that a method will be used whereby the shareholders of the Target Company (excluding HTIO and the Target Company) who do not tender their shares in the Tender Offer will ultimately receive cash consideration equal to the number of Target Company Shares held by such shareholder multiplied by the Tender Offer Price in exchange for their shares. The specific details and expected timing for the procedures described above will be determined through consultation with the Target Company and then promptly announced by the Target Company.

It is further noted that all shareholders of the Target Company are asked to seek their own specialist, such as a tax accountant, for tax advice with regard to the tax consequences of tendering their shares in the Tender Offer or the procedures outlined above.

(3) Prospects for Delisting, etc., and the Reasons Therefor

The Target Company Shares are currently listed on the Prime Market of the TSE as of today. However, since the Tender Offeror has not set a maximum number of Share Certificates, Etc. to be purchased in the Tender Offer, the Target Company Shares may be delisted through prescribed procedures in accordance with the delisting criteria of the TSE, depending on the results of the Tender Offer. Also, even in the case that the delisting criteria are not met upon successful completion of the Tender Offer, the Tender Offeror plans to carry out the Share Consolidation stated in "(2) Policy for Organizational Restructuring, Etc. After the Tender Offer" above after the successful completion of the Tender Offer, and if those procedures are carried out, the Target Company Shares will be delisted through the prescribed procedures in accordance with the delisting criteria of the TSE. After delisting, the Target Company Shares will be unable to be traded on the Prime Market of the TSE.

3. Overview of the Target Company and the Terms and Conditions of the Tender Offer

(1) Outline of the Target Company

(i)	Name	Leopalace21 Corporation
(ii)	Location	2-54-11 Honcho, Nakano-ku, Tokyo
(iii)	Title and name of representative	Bunya Miyao, President and CEO
(iv)	Type of business	Construction, leasing, and sale of apartments, condominiums, and residential housing Development and operation of resort facilities Broadband business Elderly care business, etc.

(2) Schedule, etc.

(A) Schedule

Date of resolution of the board of directors	September 14, 2026 (Monday)
Date of public announcement of the commencement of the Tender Offer	September 15, 2026 (Tuesday) An electronic public notice will be issued, and a notice to that effect will be published in the *Nihon Keizai Shimbun*. (Electronic public notice URL: https://disclosure2.edinet-fsa.go.jp/
Filing date of the Tender Offer Registration Statement	September 15, 2026 (Tuesday)

(B) Period of the Tender Offer

From September 15, 2026 (Tuesday) to October 30, 2026 (Friday) (30 business days)

(3) Purchase Price, etc.

(A) 1,000 yen per share of common stock

(B) Stock Acquisition Rights

(i) 99,900 yen for each 2nd series stock acquisition right (stock compensation-type stock option) issued pursuant to the resolution of the board of directors of the Target Company held on July 28, 2016 (the "**2nd Series Stock Acquisition Rights**") (the exercise period is from August 19, 2016 to August 18, 2046)

(ii) 99,900 yen for each 3rd series stock acquisition right (stock compensation-type stock option) issued pursuant to the resolution of the board of directors of the Target Company held on August 28, 2017 (the "**3rd Series Stock Acquisition Rights**") (the exercise period is from September 15, 2017 to September 14, 2047)

(iii) 99,900 yen for each 4th series stock acquisition right (stock compensation-type stock option) issued pursuant to the resolution of the board of directors of the Target Company held on August 28, 2018 (the "**4th Series Stock Acquisition Rights**") (the exercise period is from September 15, 2018 to September 14, 2048)

(iv) 99,900 yen for each 6th series stock acquisition right (stock compensation-type stock option) issued pursuant to the resolution of the board of directors of the Target Company held on July 30, 2024 (the "**6th Series Stock Acquisition Rights**" (the exercise period is from August 20, 2024 to August 19, 2054)); the 2nd Series Stock Acquisition Rights, the 3rd Series Stock Acquisition Rights, the 4th Series Stock Acquisition Rights, and the 6th Series Stock Acquisition Rights, collectively, the "**Stock Acquisition Rights**," and the purchase price per Stock Acquisition Right in connection with the Tender Offer, the "**Stock Acquisition Right Purchase Price**")

(4) Number of Share Certificates, Etc. to Be Purchased

Number of Share Certificates, Etc. to be purchased	Minimum number of Share Certificates, Etc. to be purchased	Maximum number of Share Certificates, Etc. to be purchased
267,668,014 shares	158,716,000 shares	– shares

Note 1: If the total number of the Tendered Share Certificates, Etc. is less than the minimum number of Share Certificates, Etc. to be purchased (158,716,000 shares), the Tender Offeror will not purchase any of the Tendered Share Certificates, Etc. If the total number of the Tendered Share Certificates, Etc. is equal to or greater than the minimum number of Share Certificates, Etc. to be purchased (158,716,000 shares), the Tender Offeror will purchase all of the Tendered Share Certificates, Etc.

Note 2: Because the Tender Offeror has not set a maximum number of Share Certificates, Etc. to be purchased in the Tender Offer, the number of Share Certificates, Etc. to be purchased is stated as the maximum number of Target Company Shares that may be purchased by the Tender Offeror in the Tender Offer (267,668,014 shares). This number of shares (267,668,014 shares) represents the Reference Number of Shares (326,856,214 shares) less the number of Target Company Shares (59,188,200 shares) held by the Shareholders Planning Not to Tender as of today.

Note 3: The Tender Offeror does not intend to acquire the treasury shares held by the Target Company through the Tender Offer.

Note 4: Shares less than one unit are also subject to the Tender Offer. If a right to demand the purchase of shares less than one unit is exercised by a shareholder in accordance with the Companies Act, the Target Company may purchase its own treasury shares during the period of the Tender Offer in accordance with procedures under laws and regulations.

Note 5: Although the Stock Acquisition Rights may be exercised by the last day of the period of the Tender Offer, the Target Company Shares issued or delivered as a result of such exercise are also subject to the Tender Offer.

4. Future Outlook

For information regarding the policies following the Tender Offer, please refer to "(2) Policy for Organizational Restructuring, Etc. After the Tender Offer" and "(3) Prospects for Delisting, etc., and the Reasons Therefor" in "2. Purpose of the Tender Offer, Etc." above.

End

Regulation on Solicitation

This document is to announce the Tender Offer to the public and has not been prepared for the purpose of soliciting the sale of shares. If shareholders and stock acquisition rights holders wish to make an offer to sell their share certificates, etc., they should first read the tender offer explanatory statement for the Tender Offer and make their own independent decision. Neither this document nor the documents referred to herein constitute, nor form any part of, an offer to sell, solicitation of a sale of, or any solicitation of an offer to buy, any securities. In addition, neither this document nor the documents referred to herein (or any part thereof), nor the fact of their distribution, shall form the basis of any agreement regarding the Tender Offer, nor shall they be relied on in connection with executing any such agreement.

Forward-Looking Statements

This document contains forward-looking expressions regarding business development based on views of the Tender Offeror's management in the event that the Tender Offeror acquires Target Company Shares. Actual results may differ materially from these projections due to a variety of factors.

U.S. Regulations

The Tender Offer will not be conducted, directly or indirectly, in the United States or targeted at the United States using mail or any other means or methods of interstate or international commerce in the United States (including, but not limited to, telephone, telex, facsimile, email, and Internet communications), nor will it be conducted through the facilities of any securities exchange in the United States. No tender of share certificates, etc. in the Tender Offer shall be made using the methods or means described above or through the facilities listed above, or within the United States. Furthermore, the Tender Offer Registration Statement and related tender offer documents will not be sent or distributed within the United States, to the United States, or from within the United States by mail or any other means, and such sending or distribution is prohibited. No tender of share certificates, etc. in the Tender Offer that directly or indirectly violates the above restrictions shall be accepted.

Other Countries

Some countries or regions may impose restrictions on the announcement, issuance, or distribution of this document. In such cases, please take note of such restrictions and comply therewith. The announcement, issuance, or distribution of this document does not constitute a solicitation of an offer to sell or an offer to purchase share certificates, etc. related to the Tender Offer and shall be deemed to be a distribution of materials for informative purposes only.