

October 15, 2025

To Whom It May Concern:

Company Name: TOHO CO., LTD.
Representative: Hiro Matsuoka, President & CEO
(Securities Code: 9602, Prime Market of Tokyo Stock
Exchange, Fukuoka Stock Exchange)
Inquiries: Tsuyoshi Fukiharu, Operating Officer
In charge of Finance & Accounting,
Corporate Management Group
(Telephone Number: +81-3-3591-1218)

Notice Concerning Acquisition of Treasury Shares and Commencement of Tender Offer

The Company hereby announces that the Company passed a resolution at its meeting of board of directors (hereinafter referred to as the “**Board of Directors**”) held on October 15, 2025 to acquire its treasury shares (hereinafter referred to as the “**Treasury Shares**”) and to commence the tender offer of Treasury Shares (hereinafter referred to as the “**Tender Offer**”) which is the specific method to be used for such acquisition, pursuant to the provisions of Article 156, Paragraph 1 of the Companies Act (Act No. 86 of 2005 as amended) (hereinafter referred to as the “**Companies Act**”), which apply by reading “shareholders meeting” as “shareholders meeting or board of directors meeting” pursuant to the provisions of Article 165, Paragraph 3 of the Companies Act, and the provisions of articles of incorporation of the Company (hereinafter referred to as the “**Articles of Incorporation**”), as described below.

1. Purpose of the Tender Offer

In order to enhance shareholder returns, the Company has set goals to set the minimum annual dividend of 85 yen and dividend payout ratio of 35% or more and to implement flexible acquisition of Treasury Shares, as provided in “TOHO Mid-Term Plan 2028” which was announced on April 14, 2025.

With regard to the amount of dividend per share for the fiscal year ended February 28, 2025, the dividend per share as of the end of the second quarter was 35.00 yen, the dividend per share as of the end of the fiscal year was 50.00 yen, which means that the total dividend per share for the entire fiscal year was 85.00 yen, and the consolidated dividend payout ratio was 33.4%. With regard to the amount of dividend per share for the fiscal year ending 2026, the dividend per share as of the end of the second quarter is scheduled to be 42.50 yen, the dividend per share as of the end of the fiscal year is scheduled to be 42.50 yen, which means that the total dividend per share for the entire fiscal year is scheduled to be 85.00 yen.

In order to ensure flexibility in managing the acquisition of Treasury Shares in the future, the Company prescribes in the Articles of Incorporation that the Company will be able to acquire the Treasury Shares by resolution of Board of Directors pursuant to the provisions of Article 165, Paragraph 2 of the Companies Act.

The Company has acquired its common shares (hereinafter referred to as the “**Common Shares**”) in the past 5 years as provided below.

Date of Resolution of Board of Directors	Acquisition Period	Total Number of Shares Acquired	Total Acquisition Price
Board of Directors Meeting Held on January 14, 2020	January 15, 2020 ~ July 3, 2020	2,000,000 shares	6,859,018,600 yen
Board of Directors Meeting Held on April 13, 2021 (Note 1)	April 14, 2021 ~ May 17, 2021	1,366,503 shares	5,750,244,624 yen
Board of Directors Meeting Held on July 12, 2022	July 13, 2022 ~ September 9, 2022	1,000,000 shares	5,098,694,000 yen
Board of Directors Meeting Held on October 12, 2022	October 13, 2022	1,000,000 shares	5,080,000,000 yen
Board of Directors Meeting Held on April 15, 2024	April 16, 2024 ~ May 1, 2024	4,000,000 shares	20,045,689,900 yen

(Note 1) Based on the resolution at the meeting of Board of Directors held on April 13, 2021 as mentioned above, the Company has acquired 1,366,503 shares (0.77% (rounded to the second decimal place) which is the ratio between (i) the number of such shares in the Company acquired by the Company and (ii) the number of total outstanding shares in the Company (177,656,028 shares) resulting after deducting the number of treasury shares in the Company owned by the Company as of February 28, 2021 (8,834,605 shares) from the number of total outstanding shares in the Company as of April 14, 2021 which is the filing date of tender offer statement on the Tender Offer (186,490,633 shares)) during the tender offer period from April 14, 2021 to May 17, 2021 through the tender offer of treasury shares.

Under such circumstances, H2O Retailing Corporation (hereinafter referred to as “**H2O Retailing**”) (Number of shares in the Company owned by H2O Retailing as of February 28, 2025 is 8,797,852 shares, its Shareholding Ratio as of February 28, 2025 (Note 2) is 5.19%, and its shareholder ranking as of February 28, 2025 is 5th.), which is a shareholder of the Company, had set a goal in its “Mid-term Management Plan (2024-2026)” which was announced by H2O Retailing on May 15, 2024, to endeavor to sell its assets with low profitability such as cross-shareholdings, as a way to control its total assets/equity capital as a part of its capital/financial strategy to enhance its corporate value/share value, and the Company was informed by H2O Retailing in early March 2025 that H2O Retailing was willing to sell approximately 1,700,000 Common Shares, which were a part of Common Shares owned by H2O Retailing, as a part of its reconsideration of cross-shareholdings. While the Company does not own any shares in H2O Retailing, H2O Retailing owns 8,797,852 shares in the Company (5.19% which is H2O Retailing’s Shareholding Ratio as of February 28, 2025) in order strengthen ties with Hankyu Hanshin Toho Group, which is a corporate group having Hankyu Hanshin Holdings, Inc., an affiliate of the Company and H2O Retailing, as its core, and Yasuo Shimada, who is director of the Company as of October 15, 2025, is concurrently serving as director of H2O Retailing.

(Note 2) “Shareholding Ratio as of February 28, 2025” means the ratio (rounded to the second decimal place; hereinafter the same for the purpose of calculating the shareholding ratio) between (i) the number of shares in the Company owned by H2O Retailing as of February 28, 2025 and (ii) the number of total outstanding shares in the Company

(169,556,832 shares) resulting after deducting the number of Treasury Shares as of February 28, 2025 (16,933,801 shares) from the number of total outstanding shares in the Company as of February 28, 2025 (186,490,633 shares)). The definition of “Shareholding Ratio as of February 28, 2025” is same hereinafter.

Upon being informed by H2O Retailing, the Company began to consider in detail the acquisition of Treasury Shares from early March 2025 by taking into account the factors such as the impact on the liquidity and share price of the Common Shares in case that decent number of shares in the Company is temporarily released to the market and the financial condition of the Company.

As a result, the Company has determined in late July 2025 that (i) the Company’s acquisition of Treasury Shares would contribute to enhancement of capital efficiency such as earnings per share (EPS) and return on equity (ROE) and would lead to shareholder returns and (ii) even if the Company acquired the Treasury Shares, such acquisition would not significantly impact the financial condition and dividend policy of the Company. Upon carefully considering from the perspective of fairness among shareholders and transparency of transaction, the Company has also determined in late July 2025 that with respect to specific acquisition method of Treasury Shares, the tender offer is the appropriate method.

With regard to the determination of the tender offer price of the Tender Offer (hereinafter referred to as the “**Tender Offer Price**”), the Company viewed that the focus should be on the clarity and objectivity of criteria and the market price should be the basis, considering the factors such as the fact that the Common Shares are listed on the financial instruments exchange and the fact that acquisition of treasury shares by listed companies are often made through purchase at financial instruments exchange. On top of that, from the perspective of respecting the interests of shareholders who did not accept the Tender Offer and who continue to hold the Common Shares, the Company determined in late July 2025 that it was preferable to purchase the shares at a price which received a certain amount of discount from the market price, in order to prevent the outflow of Company’s assets as much as possible.

Therefore, the Company proposed to H2O Retailing in late July 2025 to accept the Company’s tender offer (if the Company commenced the tender offer) at a price which is discounted price of market price of Common Shares on the Prime Market of Tokyo Stock Exchange, Inc. (hereinafter referred to as “**Tokyo Stock Exchange**”), and H2O Retailing responded in early August 2025 that it would positively consider accepting such tender offer.

Upon receiving such response, the Company had further multiple discussions with H2O Retailing and had given careful consideration by taking into account the factors such as the financial condition of the Company and the rates of discounts on tender offer prices of treasury shares of other companies in the past, and in mid-August 2025, the Company has discussed with H2O Retailing on the specific conditions for the discount rate of Tender Offer and for the upper limit on number of shares to be purchased.

In such discussions, the Company has received a response from H2O Retailing that in case that the Company passed a resolution to commence the Tender Offer, H2O Retailing would accept the Tender Offer in which H2O Retailing would sell 1,700,000 shares in the Company (Shareholding Ratio as of May 31, 2025 (Note 3): 1.00%) out of 8,797,852 shares in the Company held by H2O Retailing instead of all of 8,797,852 shares in the Company (Shareholding Ratio as of May 31, 2025: 5.19%) held by H2O Retailing, by taking into account the factors such as timing of sale and stock price level.

(Note 3) “Shareholding Ratio as of May 31, 2025” means the ratio between (i) the number of shares in the Company owned by H2O Retailing as of May 31, 2025 and (ii) the number of total outstanding shares in the Company (169,556,675 shares) resulting after deducting the number of Treasury Shares as of May 31, 2025 (6,443,325 shares) from the number of total outstanding shares in the Company as of May 31, 2025 (176,000,000 shares)). The definition of “Shareholding Ratio as of May 31, 2025” is same hereinafter.

The Company proposed to H2O Retailing to have the Tender Offer Price at a price which is 10% discount of the closing price of Common Shares at the Tokyo Stock Exchange Prime Market on the business day immediately preceding the date of resolution of Board of Directors on the Tender Offer (October 14, 2025), and received an approval from H2O Retailing. The Company passed a resolution on the discount rate in or after January 2022 and determined that the discount rate of 10% was appropriate based on the fact that out of 93 cases on tender offer of treasury shares which were completed by July 31, 2025, there were 81 cases which used the discount rate (hereinafter referred to as the “Cases”) and out of such Cases, the discount rate of approximately 10% (i.e., more than 9% and no more than 10%) was used the most (64 cases) and by taking into consideration the stock price volatility of the Company shares. The Company viewed that it was preferable to have the market price of Common Shares, which could be viewed as adequately reflecting the most recent business performance of the Company, as the reasonable price of Common Shares which would become the basis of discount and therefore, the Company decided to have the Tender Offer Price at a price which received discount from the closing price of Common Shares at the Tokyo Stock Exchange Prime Market as of October 14, 2025 instead of simple arithmetic average of closing prices of Common Shares during the certain period up to October 14, 2025 which was the business day immediately preceding October 15, 2025 which was the date when the Board of Directors meeting, which would pass a resolution on the commencement of Tender Offer, was held.

As a result, in case that the Company passes a resolution to commence the Tender Offer, the Company will enter into a memorandum of understanding with H2O Retailing under which H2O Retailing will agree to accept the Tender Offer to sell 1,700,000 Common Shares (Shareholding Ratio (Note 4): 1.00%) out of 8,797,852 Common Shares (Shareholding Ratio: 5.19%) held by H2O Retailing under the conditions mentioned above.

(Note 4) “Shareholding Ratio” means the ratio between (i) the number of shares in the Company owned by H2O Retailing as of August 31, 2025 and (ii) the number of total outstanding shares in the Company (169,571,729 shares) resulting after deducting the number of Treasury Shares as of August 31, 2025 (6,428,271 shares) from the number of total outstanding shares in the Company as of August 31, 2025 (176,000,000 shares)). The definition of “Shareholding Ratio” is same hereinafter.

Furthermore, if the total number of shares, for which the Tender Offer was accepted, exceeds the upper limit of number of shares to be purchased, the purchases will be made by using the pro rata method and in such case, the Company will acquire from H2O Retailing a portion of 1,700,000 Common Shares which H2O Retailing indicated that it planned to sell. If the total number of shares, for which the Tender Offer was accepted, exceeds the upper limit of number of shares to be purchased, the purchases will be made by using the pro rata method, and the Company (i) will not be able to purchase all 1,700,000 Common Shares which H2O Retailing indicated that it planned to sell, (ii) has no plan to acquire the Common Shares which the Company could not purchase and (iii) received a response from H2O Retailing on October 15, 2025 that H2O Retailing considers selling on the market the Common Shares which the Company could not purchase. The Company has also confirmed with H2O Retailing that H2O Retailing remained undecided whether or not to dispose of remaining 7,097,852 shares (Shareholding Ratio: 4.19%), for which H2O Retailing would not accept the Tender Offer, and would consider its options in the future.

Considering the above, the Company passed a resolution at the Board of Directors meeting held on October 15, 2025 (i) to acquire the Treasury Shares and to commence the Tender Offer which is the specific method to be used for such acquisition, pursuant to the provisions of Article 156, Paragraph 1 of the Companies Act, which apply by reading “shareholders meeting” as “shareholders meeting or board of directors meeting” pursuant to the provisions of Article 165, Paragraph 3 of the Companies Act, and

the provisions of articles of incorporation of the Company, and (ii) to have the Tender Offer Price at 8,782 yen (rounded to whole yen; hereinafter the same for the purpose of calculation of Tender Offer Price) which is the price receiving 10% discount from 9,758 yen which was the closing price of Common Shares at the Tokyo Stock Exchange Prime Market on October 14, 2025 which was the business day immediately preceding October 15, 2025 which was the day when the Board of Directors meeting which passed a resolution to commence the Tender Offer was held, and the Company also executed with H2O Retailing the memorandum of understanding mentioned above on October 15, 2025.

With regard to the upper limit of number of shares to be purchased under the Tender Offer, by taking into account the perspective of providing opportunity for shareholders of the Company other than H2O Retailing to accept the Tender Offer and the past cases in which a buffer of 15% or more is added to the upper limit of number of shares to be purchased, the Company set the upper limit at 2,000,000 shares (Shareholding Ratio: 1.18%) which is the number of shares after adding a certain amount of buffer to 1,700,000 shares.

Furthermore, in order to eliminate the arbitrariness in the decision-making process of the Company when considering/deciding on the Tender Offer, Yasuo Shimada, who is director of the Company, did not participate in any deliberations or resolutions on the Tender Offer at the Board of Directors meeting held on October 15, 2025 or in any discussions/negotiations with H2O Retailing on behalf of the Company.

Although all funds necessary for the Tender Offer are scheduled to come from the Company's own funds, the Company views that it will be able to maintain financial soundness and security thereafter because (i) the amount of Company's consolidated-based liquidity on hand (cash and deposit) as of August 31, 2025 as provided in "Summary of Consolidated Financial Results for the Second Quarter (Mid-Term) of the Fiscal Year Ending February 28, 2026 (Japanese GAAP)" is approximately 53,200,000,000 yen, (ii) even after using the funds for the Tender Offer, the Company is able to secure sufficient amount of liquidity on hand, and (iii) certain amount of cashflow is expected to be generated from the Company's business.

The Company's plan, etc., such as plan to dispose of Treasury Shares which the Company will acquire from the Tender Offer, are still undecided.

2. Resolution of the Board of Directors Regarding Purchase of Treasury Shares

(1) Details of the Resolution

Class of Shares	Total Number of Shares	Total Acquisition Price
Common Shares	2,000,100 shares	17,564,878,200 yen

(Note 1) The ratio between the number of shares to be acquired and the total number of outstanding shares as of date of this Notice is 1.14% (rounded to the second decimal place). The shareholding ratio of the total number of shares to be acquired is 1.18%.

(Note 2) The total number of shares to be acquired is the upper limit resolved at the Board of Directors meeting.

(Note 3) Since there is a possibility that number of shares to be acquired will exceed the upper limit of number of shares to be acquired if the number of shares for which the Tender Offer is accepted exceeds the upper limit of number of shares to be acquired and unit adjustment is made pro rata, one unit (100 shares) is added to the total number of shares resolved at the Board of Directors meeting.

(Note 4) The total acquisition price is the upper limit of total acquisition price of shares resolved at the Board of Directors meeting.

(Note 5) The period for the repurchase is from October 16, 2025 to December 31, 2025.

(2) Listed Share Certificates, etc. Relating to Treasury Shares Already Acquired Based on the Above Resolution

Not applicable.

3. Overview of the Tender Offer, etc.

(1) Schedule, etc.

(A) Date of Resolution of Board of Directors	October 15, 2025 (Wednesday)
(B) Date of Public Notice of Commencement of Tender Offer	October 16, 2025 (Thursday) Public notice will be made electronically via the Internet, and notice thereof will be published in The Nikkei. (URL of the electronic public notice: https://disclosure2.edinet-fsa.go.jp/)
(C) Filing Date of Tender Offer Statement	October 16, 2025 (Thursday)
(D) Tender Offer Period, etc.	From October 16, 2025 (Thursday) to November 13, 2025 (Thursday) (20 business days)

(2) Tender Offer Price

8,782 yen per Common Share

(3) Basis for Calculation of the Tender Offer Price

(A) Basis of Calculation

With regard to the determination of the tender offer price of the Tender Offer Price, the Company viewed that the focus should be on the clarity and objectivity of criteria and the market price should be the basis, considering the factors such as the fact that the Common Shares are listed on the financial instruments exchange and the fact that acquisition of treasury shares by listed companies are often made through purchase at financial instruments exchange. On top of that, from the perspective of respecting the interests of shareholders who did not accept the Tender Offer and who continue to hold the Common Shares, the Company determined in late July 2025 that it was preferable to purchase the shares at a price which received a certain amount of discount from the market price, in order to prevent the outflow of Company's assets as much as possible.

Therefore, the Company proposed to H2O Retailing in late July 2025 to accept the Company's tender offer (if the Company commenced the tender offer) at a price which is discounted price of market price of Common Shares on the Tokyo Stock Exchange Prime Market, and H2O Retailing responded in early August 2025 that it would positively consider accepting such tender offer.

Upon receiving such response, the Company had further multiple discussions with H2O Retailing and had given careful consideration by taking into account the factors such as the financial condition of the Company and the rates of discounts on tender offer prices of treasury shares of other companies in the past, and in mid-August 2025, the Company has discussed with H2O Retailing on the specific conditions for the discount rate of Tender Offer and for the upper limit on number of shares to be purchased.

In such discussions, the Company has received a response from H2O Retailing that in case that the Company passed a resolution to commence the Tender Offer, H2O Retailing

would accept the Tender Offer in which H2O Retailing would sell 1,700,000 shares in the Company (Shareholding Ratio as of May 31, 2025 : 1.00%) out of 8,797,852 shares in the Company held by H2O Retailing instead of all of 8,797,852 shares in the Company (Shareholding Ratio as of May 31, 2025: 5.19%) held by H2O Retailing, by taking into account the factors such as timing of sale and stock price level.

The Company proposed to H2O Retailing to have the Tender Offer Price at a price which is 10% discount of the closing price of Common Shares at the Tokyo Stock Exchange Prime Market on the business day immediately preceding the date of resolution of Board of Directors on the Tender Offer (October 14, 2025), and received an approval from H2O Retailing. The Company passed a resolution on the discount rate in or after January 2022 and determined that the discount rate of 10% was appropriate based on the fact that the discount rate of approximately 10% (i.e., more than 9% and no more than 10%) was used the most (64 cases) in the Cases and by taking into consideration the stock price volatility of the Company shares. The Company viewed that it was preferable to have the market price of Common Shares, which could be viewed as adequately reflecting the most recent business performance of the Company, as the reasonable price of Common Shares which would become the basis of discount and therefore, the Company decided to have the Tender Offer Price at a price which received discount from the closing price of Common Shares at the Tokyo Stock Exchange Prime Market as of October 14, 2025 instead of simple arithmetic average of closing prices of Common Shares during the certain period up to October 14, 2025 which was the business day immediately preceding October 15, 2025 which was the date when the Board of Directors meeting, which would pass a resolution on the commencement of Tender Offer, was held.

As a result, in case that the Company passes a resolution to commence the Tender Offer, the Company will enter into a memorandum of understanding with H2O Retailing under which H2O Retailing will agree to accept the Tender Offer to sell 1,700,000 Common Shares (Shareholding Ratio (Note 4): 1.00%) out of 8,797,852 Common Shares (Shareholding Ratio: 5.19%) held by H2O Retailing under the conditions mentioned above.

Furthermore, if the total number of shares, for which the Tender Offer was accepted, exceeds the upper limit of number of shares to be purchased, the purchases will be made by using the pro rata method and in such case, the Company will acquire from H2O Retailing a portion of 1,700,000 Common Shares which H2O Retailing indicated that it planned to sell. If the total number of shares, for which the Tender Offer was accepted, exceeds the upper limit of number of shares to be purchased, the purchases will be made by using the pro rata method, and the Company (i) will not be able to purchase all 1,700,000 Common Shares which H2O Retailing indicated that it planned to sell, (ii) has no plan to acquire the Common Shares which the Company could not purchase and (iii) received a response from H2O Retailing on October 15, 2025 that H2O Retailing considers selling on the market the Common Shares which the Company could not purchase. The Company has also confirmed with H2O Retailing that H2O Retailing remained undecided whether or not to dispose of remaining 7,097,852 shares (Shareholding Ratio: 4.19%), for which H2O Retailing would not accept the Tender Offer, and would consider its options in the future.

Considering the above, the Company passed a resolution at the Board of Directors meeting held on October 15, 2025 (i) to acquire the Treasury Shares and to commence the Tender Offer which is the specific method to be used for such acquisition, pursuant to the provisions of Article 156, Paragraph 1 of the Companies Act, which apply by reading “shareholders meeting” as “shareholders meeting or board of directors meeting” pursuant to the provisions of Article 165, Paragraph 3 of the Companies Act, and the provisions of articles of

incorporation of the Company, and (ii) to have the Tender Offer Price at 8,782 yen which is the price receiving 10% discount from 9,758 yen which was the closing price of Common Shares at the Tokyo Stock Exchange Prime Market on October 14, 2025 which was the business day immediately preceding October 15, 2025 which was the day when the Board of Directors meeting which passed a resolution to commence the Tender Offer was held, and the Company also executed with H2O Retailing the memorandum of understanding mentioned above on October 15, 2025.

With regard to the upper limit of number of shares to be purchased under the Tender Offer, by taking into account the perspective of providing opportunity for shareholders of the Company other than H2O Retailing to accept the Tender Offer and the past cases in which a buffer of 15% or more is added to the upper limit of number of shares to be purchased, the Company set the upper limit at 2,000,000 shares (Shareholding Ratio: 1.18%) which is the number of shares after adding a certain amount of buffer to 1,700,000 shares.

Furthermore, in order to eliminate the arbitrariness in the decision-making process of the Company when considering/deciding on the Tender Offer, Yasuo Shimada, who is director of the Company, did not participate in any deliberations or resolutions on the Tender Offer at the Board of Directors meeting held on October 15, 2025 or in any discussions/negotiations with H2O Retailing on behalf of the Company.

The Tender Offer Price of 8,782 yen is (i) 9,758 yen, which is the closing price of Common Shares at the Tokyo Stock Exchange Prime Market as of October 14, 2025 (hereinafter referred to as “**Base Date**”) which is the business day immediately preceding the date of resolution of Board of Directors meeting on the commencement of Tender Offer, after giving a discount of 10.00% (rounded to the second decimal place); hereinafter the same for the purpose of calculation of discount rate), (ii) 9,606 yen, which is the simple arithmetic average of closing prices of Common Shares during the 1-month period immediately preceding the Base Date, after giving a discount of 8.58%, (iii) 9,534 yen, which is the simple arithmetic average of closing prices of Common Shares during the 3-month period immediately preceding the Base Date, after giving a discount of 7.89%, or (iv) 8,718 yen, which is the simple arithmetic average of closing prices of Common Shares during the 6-month period immediately preceding the Base Date, after giving a premium of 0.73%.

(B) Process of Calculation

With regard to the determination of the tender offer price of the Tender Offer Price, the Company viewed that the focus should be on the clarity and objectivity of criteria and the market price should be the basis, considering the factors such as the fact that the Common Shares are listed on the financial instruments exchange and the fact that acquisition of treasury shares by listed companies are often made through purchase at financial instruments exchange. On top of that, from the perspective of respecting the interests of shareholders who did not accept the Tender Offer and who continue to hold the Common Shares, the Company determined in late July 2025 that it was preferable to purchase the shares at a price which received a certain amount of discount from the market price, in order to prevent the outflow of Company's assets as much as possible.

Therefore, the Company proposed to H2O Retailing in late July 2025 to accept the Company's tender offer (if the Company commenced the tender offer) at a price which is discounted price of market price of Common Shares on the Tokyo Stock Exchange Prime Market, and H2O Retailing responded in early August 2025 that it would positively consider accepting such tender offer.

Upon receiving such response, the Company had further multiple discussions with H2O

Retailing and had given careful consideration by taking into account the factors such as the financial condition of the Company and the rates of discounts on tender offer prices of treasury shares of other companies in the past, and in mid-August 2025, the Company has discussed with H2O Retailing on the specific conditions for the discount rate of Tender Offer and for the upper limit on number of shares to be purchased.

In such discussions, the Company has received a response from H2O Retailing that in case that the Company passed a resolution to commence the Tender Offer, H2O Retailing would accept the Tender Offer in which H2O Retailing would sell 1,700,000 shares in the Company (Shareholding Ratio as of May 31, 2025: 1.00%) out of 8,797,852 shares in the Company held by H2O Retailing instead of all of 8,797,852 shares in the Company (Shareholding Ratio as of May 31, 2025: 5.19%) held by H2O Retailing, by taking into account the factors such as timing of sale and stock price level.

The Company proposed to H2O Retailing to have the Tender Offer Price at a price which is 10% discount of the closing price of Common Shares at the Tokyo Stock Exchange Prime Market on the business day immediately preceding the date of resolution of Board of Directors on the Tender Offer (October 14, 2025), and received an approval from H2O Retailing. The Company passed a resolution on the discount rate in or after January 2022 and determined that the discount rate of 10% was appropriate based on the fact that the discount rate of approximately 10% (i.e., more than 9% and no more than 10%) was used the most (64 cases) in the Cases and by taking into consideration the stock price volatility of the Company shares. The Company viewed that it was preferable to have the market price of Common Shares, which could be viewed as adequately reflecting the most recent business performance of the Company, as the reasonable price of Common Shares which would become the basis of discount and therefore, the Company decided to have the Tender Offer Price at a price which received discount from the closing price of Common Shares at the Tokyo Stock Exchange Prime Market as of October 14, 2025 instead of simple arithmetic average of closing prices of Common Shares during the certain period up to October 14, 2025 which was the business day immediately preceding October 15, 2025 which was the date when the Board of Directors meeting, which would pass a resolution on the commencement of Tender Offer, was held.

As a result, in case that the Company passes a resolution to commence the Tender Offer, the Company will enter into a memorandum of understanding with H2O Retailing under which H2O Retailing will agree to accept the Tender Offer to sell 1,700,000 Common Shares (Shareholding Ratio (Note 4): 1.00%) out of 8,797,852 Common Shares (Shareholding Ratio: 5.19%) held by H2O Retailing under the conditions mentioned above.

Furthermore, if the total number of shares, for which the Tender Offer was accepted, exceeds the upper limit of number of shares to be purchased, the purchases will be made by using the pro rata method and in such case, the Company will acquire from H2O Retailing a portion of 1,700,000 Common Shares which H2O Retailing indicated that it planned to sell. If the total number of shares, for which the Tender Offer was accepted, exceeds the upper limit of number of shares to be purchased, the purchases will be made by using the pro rata method, and the Company (i) will not be able to purchase all 1,700,000 Common Shares which H2O Retailing indicated that it planned to sell, (ii) has no plan to acquire the Common Shares which the Company could not purchase and (iii) received a response from H2O Retailing on October 15, 2025 that H2O Retailing considers selling on the market the Common Shares which the Company could not purchase. The Company has also confirmed with H2O Retailing that H2O Retailing remained undecided whether or not to dispose of remaining 7,097,852 shares (Shareholding Ratio: 4.19%), for which H2O Retailing would

not accept the Tender Offer, and would consider its options in the future.

Considering the above, the Company passed a resolution at the Board of Directors meeting held on October 15, 2025 (i) to acquire the Treasury Shares and to commence the Tender Offer which is the specific method to be used for such acquisition, pursuant to the provisions of Article 156, Paragraph 1 of the Companies Act, which apply by reading “shareholders meeting” as “shareholders meeting or board of directors meeting” pursuant to the provisions of Article 165, Paragraph 3 of the Companies Act, and the provisions of articles of incorporation of the Company, and (ii) to have the Tender Offer Price at 8,782 yen which is the price receiving 10% discount from 9,758 yen which was the closing price of Common Shares at the Tokyo Stock Exchange Prime Market on October 14, 2025 which was the business day immediately preceding October 15, 2025 which was the day when the Board of Directors meeting which passed a resolution to commence the Tender Offer was held, and the Company also executed with H2O Retailing the memorandum of understanding mentioned above on October 15, 2025.

With regard to the upper limit of number of shares to be purchased under the Tender Offer, by taking into account the perspective of providing opportunity for shareholders of the Company other than H2O Retailing to accept the Tender Offer and the past cases in which a buffer of 15% or more is added to the upper limit of number of shares to be purchased, the Company set the upper limit at 2,000,000 shares (Shareholding Ratio: 1.18%) which is the number of shares after adding a certain amount of buffer to 1,700,000 shares.

Furthermore, in order to eliminate the arbitrariness in the decision-making process of the Company when considering/deciding on the Tender Offer, Yasuo Shimada, who is director of the Company, did not participate in any deliberations or resolutions on the Tender Offer at the Board of Directors meeting held on October 15, 2025 or in any discussions/negotiations with H2O Retailing on behalf of the Company.

(4) Number of Shares Certificates, etc. to be Purchased

Class of Share Certificates, etc.	Number of Shares to be Purchased	Expected Number of Excess Shares	Total
Common Shares	2,000,000 shares	—	2,000,000 shares

(Note 1) If the total number of shares sold, etc. (the “Tendered Share Certificates, etc.”) in response to the Tender Offer does not exceed the number of share certificates to be purchased (2,000,000 shares), all of the Tendered Share Certificates, etc. will be purchased, etc. If the total number of Tendered Share Certificates, etc. exceeds the number of shares to be purchased (2,000,000 shares), all or portion of Tendered Share Certificates, etc. exceeding that number will not be purchased, etc., and the transfer or other settlement related to the purchase, etc. of listed share certificates, etc. will be made in accordance with the pro rata method set forth in Article 27-13, Paragraph 5 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) (hereinafter referred to as the “Act”) and Article 21 of the Cabinet Office Ordinance on the Disclosure of Tender Offers for Listed Shares by Issuers (Ministry of Finance No. 95 of 1994, as amended), as applied mutatis mutandis pursuant to Article 27-22-2, Paragraph 2 of the Act.

(Note 2) Shares less than a unit of shares are also included in the target of this Tender Offer. In the event that a shareholder exercises his/her/its right to request the

Company for the purchase of shares in the Company less than a unit in accordance with the Companies Act, the Company may purchase such shares during the Tender Offer Period in accordance with the legal procedures.

(5) Funds Required for the Purchase, etc.

17,587,000,000 yen

(Note) This amount is the purchase price if all shares to be purchased (2,000,000 shares) are purchased, plus estimated amounts of purchase service fee and other costs (i.e., costs for public notice of Tender Offer and miscellaneous costs such as costs for printing tender offer statement and other necessary documents).

(6) Method of Settlement

(A) Name and Location of Head Office of Financial Instruments Business Operator or Bank, etc.
Responsible for Settlement of Purchase, etc. (Tender Offer Agent)
Daiwa Securities Co. Ltd.
9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

(B) Commencement Date of Settlement

December 8, 2025 (Monday)

(C) Method of Settlement

Upon the expiration of the Tender Offer Period, a notice on purchase, etc. will be promptly mailed to the addresses or locations of shareholders, who accepted the Tender Offer or who will request for sale, etc. of their shares in the Company (hereinafter referred to as the “**Tendering Shareholders**”), or in the case of foreign shareholders, etc. (including corporate shareholders) (hereinafter referred to as the “**Foreign Shareholders, etc.**”), to their standing proxy.

The purchase will be made in cash. After deducting the applicable withholding tax amount (Note) from the purchase price, the amount will be remitted without delay after the commencement date of settlement to the location designated by the Tendering Shareholders (or, in the case of Foreign Shareholders, etc., to their standing proxy) or will be paid at the head office or any branch office of the Tender Offer Agent where the application for tender was accepted.

(Note) Regarding the tax treatment of the shares purchased in the Tender Offer:

For specific questions regarding tax matters, please consult with a tax advisor or other professionals and make your own determination.

(a) For individual shareholders

(i) If the Tendering Shareholder is a resident of Japan or a non-resident with a permanent establishment in Japan:

If the amount of money received by the Tendering Shareholder in connection with the acceptance of Tender Offer exceeds the portion corresponding to the shares that form the basis for the payment, which is part of Company’s capital, etc., the excess portion will be treated as dividend income and taxed accordingly. The amount considered as dividend income will be subject to withholding tax at the rate of 20.315% (comprising 15.315% for income tax and the special reconstruction income tax” pursuant to the Special Measures Law for Securing Financial Resources for Reconstruction from the Great East Japan Earthquake

(Act No. 117 of 2011, including subsequent amendments), and 5% for resident tax) (hereinafter referred to as the “**Special Reconstruction Income Tax**”). However, for non-residents with a permanent establishment in Japan, the 5% resident tax will not be specially withheld. If the Tendering Shareholder falls under the category of “Large Shareholder, etc.” as defined in Article 4-6-2, Paragraph 38 of the Order for Enforcement of the Act on Special Measures Concerning Taxation (Cabinet Order No. 43 of 1957, including subsequent amendments) (the “Large Shareholder, etc.”), the amount withheld will be 20.42% (comprising income tax and the Special Reconstruction Income Tax only). Moreover, the portion of the amount received from accepting the Tender Offer, excluding the portion considered as dividend income, will be treated as income from the transfer of shares, etc. The amount of income from the transfer, after deducting the acquisition cost of the shares, will generally be subject to separate taxation.

Additionally, if the Tendering Shareholder is accepting the Tender Offer for the shares, etc. held in a tax-exempt account (the “Tax-Exempt Account”) as defined in Article 37-14 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, including subsequent amendments), regarding transfer income, etc. from small amount of listed stocks held in a tax-exempt account, the transfer income, etc. from the Tender Offer will generally be exempted from taxation if the tax-exempt account is held with a financial instrument business operator such as Daiwa Securities Co. Ltd. However, if the tax-exempt account is held with a financial instrument business operator other than Daiwa Securities Co. Ltd., different treatment may apply.

(ii) If the Tendering Shareholder is a non-resident without a permanent establishment in Japan:

For the portion of the amount treated as dividend income, 15.315% (comprising income tax and the Special Reconstruction Income Tax only) will be withheld. If the Tendering Shareholder qualifies as Large Shareholder, etc., 20.42% (comprising income tax and the Special Reconstruction Income Tax only) will be withheld. Furthermore, income arising from the transfer of shares will generally not be subject to taxation.

(b) For corporate shareholders

For the portion of the Tender Offer Price that exceeds the amount of capital, etc., per share, the withholding tax will generally be levied on the difference at a rate of 15.315% (comprising income tax and the Special Reconstruction Income Tax only) as deemed dividend taxation.

However, for Tendering Shareholders that directly hold more than one-third of the total outstanding shares in the Company on the record date of the dividend payment (limited to entities that have their head office or principal office in Japan (domestic entity)), the amount considered as dividend income will not be subject to income tax or Special Reconstruction Income Tax, and no withholding tax will apply.

Furthermore, among the Foreign Shareholders, etc., those who wish to receive a reduction or exemption from income tax and Special Reconstruction Income Tax on such deemed dividend amounts pursuant to the applicable tax treaties should submit the necessary tax treaty-related notification, etc. to the tender offer agent by November 13, 2025.

(7) Other Matters

(A) The Tender Offer will not be made directly or indirectly within the United States, be directed towards the United States, or be made using the methods or means of interstate or international commerce in the United States (including, but not limited to, telephone, telex, facsimile, e-mail and internet communication). The Tender Offer will not be made through securities exchanges facilities in the United States. Therefore, no tendering of shares in the Tender Offer will be accepted through any of the abovementioned methods or means, through facilities of the abovementioned facilities, or from within the United States.

Additionally, the tender offer statement or related purchase documents may not be sent or distributed within the United States or be directed towards the United States, or be sent or distributed from within the United States by mail or any other means. Such sending or distribution is not allowed. Any acceptance of Tender Offer made in direct or indirect violation of these restrictions will not be accepted.

In connection with acceptance of the Tender Offer, Tendering Shareholders (or their standing proxies in the case of Foreign Shareholders, etc.) may be required to make representations and warranties to the Tender Offer Agent as provided below:

At the time of the tender and at the time when the tender offer application form is sent, the Tendering Shareholder is not located in the United States;

Neither the Tendering Shareholder nor anyone acting on his/her/its behalf has directly or indirectly received or sent any information or documents related to the Tender Offer (including copies thereof) within the United States, directed towards the United States, or from within the United States;

In relation to the signing or delivery of the purchase form or tender offer application, no postal services or methods of interstate or international commerce in the United States (including, but not limited to, telephone, telex, facsimile, e-mail and internet communication) or securities exchange facilities in the United States have been used; and

The person is not acting as an agent or fiduciary without discretionary power for someone in the United States (unless all instructions for the Tender Offer are provided by someone from outside the United States).

(B) The Company has announced the “Summary of Consolidated Financial Results for the Second Quarter (Mid-Term) of the Fiscal Year Ending February 28, 2026 (Japanese GAAP)” as of October 15, 2025. The overview of the summary of consolidated financial results of the Company from such announcement is as provided below. The contents of such announcement have received an audit of auditing firm pursuant to Article 193-2, Paragraph 1 of the Act. For details, please see the details of such announcement.

(a) Status of Consolidated Profits and Losses

Fiscal Period	Fiscal Year Ending February 28, 2026 (Consolidated Cumulative Second Quarter)
Operating Revenue	191,677 million yen
Operating Profit	41,146 million yen
Ordinary Profit	42,192 million yen
Interim Earnings Attributable to Owners of the Parent	33,450 million yen

(b) Status per Share

Fiscal Period	Fiscal Year Ending February 28, 2026 (Consolidated Cumulative Second Quarter)
Interim Earnings per Share	197.27 yen

(C) The Company has published the “Notice of Revision of Consolidated Financial Forecast for the Fiscal Year Ending February 28, 2026” as of October 15, 2025. For details, please see the details of such announcement.

(Reference) Shareholding Status of Treasury Shares as of September 30, 2025

Number of total outstanding shares (excluding treasury shares): 169,571,665 shares

Number of treasury shares: 6,428,335 shares