

August 6, 2024

FANCL Corporation

TSE Prime Market: 4921

(Change) Notice regarding the partial changes to the “Notice of Expression of Our Affirmative Opinion regarding, and Recommendation to Tender in, the Tender Offer for the Company’s Shares etc. by Kirin Holdings Company, Limited”

Yokohama, August 6, 2024—FANCL Corporation (the “Company”) hereby announces that the “Notice of Expression of Our Affirmative Opinion regarding, and Recommendation to Tender in, the Tender Offer for the Company’s Shares etc. by Kirin Holdings Company, Limited” announced by the Company on June 14, 2024 (including the change by the “(Change) Notice regarding the partial changes to the “Notice of Expression of Our Affirmative Opinion regarding, and Recommendation to Tender in, the Tender Offer for the Company’s Shares etc. by Kirin Holdings Company, Limited” announced on July 29, 2024; the “Initial Opinion Expression Notice”) has been changed as detailed below.

As described in the “Notice Concerning Changes to Terms and Conditions of Tender Offer for Shares, Etc. of FANCL Corporation (Code Number: 4921)” dated today announced by Kirin Holdings Company, Limited (the “Tender Offeror”), the Tender Offeror, at the Board of Directors meeting held today, is said to have changed the Tender Offer Price from JPY 2,690 to JPY 2,800 per one (1) Company Share, and to have extended the Tender Offer Period till August 28, 2024, thereby rendering it as a total of 51 business days (the “Changes to Terms and Conditions of Tender Offer for Shares, Etc.”), in the tender offer (the “Tender Offer”) for the Company’s common stock (the “Company Shares”) and the Stock Acquisition Rights (having the meaning as defined in “2. Price of the tender offer, etc.” below) by the Tender Offeror. At such Board of Directors meeting, the Tender Offeror is also said to have finalized the Tender Offer Price after the Changes to Terms and Conditions of Tender Offer for Shares, Etc. and to have determined that it shall not make any changes to the Tender Offer Price in the future, nor voluntarily extend the Tender Offer Period again even though it does not have any legal obligation.

At the Board of Directors meeting held today, the Company determined that the Company maintains its opinion that the Company expresses its affirmative opinion regarding the Tender Offer and the Company recommends its shareholders to tender their shares in the Tender Offer, as well as its opinion that the Company leaves the decision up to the holders of Stock Acquisition Rights (the “Stock Acquisition Rights Holders”) as to whether or not to tender in the Tender Offer, as already announced in the Initial Opinion Expression Notice.

The changed parts are underlined.

2. Price of tender offer

<Before Amendment>

- (1) JPY 2,690 per common stock (the "Tender Offer Price").
- (2) Stock acquisition rights (the stock acquisition rights in (i) through (xiv) below are collectively referred to as the "Stock Acquisition Rights" and the price of tender offer per Stock Acquisition Right in the Tender Offer shall be collectively referred to as the "Stock Acquisition Right Purchase Price".)
 - (i) The fifth series stock acquisition rights of 2007 issued pursuant to the resolution of the Board of Directors of the Company held on November 12, 2007 (the "Fifth Series Stock Acquisition Rights") (exercise period is from December 4, 2007 to December 3, 2037): JPY 1 per stock acquisition right
 - (ii) The sixth series stock acquisition rights of 2008 issued pursuant to the resolution of the Board of Directors of the Company held on November 14, 2008 (the "Sixth Series Stock Acquisition Rights") (exercise period is from December 2, 2008 to December 1, 2038): JPY 1 per stock acquisition right
 - (iii) The seventh series stock acquisition rights of 2009 issued pursuant to the resolution of the Board of Directors of the Company held on November 12, 2009 (the "Seventh Series Stock Acquisition Rights") (exercise period is from December 2, 2009 to December 1, 2039): JPY 1 per stock acquisition right
 - (iv) The eighth series stock acquisition rights of 2010 issued pursuant to the resolution of the Board of Directors of the Company held on November 15, 2010 (the "Eighth Series Stock Acquisition Rights") (exercise period is from December 2, 2010 to December 1, 2040): JPY 1 per stock acquisition right
 - (v) The tenth series stock acquisition rights of 2011 issued pursuant to the resolution of the Board of Directors of the Company held on November 14, 2011 (the "Tenth Series Stock Acquisition Rights") (exercise period is from December 2, 2011 to December 1, 2041): JPY 1 per stock acquisition right
 - (vi) The twelfth series stock acquisition rights of 2012 issued pursuant to the resolution of the Board of Directors of the Company held on November 12, 2012 (the "Twelfth Series Stock Acquisition Rights") (exercise period is from December 4, 2012 to December 3, 2042): JPY 1 per stock acquisition right
 - (vii) The thirteenth series stock acquisition rights of 2013 issued pursuant to the resolution of the Board of Directors of the Company held on November 14, 2013 (the "Thirteenth Series Stock Acquisition Rights") (exercise period is from December 3, 2013 to December 2, 2043): JPY 1 per stock acquisition right
 - (viii) The fifteenth series stock acquisition rights of 2014 issued pursuant to the resolution of the Board of Directors of the Company held on October 30, 2014 (the "Fifteenth Series Stock Acquisition

- Rights”) (exercise period is from December 2, 2014 to December 1, 2044): JPY 1 per stock acquisition right
- (ix) The sixteenth series stock acquisition rights of 2015 issued pursuant to the resolution of the Board of Directors of the Company held on October 29, 2015 (the “Sixteenth Series Stock Acquisition Rights”) (exercise period is from December 2, 2015 to December 1, 2045): JPY 1 per stock acquisition right
 - (x) The seventeenth series stock acquisition rights of 2016 issued pursuant to the resolution of the Board of Directors of the Company held on October 28, 2016 (the “Seventeenth Series Stock Acquisition Rights”) (exercise period is from December 2, 2016 to December 1, 2046): JPY 1 per stock acquisition right
 - (xi) The eighteenth series stock acquisition rights of 2017 issued pursuant to the resolution of the Board of Directors of the Company held on October 30, 2017 (the “Eighteenth Series Stock Acquisition Rights”) (exercise period is from December 2, 2017 to December 1, 2047): JPY 1 per stock acquisition right
 - (xii) The nineteenth series stock acquisition rights of 2018 issued pursuant to the resolution of the Board of Directors of the Company held on October 30, 2018 (the “Nineteenth Series Stock Acquisition Rights”) (exercise period is from December 4, 2018 to December 3, 2048): JPY 1 per stock acquisition right
 - (xiii) The twentieth series stock acquisition rights of 2019 issued pursuant to the resolution of the Board of Directors of the Company held on October 30, 2019 (the “Twentieth Series Stock Acquisition Rights”) (exercise period is from December 3, 2019 to December 2, 2049): JPY 1 per stock acquisition right
 - (xiv) The twenty-first series stock acquisition rights of 2020 issued pursuant to the resolution of the Board of Directors of the Company held on November 4, 2020 (the “Twenty-First Series Stock Acquisition Rights”) (exercise period is from December 2, 2020 to December 1, 2050): JPY 1 per stock acquisition right

<After Amendment>

- (1) JPY 2,800 per common stock (the “Tender Offer Price”).
- (2) Stock acquisition rights (the stock acquisition rights in (i) through (xiv) below are collectively referred to as the “Stock Acquisition Rights” and the price of tender offer per Stock Acquisition Right in the Tender Offer shall be collectively referred to as the “Stock Acquisition Right Purchase Price”.)
 - (i) The fifth series stock acquisition rights of 2007 issued pursuant to the resolution of the Board of Directors of the Company held on November 12, 2007 (the “Fifth Series Stock Acquisition Rights”) (exercise period is from December 4, 2007 to December 3, 2037): JPY 1 per stock acquisition right
 - (ii) The sixth series stock acquisition rights of 2008 issued pursuant to the resolution of the Board of

- Directors of the Company held on November 14, 2008 (the “Sixth Series Stock Acquisition Rights”) (exercise period is from December 2, 2008 to December 1, 2038): JPY 1 per stock acquisition right
- (iii) The seventh series stock acquisition rights of 2009 issued pursuant to the resolution of the Board of Directors of the Company held on November 12, 2009 (the “Seventh Series Stock Acquisition Rights”) (exercise period is from December 2, 2009 to December 1, 2039): JPY 1 per stock acquisition right
 - (iv) The eighth series stock acquisition rights of 2010 issued pursuant to the resolution of the Board of Directors of the Company held on November 15, 2010 (the “Eighth Series Stock Acquisition Rights”) (exercise period is from December 2, 2010 to December 1, 2040): JPY 1 per stock acquisition right
 - (v) The tenth series stock acquisition rights of 2011 issued pursuant to the resolution of the Board of Directors of the Company held on November 14, 2011 (the “Tenth Series Stock Acquisition Rights”) (exercise period is from December 2, 2011 to December 1, 2041): JPY 1 per stock acquisition right
 - (vi) The twelfth series stock acquisition rights of 2012 issued pursuant to the resolution of the Board of Directors of the Company held on November 12, 2012 (the “Twelfth Series Stock Acquisition Rights”) (exercise period is from December 4, 2012 to December 3, 2042): JPY 1 per stock acquisition right
 - (vii) The thirteenth series stock acquisition rights of 2013 issued pursuant to the resolution of the Board of Directors of the Company held on November 14, 2013 (the “Thirteenth Series Stock Acquisition Rights”) (exercise period is from December 3, 2013 to December 2, 2043): JPY 1 per stock acquisition right
 - (viii) The fifteenth series stock acquisition rights of 2014 issued pursuant to the resolution of the Board of Directors of the Company held on October 30, 2014 (the “Fifteenth Series Stock Acquisition Rights”) (exercise period is from December 2, 2014 to December 1, 2044): JPY 1 per stock acquisition right
 - (ix) The sixteenth series stock acquisition rights of 2015 issued pursuant to the resolution of the Board of Directors of the Company held on October 29, 2015 (the “Sixteenth Series Stock Acquisition Rights”) (exercise period is from December 2, 2015 to December 1, 2045): JPY 1 per stock acquisition right
 - (x) The seventeenth series stock acquisition rights of 2016 issued pursuant to the resolution of the Board of Directors of the Company held on October 28, 2016 (the “Seventeenth Series Stock Acquisition Rights”) (exercise period is from December 2, 2016 to December 1, 2046): JPY 1 per stock acquisition right
 - (xi) The eighteenth series stock acquisition rights of 2017 issued pursuant to the resolution of the Board of Directors of the Company held on October 30, 2017 (the “Eighteenth Series Stock Acquisition Rights”) (exercise period is from December 2, 2017 to December 1, 2047): JPY 1 per

stock acquisition right

- (xii) The nineteenth series stock acquisition rights of 2018 issued pursuant to the resolution of the Board of Directors of the Company held on October 30, 2018 (the “Nineteenth Series Stock Acquisition Rights”) (exercise period is from December 4, 2018 to December 3, 2048): JPY 1 per stock acquisition right
- (xiii) The twentieth series stock acquisition rights of 2019 issued pursuant to the resolution of the Board of Directors of the Company held on October 30, 2019 (the “Twentieth Series Stock Acquisition Rights”) (exercise period is from December 3, 2019 to December 2, 2049): JPY 1 per stock acquisition right
- (xiv) The twenty-first series stock acquisition rights of 2020 issued pursuant to the resolution of the Board of Directors of the Company held on November 4, 2020 (the “Twenty-First Series Stock Acquisition Rights”) (exercise period is from December 2, 2020 to December 1, 2050): JPY 1 per stock acquisition right

3. Details of, and grounds and reasons for, the opinion on the Tender Offer

(1) Details of the opinion on the Tender Offer

<Before Amendment>

The Company resolved at its Board of Directors meeting held today, with the participation in the deliberations and resolutions of all seven of the Company’s nine directors excluding Shinro Fujita and Junko Tsuboi, all of whom are disinterested directors, and by an unanimous vote of all the directors who attended the resolution, based on the grounds and reason stated in “(iii) Decision-making process and the reasons that led to the Company’s decision in favor of the Tender Offer” of “(2) Ground and reasons for the opinion on the Tender Offer” below, that the Company (i) expresses its affirmative opinion regarding the Tender Offer, (ii) recommends that its shareholders tender their shares in the Tender Offer, and (iii) leaves the decision to the Stock Acquisition Rights Holders whether or not to tender their Stock Acquisition Rights in the Tender Offer.

For details of the decision-making process of Board of Directors of the Company, please refer below to “(viii) Receipt of unanimous approval of all disinterested directors of the Company and the opinion of all disinterested Company Auditors of the Company that they have no objection” of “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest”.

<After Amendment>

The Company resolved at its Board of Directors meeting held on June 14, 2024, with the participation in the deliberations and resolutions of all seven of the Company’s nine directors excluding Shinro Fujita and Junko Tsuboi, all of whom are disinterested directors, and by an unanimous vote of all the directors who attended the resolution, based on the grounds and reason stated in “(iii) Decision-

making process and the reasons that led to the Company's decision in favor of the Tender Offer" of "(2) Ground and reasons for the opinion on the Tender Offer" below, that the Company (i) expresses its affirmative opinion regarding the Tender Offer, (ii) recommends that its shareholders tender their shares in the Tender Offer, and (iii) leaves the decision to the Stock Acquisition Rights Holders whether or not to tender their Stock Acquisition Rights in the Tender Offer.

Thereafter, at the Board of Directors meeting held on August 6, 2024, based on "(iii) Decision-making process and the reasons that led to the Company's decision in favor of the Tender Offer" of "(2) Grounds and reasons for the opinion on the Tender Offer" below, the Company resolved that the Company continues to maintain its affirmative opinion regarding the Tender Offer, as well as its opinion that the Company recommends its shareholders to tender their shares in the Tender Offer, and leaves the decision up to the Stock Acquisition Rights Holders as to whether or not to tender in the Tender Offer.

For details of the decision-making process of each Board of Directors of the Company, please refer below to "(viii) Receipt of approval of majority of disinterested directors of the Company and the opinion of all disinterested Company Auditors of the Company that they have no objection" of "(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest".

(2) Grounds and reasons for the opinion on the Tender Offer

- (ii) Background, purpose, and decision-making process that led to the Tender Offeror's decision to implement the Tender Offer

<Before Amendment>

<Omitted>

Accordingly, the Tender Offeror is said to have executed the Tender Offer Agreement on June 14, 2024, and to have decided to implement the Tender Offer as a part of the Transaction. For details of the Tender Offer Agreement, please refer below to "4. Matters Concerning Material Agreements Related to Tender Offer".

The Tender Offeror then commenced the Tender Offer on June 17, 2024, and, after taking into consideration the overall situation of, among others, the applications to the Tender Offer since its commencement, as well as the prospects for future applications, made by the shareholders of the Company and the Stock Acquisition Rights Holders, and, in order to provide the shareholders of the Company and the Stock Acquisition Rights Holders with further opportunities to make a decision on whether to tender their shares in the Tender Offer, the Tender Offeror determined, on July 29, 2024, to extend the Tender Offer Period to August 13, 2024, for a total of 40 business days. According to the Tender Offeror, the Tender Offeror believes that the purchase price of JPY 2,690 per share of the Company Shares in the Tender Offer (the "Tender Offer Price") sufficiently reflects the value of the Company and doesn't change the Tender Offer

Price or the Stock Acquisition Right Purchase Price.

<After Amendment>

<Omitted>

Accordingly, the Tender Offeror is said to have executed the Tender Offer Agreement on June 14, 2024, and to have decided to implement the Tender Offer as a part of the Transaction. For details of the Tender Offer Agreement, please refer below to “4. Matters Concerning Material Agreements Related to Tender Offer”.

The Tender Offeror then commenced the Tender Offer on June 17, 2024, and, after taking into consideration the overall situation of, among others, the applications to the Tender Offer since its commencement, as well as the prospects for future applications, made by the shareholders of the Company and the Stock Acquisition Rights Holders, and, in order to provide the shareholders of the Company and the Stock Acquisition Rights Holders with further opportunities to make a decision on whether to tender their shares in the Tender Offer, the Tender Offeror determined, on July 29, 2024, to extend the Tender Offer Period to August 13, 2024, for a total of 40 business days and announced that the Tender Offeror does not to change the Tender Offer Price or the Stock Acquisition Right Purchase Price as the Tender Offeror believes that the purchase price of JPY 2,690 per share of the Company Shares in the Tender Offer prior to the Changes to Terms and Conditions of Tender Offer for Shares, Etc. sufficiently reflects the value of the Company. After determining to extend the Tender Offer Period, the Tender Offeror is said to have continuously carefully watched the circumstances of market transactions of the Company Shares, the circumstances of the Company's shareholders tendering in the Tender Offer and future tender forecast; and based on the fact that the market value of the Company Shares fluctuated above the Tender Offer Price prior to the Changes to Terms and Conditions of Tender Offer for Shares, Etc., (JPY 2,690) even after the extension of the Tender Offer Period above, and the forecast of tendering in the Tender Offer under such circumstances, and other matters, the Tender Offeror is said to have considered that, in order to enhance the possibility of completion of the Tender Offer, it would be necessary to provide the Company's shareholders an opportunity to sell at an amount larger than the Tender Offer Price prior to the Changes to Terms and Conditions of Tender Offer for Shares, Etc., and to consider whether to ensure a period necessary to sufficiently consider tendering in the Tender Offer also based on the change to the Tender Offer Price by the Changes to Terms and Conditions of Tender Offer for Shares, Etc. With such an idea, on July 30, 2024, the Tender Offeror is said to have informed the Company that it is considering to change the Tender Offer Price from JPY 2,690 to JPY 2,800 and to extend the Tender Offer Period from August 21, 2024 or August 28, 2024. In response to the above, on August 1, 2024, the Tender Offeror received a request from the Company to reconsider changing the Tender Offer Price to a level at least higher than the closing price of the Company Shares as of August 5, 2024, the day immediately preceding the

announcement date of the Changes to Terms and Conditions of Tender Offer for Shares, Etc., given the shift in the market price of the Company Shares since July 29, 2024.

In view of such request from the Company, on August 1, 2024, the Tender Offeror responded to the Company to the effect that (i) the Tender Offeror would like the Company to maintain the Affirmative Opinion (as defined in “4. Matters Concerning Material Agreements Related to Tender Offer” below; hereinafter the same applies) because the Tender Offeror believes that the Tender Offer Price per share of the Company, JPY 2,800, is a favorable change for the general shareholders of the Company in that the Tender Offeror increases the Tender Offer Price before the Changes to Terms and Conditions of Tender Offer for Shares, Etc., and that (ii) the Tender Offeror cannot raise the Tender Offer Price to exceed JPY 2,800 because it cannot raise it above the valuation that the Tender Offeror considers reasonable based on its investment criteria and other factors, taking into consideration the Tender Offeror’s accountability to its shareholders.

In response to the above, on August 2, 2024, the Tender Offeror received again a request from the Company to consider raising the Tender Offer Price. In response to such request from the Company, on August 2, 2024, the Tender Offeror communicated to the Company to the effect that the Tender Offer Price per share of the Company, JPY 2,800, is the maximum valuation that the Tender Offeror considers reasonable based on the Tender Offeror’s investment criteria and other factors, and that the Tender Offeror will not raise the Tender Offer Price to exceed JPY 2,800.

In response to the above, on August 5, 2024, the Tender Offeror received a reply from the Company that the Company accepted the proposal of the Tender Offer Price as JPY 2,800 as the Company believed that the Tender Offeror raised the price to the maximum possible level, and the Company will maintain its affirmative opinion to the Changes to Terms and Conditions of Tender Offer for Shares, Etc. and recommend the Company’s shareholders to tender in the Tender Offer with the reservation that the final decision-making of the Company shall be determined after the resolution of the Company’s Board of Directors based upon the report, etc. of the Special Committee.

Given the above, the Tender Offeror determined at the Board of Directors meeting held on August 6, 2024, that it would change the Tender Offer Price from JPY 2,690 to JPY 2,800 and that it would extend the Tender Offer Period to August 28, 2024, for a total of 51 business days. At such meeting, the Tender Offeror also decided to make the Tender Offer Price after the Changes to Terms and Conditions of Tender Offer for Shares, Etc. final, make no change in the Tender Offer Price thereafter and make no additional extension of the Tender Offer Period at its own discretion unless required under the Act. The Tender Offer Price after the Changes to Terms and Conditions of Tender Offer for Shares, Etc. (JPY 2,800) is an amount adding 48.58% on JPY 1,884.5, which was the closing price of the Company Shares on the Prime Market of the TSE on June 13, 2024, the business day immediately preceding the date of announcement of the Tender Offer, i.e., June 14, 2024; a premium of 41.84% on JPY 1,974, which was the simple average of

the closing prices for the preceding one (1) month period until the same date (any amount less than one yen has been rounded to the nearest yen; hereinafter the same applies to the calculation of the simple average of closing prices); a premium of 42.78% on JPY 1,961, which was the simple average of the closing prices for the preceding three (3) month period until the same date; and a premium of 33.40% on JPY 2,099, which was the simple average of the closing prices for the preceding six (6) month period until the same date, the Tender Offeror is said to be considering that the Tender Offer Price after the Changes to Terms and Conditions of Tender Offer for Shares, Etc. (JPY 2,800) is a reasonable opportunity to sell the Company Shares.

(iii) Decision-making process and the reasons that led to the Company's decision in favor of the Tender Offer

B. Review and negotiation process

<Before Amendment>

<Omitted>

Thereafter, the Company received the Fifth Proposal from the Tender Offeror to render the Tender Offer Price as JPY 2,690 and the Stock Acquisition Right Purchase Price as JPY 1 on June 12, 2024. In response to this, on June 13, 2024, the Company replied that it accepts the Fifth Proposal to render the Tender Offer Price as JPY 2,690, with the reservation that the final decision-making of the Company shall be determined after the resolution of the Company's Board of Directors based upon the report, etc. of the Special Committee.

<After Amendment>

<Omitted>

Thereafter, the Company received the Fifth Proposal from the Tender Offeror to render the Tender Offer Price as JPY 2,690 and the Stock Acquisition Right Purchase Price as JPY 1 on June 12, 2024. In response to this, on June 13, 2024, the Company replied that it accepts the Fifth Proposal to render the Tender Offer Price as JPY 2,690, with the reservation that the final decision-making of the Company shall be determined after the resolution of the Company's Board of Directors based upon the report, etc. of the Special Committee.

Thereafter, on July 30, 2024, the Company was informed by the Tender Offeror that it was considering to change the Tender Offer Price from JPY 2,690 to JPY 2,800 and to extend the Tender Offer Period from August 21, 2024 or August 28, 2024. In response, the Company made a request to the Tender Offeror to reconsider to increase the Tender Offer Price up to a standard above the closing price of the share value of the Company on the day prior to the day of announcement of the Changes to Terms and Conditions of Tender Offer for Shares, Etc. at least, in light of the fact that the share value of the Company was fluctuating substantially above such standard on and after July 29, 2024.

Thereafter, on August 1, 2024, the Company received a reply from the Tender Offeror that the Tender Offeror requests the Company to maintain its affirmative opinion since the Tender Offeror considers that the Tender Offer Price of JPY 2,800 per one (1) Company Share is a change advantageous for the Company's general shareholders in that it increases the Tender Offer Price prior to the Changes to Terms and Conditions of Tender Offer for Shares, Etc. In response, on August 2, 2024, the Company made a request to the Tender Offeror to reconsider so that the Tender Offeror increases the Tender Offer Price enabling determination by the Special Committee, upon sufficiently considering the interests of the Company's shareholders other than the Tender Offeror, on the grounds that it is difficult for the Special Committee to determine at such time whether or not to recommend the Company's shareholders other than the Tender Offeror to tender in the Tender Offer on the premise of the Tender Offer Price.

Thereafter, on August 2, 2024, the Company received a reply from the Tender Offeror that the Tender Offeror considers that the Tender Offer Price is the maximum evaluation amount which the Tender Offeror considers appropriate based upon such matters as the Tender Offeror's investment standard, and that the Tender Offeror would not increase it to an amount above the Tender Offer Price. Towards this, on August 5, 2024, the Company, upon making the reservation that the final decision-making of the Company would be determined with the resolution of the Company's Board of Directors based upon such matters as the Report of the Special Committee, and with the understanding that the Tender Offeror has increased the Tender Offer Price to the maximum amount, replied that the Company accepts the proposal to render the Tender Offer Price as JPY 2,800, and that the Company maintains its affirmative opinion to the Changes to Terms and Conditions of Tender Offer for Shares, Etc. and its opinion to recommend the Company's shareholders to tender in the Tender Offer.

C. Contents of the Company's decision

<Before Amendment>

<Omitted>

As per the above, the Company determined that the Transaction contributes to the enhancement of the Company's corporate value, and that the Tender Offer Price and the Stock Acquisition Right Purchase Price are adequate prices securing the interests which should be enjoyed by the Company's shareholders and Stock Acquisition Rights Holders, and that the Tender Offer provides a reasonable opportunity for the Company's shareholders and Stock Acquisition Rights Holders to sell the shares and Stock Acquisition Rights, and at the Company's Board of Directors meeting held on June 14, 2024, the Company resolved to express its affirmative opinion regarding the Tender Offer, and to recommend its shareholders to tender their shares in the Tender Offer, and to leave the decision up to the

Stock Acquisition Rights Holders as to whether or not to tender their Stock Acquisition Rights in the Tender Offer. For the details of the decision-making process at such Board of Directors meeting, please see “(viii) Receipt of unanimous approval of all disinterested directors of the Company and the opinion of all disinterested Company Auditors of the Company that they have no objection” of “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest” below.

<After Amendment>

<Omitted>

As per the above, the Company determined that the Transaction contributes to the enhancement of the Company's corporate value, and that the Tender Offer Price and the Stock Acquisition Right Purchase Price are adequate prices securing the interests which should be enjoyed by the Company's shareholders and Stock Acquisition Rights Holders, and that the Tender Offer provides a reasonable opportunity for the Company's shareholders and Stock Acquisition Rights Holders to sell the shares and Stock Acquisition Rights, and at the Company's Board of Directors meeting held on June 14, 2024, the Company resolved to express its affirmative opinion regarding the Tender Offer, and to recommend its shareholders to tender their shares in the Tender Offer, and to leave the decision up to the Stock Acquisition Rights Holders as to whether or not to tender their Stock Acquisition Rights in the Tender Offer.

Thereafter, in response to the fact that the Tender Offeror determined the Changes to Terms and Conditions of Tender Offer for Shares, Etc., at its Board of Directors meeting held on August 6, 2024, at the Company's Board of Directors meeting held on August 6, 2024, as a result of careful discussion and review of the Changes to Terms and Conditions of Tender Offer for Shares, Etc., based on the opinion of the Special Committee, the Company resolved to continuously express its affirmative opinion to the Tender Offer, as well as to maintain its opinion to recommend the Company's shareholders to tender in the Tender Offer and to leave the decision up to the Stock Acquisition Rights Holders as to whether or not to tender in the Tender Offer, since the Company deemed that, with respect to the Tender Offer Price after the Changes to Terms and Conditions of Tender Offer for Shares, Etc., (i) it is an amount agreed upon as a result of engaging in sufficient negotiations with the Tender Offeror with the substantial involvement of the Special Committee, upon sufficient measures being taken to ensure the fairness of the transaction terms related to the Transaction including the Tender Offer Price described in “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest” below, on and after the time that the Company was informed by the Tender Offeror that it was considering to change the Tender Offer Price, as described in “B. Review and

negotiation process” above, (ii) based on the Company’s explanation that there are no material changes to the information such as earnings status and investment plans in the Business Plan which forms the basis of the Share Valuation Report (UBS Securities) and the Share Valuation Report (PLUTUS), the Company received an explanation from UBS Securities and PLUTUS and confirmed that there are no circumstances that would require a change in the conclusions in the Share Valuation Report (UBS Securities) and the Share Valuation Report (PLUTUS), (iii) from among the calculation results of the share value of the Company Shares in the Share Valuation Report (UBS Securities), the amount is above the scope of the calculation results by the market share price method and the comparable company analysis, and the amount is within the scope of the calculation results by the DCF method and above the median of the range, (iv) from among the calculation results of the share value of the Company Shares in the Share Valuation Report (PLUTUS), the amount is above the scope of the calculation results by the market share price method and the comparable company analysis, and the amount is within the scope of the calculation results by the DCF method and above the median of the range, (v) it is an amount adding a premium of 48.58% on JPY 1,884.5, the closing price of the Company Shares in the Prime Market of the TSE on June 13, 2024, the business day preceding June 14, 2024, the date of announcement of the Tender Offer, and an amount adding a premium of 41.84% on JPY 1,974, the simple average of the closing prices for the immediately preceding one (1) month till such date, and an amount adding a premium of 42.78% on JPY 1,961, the simple average of the closing prices for the immediately preceding three (3) months till such date, and an amount adding a premium of 33.40% on JPY 2,099, the simple average of the closing prices for the immediately preceding six (6) months till such date, and even in comparison with the twenty nine (29) cases (the average value/median value of the premium standard are as follows: 43.0%/40.5% immediately prior to the date of announcement, 45.4%/43.1% for the immediately preceding one (1) month, 48.9%/46.1% for the immediately preceding three (3) months, and 49.9%/50.3% for the immediately preceding six (6) months) of takeover bid transactions (transactions with the aim of rendering consolidated subsidiaries and affiliates accounted for by the equity method as wholly owned subsidiaries by the listed parent company, or management buyout transactions) with conflict of interest relationship of a total transaction amount of JPY 50,000,000,000 or more which were completed during the period from June 28, 2019, when the Ministry of Economy, Trade and Industry announced the “Fair M&A Guidelines: Enhancing Corporate Value and Securing Shareholders’ Interests”, till May 31, 2024, the Company could evaluate that it is a reasonable standard attached with a reasonable premium in relation to the market share value on the business date immediately prior to the date of announcement and on the immediately preceding one (1) month (while the premiums for the simple average of the closing prices for the immediately preceding three(3) months and the simple average of the closing prices for the immediately preceding

six (6) months respectively fall short of the premium standard above, the Company deems that the market share value of the Company Shares for the immediately preceding one (1) month formed after the announcement of the Company's Financial Results and the Company's Management Plan most reflects the Company's corporate value, and deems that it is a reasonable standard by the securement of sufficient premium in relation to the market share value of such period). The Tender Offer Price after the Changes to Terms and Conditions of Tender Offer for Shares, Etc. is an amount adding a premium of 1.76% on JPY 2,751.5, the closing price of the Company Shares on August 5, 2024, the business day immediately preceding August 6, 2024, the date of announcement of the Changes to Terms and Conditions of Tender Offer for Shares, Etc. and an amount adding a premium of 1.30% on JPY 2,764, the simple average of the closing price from June 17, 2024, the first day of the Tender Offer Period to August 5, 2024.

For the details of the decision-making process at such Board of Directors meeting, please see “(viii) Receipt of approval of majority of disinterested directors of the Company and the opinion of all disinterested Company Auditors of the Company that they have no objection” of “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest” below.

(3) Matters related to Calculation

- (i) Procurement of the Share Valuation Report from the Company's independent financial advisor and third-party valuation institution
 - A. Name of the valuation institution and relationship with the Company and the Tender Offeror

<Before Amendment>

In expressing its opinion related to the Tender Offer, in order to ensure the fairness of the decision-making process for the Tender Offer Price presented by the Tender Offeror, the Company requested UBS Securities, which is the Company's financial advisor and third-party valuation institution independent from the Tender Offeror and the Company, to calculate the share value of the Company Shares and, on June 13, 2024, obtained the Share Valuation Report (UBS Securities) which is subject to the conditions precedent set forth in (Note 1) to B. below and other certain conditions. UBS Securities does not fall under a related party of the Company or the Tender Offeror and has no material interest in the Transaction including the Tender Offer. The Company has not obtained from UBS Securities an opinion letter (fairness opinion) concerning the fairness of the Tender Offer Price based upon other measures to ensure the fairness of the Tender Offer Price implemented in relation to the Transaction or measures to avoid conflicts of interest (for the specific details, please refer below to “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest”).

<Omitted>

<After Amendment>

In expressing its opinion related to the Tender Offer, in order to ensure the fairness of the decision-making process for the Tender Offer Price presented by the Tender Offeror, the Company requested UBS Securities, which is the Company's financial advisor and third-party valuation institution independent from the Tender Offeror and the Company, to calculate the share value of the Company Shares and, on June 13, 2024, obtained the Share Valuation Report (UBS Securities) which is subject to the conditions precedent set forth in (Note 1) to B. below and other certain conditions.

Upon considering to express the Company's opinion regarding the Changes to Terms and Conditions of Tender Offer for Shares, Etc., based on the Company's explanation that there are no material changes to information such as earnings status or investment plan in the Business Plan which forms the basis of the Share Valuation Report (UBS Securities), as the Company received an explanation from UBS Securities that there are no circumstances that would require a change in the conclusions in the Share Valuation Report (UBS Securities), the Company has not newly obtained a Share Valuation Report regarding the share value of the Company Shares.

UBS Securities does not fall under a related party of the Company or the Tender Offeror and has no material interest in the Transaction including the Tender Offer. The Company has not obtained from UBS Securities an opinion letter (fairness opinion) concerning the fairness of the Tender Offer Price based upon other measures to ensure the fairness of the Tender Offer Price implemented in relation to the Transaction or measures to avoid conflicts of interest (for the specific details, please refer below to "(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest").

<Omitted>

(3) Matters related to Calculation

(ii) Procurement of the Share Valuation Report and the Fairness Opinion from the Special Committee's independent financial advisor and third-party valuation institution

A. Name of the valuation institution and relationship with the Company and the Tender Offeror

<Before Amendment>

As described in "(iii) Establishment of special committee at the Company and procurement of a report from the special committee" of "(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest" below, the Special Committee appointed PLUTUS as a unique

financial advisor and third-party valuation institution independent from the Company and the Tender Offeror, and obtained a Share Valuation Report (PLUTUS) on June 13, 2024. In addition, the Special Committee requested PLUTUS to submit a Fairness Opinion, and obtained it on June 13, 2024.

PLUTUS does not fall under a related party of the Company or the Tender Offeror, and does not have any material interested relationship in relation to the Transaction including the Tender Offer. PLUTUS's compensation related to the Transaction is said to be calculated by adding the fixed compensation to be paid regardless of the completion or non-completion of the Transaction to the number of hours worked multiplied by the hourly charge, and does not include any contingency fee paid on such terms as the completion or non-completion of the Transaction.

<After Amendment>

As described in “(iii) Establishment of special committee at the Company and procurement of a report from the special committee” of “(6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest” below, the Special Committee appointed PLUTUS as a unique financial advisor and third-party valuation institution independent from the Company and the Tender Offeror, and obtained a Share Valuation Report (PLUTUS) on June 13, 2024. In addition, the Special Committee requested PLUTUS to submit a Fairness Opinion, and obtained it on June 13, 2024.

Upon considering to express its opinion regarding the Changes to Terms and Conditions of Tender Offer for Shares, Etc., based on the Company's explanation that there are no material changes to information such as earnings status or investment plan in the Business Plan which forms the basis of the Share Valuation Report (PLUTUS), as the Special Committee was provided an explanation from PLUTUS that there are no circumstances that would require a change in the conclusions in the Share Valuation Report (PLUTUS), the Special Committee has not newly obtained a Share Valuation Report on the share value of the Company Shares or a written opinion (Fairness Opinion) on the fairness of the Tender Offer Price.

PLUTUS does not fall under a related party of the Company or the Tender Offeror, and does not have any material interested relationship in relation to the Transaction including the Tender Offer. PLUTUS's compensation related to the Transaction is said to be calculated by adding the fixed compensation to be paid regardless of the completion or non-completion of the Transaction to the number of hours worked multiplied by the hourly charge, and does not include any contingency fee paid on such terms as the completion or non-completion of the Transaction.

- (iii) Procurement of the Share Valuation Report from the Tender Offeror's independent financial advisor and third-party valuation institution

A. Name of the valuation institution and relationship with the Company and the Tender Offeror

<Before Amendment>

In order to ensure the fairness of the Tender Offer Price, and in determining the Tender Offer Price, the Tender Offeror requested Nomura Securities, a financial advisor, as a third-party valuation institution independent of the Tender Offeror Group, to calculate the value of the Company Share. Nomura Securities is not a related party of the Tender Offeror Group and has no material interest in the Transaction, including the Tender Offer.

<After Amendment>

In order to ensure the fairness of the Tender Offer Price, and in determining the Tender Offer Price, the Tender Offeror requested Nomura Securities, a financial advisor, as a third-party valuation institution independent of the Tender Offeror Group, to calculate the value of the Company Share. Nomura Securities is not a related party of the Tender Offeror Group and has no material interest in the Transaction, including the Tender Offer.

The Tender Offeror believes that the Tender Offer with the Tender Offer Price after the Changes to Terms and Conditions of Tender Offer for Shares, Etc. (JPY 2,800) would provide the shareholders of the Company with a reasonable opportunity to sell the Company Shares, in light of the fact that such price is the amount obtained by adding up each of the following premiums: a premium of 48.58% on JPY 1,884.5, which was the closing price of the Company Shares on the Prime Market of the TSE on June 13, 2024, the business day immediately preceding the announcement date of the Tender Offer, i.e., June 14, 2024; a premium of 41.84% on JPY 1,974, which was the simple average of the closing prices for the preceding one (1) month period until the same date; a premium of 42.78% on JPY 1,961, which was the simple average of the closing prices for the preceding three (3) month period until the same date; and a premium of 33.40% on JPY 2,099, which was the simple average of the closing prices for the preceding six (6) month period until the same date. In determining the Tender Offer Price after the Changes to Terms and Conditions of Tender Offer for Shares, Etc., the Tender Offeror does not obtain another valuation report from Nomura Securities in addition to the Share Valuation Report (Nomura Securities) that the Tender Offeror obtained from Nomura Securities on June 13, 2024.

- (5) Policy on reorganization, etc. after the Tender Offer (matters relating to the so-called two-stage takeover)

b. Share Consolidation

<Before Amendment>

If the total number of voting rights of the Company held by the Tender Offeror is less than 90% of the voting rights of all shareholders of the Company after the Tender Offer is completed, the Tender Offeror plans to request, promptly after the completion of the settlement of the Tender Offer, and in accordance with Article 180 of the Companies Act, that the Company hold an extraordinary meeting of shareholders (the “Extraordinary Shareholders’ Meeting”) at which the Company will present proposals to approve the consolidation of the Company Shares (the “Share Consolidation”) and, subject to the Share Consolidation becoming effective, abolish the article in the Articles of Incorporation concerning the number of shares constituting one unit. In addition, the Tender Offeror plans to request that the record date for the Extraordinary Shareholders’ Meeting be a date that is after and close to the commencement date of the settlement of the Tender Offer. The Company plans to hold the Extraordinary Shareholders’ meeting in response to the request from the Tender Offeror and the date of the Extraordinary Shareholders’ meeting is scheduled around October 2024. The Tender Offeror plans to vote in favor of each of the above proposals at the Extraordinary Shareholders’ Meeting.

<Omitted>

<After Amendment>

If the total number of voting rights of the Company held by the Tender Offeror is less than 90% of the voting rights of all shareholders of the Company after the Tender Offer is completed, the Tender Offeror plans to request, promptly after the completion of the settlement of the Tender Offer, and in accordance with Article 180 of the Companies Act, that the Company hold an extraordinary meeting of shareholders (the “Extraordinary Shareholders’ Meeting”) at which the Company will present proposals to approve the consolidation of the Company Shares (the “Share Consolidation”) and, subject to the Share Consolidation becoming effective, abolish the article in the Articles of Incorporation concerning the number of shares constituting one unit. In addition, the Tender Offeror plans to request that the record date for the Extraordinary Shareholders’ Meeting be a date that is after and close to the commencement date of the settlement of the Tender Offer. The Company plans to hold the Extraordinary Shareholders’ meeting in response to the request from the Tender Offeror and the date of the Extraordinary Shareholders’ meeting is scheduled around November 2024. The Tender Offeror plans to vote in favor of each of the above proposals at the Extraordinary Shareholders’ Meeting.

<Omitted>

- (6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest
 - (ii) Procurement of the Share Valuation Report from the Company’s independent financial advisor

and third-party valuation institution

<Before Amendment>

In expressing its opinion regarding the Tender Offer, the Company has requested UBS Securities, a financial advisor as a third-party valuation institution independent from the Company and the Tender Offeror, to perform a calculation of the share value of the Company and received the Share Valuation Report (UBS Securities) on June 13, 2024. UBS Securities does not fall under a related party of the Company or the Tender Offeror and has no material interest in the Transaction, including the Tender Offer. The Company has not obtained an opinion letter (fairness opinion) regarding the fairness of the Tender Offer Price from UBS Securities.

For a summary of the Share Valuation Report (UBS Securities) regarding the share value of the Company which the Company obtained from UBS Securities, please refer above to “B. Summary of the calculation of the Company Shares” of “(i) Procurement of the Share Valuation Report from the Company’s independent financial advisor and third-party valuation institution” of “(3) Matters related to Calculation”.

<After Amendment>

In expressing its opinion regarding the Tender Offer, the Company has requested UBS Securities, a financial advisor as a third-party valuation institution independent from the Company and the Tender Offeror, to perform a calculation of the share value of the Company and received the Share Valuation Report (UBS Securities) on June 13, 2024. UBS Securities does not fall under a related party of the Company or the Tender Offeror and has no material interest in the Transaction, including the Tender Offer. The Company has not obtained an opinion letter (fairness opinion) regarding the fairness of the Tender Offer Price from UBS Securities.

Upon considering to express the Company’s opinion on the Changes to Terms and Conditions of Tender Offer for Shares, Etc., based on the Company’s explanation that there are no material changes to information such as earnings status or investment plan in the Business Plan which forms the basis of the Share Valuation Report (UBS Securities), as the Company received an explanation from UBS Securities that there are no circumstances that would require a change in the conclusions in the Share Valuation Report (UBS Securities), the Company has not newly obtained a Share Valuation Report regarding the share value of the Company Shares.

For a summary of the Share Valuation Report (UBS Securities) regarding the share value of the Company which the Company obtained from UBS Securities, please refer above to “B. Summary of the calculation of the Company Shares” of “(i) Procurement of the Share Valuation Report from the Company’s independent financial advisor and third-party valuation institution” of “(3) Matters related to Calculation”.

- (iii) Establishment of Special Committee at the Company and procurement of a report from the

Special Committee

<Before Amendment>

A. Background of establishment, etc.

<Omitted>

In addition, upon the establishment of the Special Committee, the Board of Directors meeting of the Company resolved that (i) the Company's Board of Directors shall respect to the maximum extent the decision of the Special Committee upon making decisions regarding the Transaction and that (ii) the Company's Board of Directors shall not agree to the Transaction if the Special Committee determines that the purpose or transaction terms of the Transaction are inadequate, and also resolved to grant the Special Committee the following authorities: (a) authority to perform examination related to the Transaction (including making inquiries and requesting explanations regarding the matters necessary for reviewing the Consultation Matters to the Company's officers and employees related to the Transaction as well as the Company's advisors related to the Transaction) at the Company's expense, (b) authority to approve the Company's review system (including attorneys, valuation institutions, certified public accountants and other advisors), (c) authority to request for a timely report of the circumstances, and to express its opinion, give instructions and make requests under material situations when the Company negotiates such matters as the transaction terms with the Tender Offeror, and (d) authority to independently appoint attorneys, valuation institutions, certified public accountants and other advisors at the Company's expense as well as to request professional advice to the Company's advisors as necessary.

B. Process of the review

<Omitted>

(xii) At the 11th Special Committee meeting held on June 6, 2024 and the 13th Special Committee meeting held on June 13, 2024, the Special Committee received an explanation from UBS Securities and Uryu & Itoga on the content of the draft of the "Notice of Expression of Our Affirmative Opinion regarding, and Recommendation to Tender in, the Tender Offer for the Company's Shares etc. by Kirin Holdings Company, Limited" scheduled to be announced on June 14, 2024 (the "Press Release"), held a question-and-answer session, and confirmed that complete information disclosure was planned to be made.

C. Details of the decision

Under the process above, based on legal advice received from MORI HAMADA & MATSUMOTO, advice received from PLUTUS, the Share Valuation Report (PLUTUS) and

the Fairness Opinion received on June 13, 2024, the Special Committee submitted to the Company's Board of Directors on June 14, 2024 a Report with substantially the following contents under the unanimous agreement of all the committee members as a result of performing careful discussion and review regarding the Consultation Matters.

(a) Contents of the report

1. It is recognized that the Transaction contributes to the enhancement of the Company's corporate value and that the purposes of the Transaction are reasonable.
2. It is recognized that the appropriateness of the Tender Offer Price and the other transaction terms in the Transaction is ensured.
3. It is recognized that sufficient care for the interests of the minority shareholders of the Company is made through fair procedures in the Transaction.
4. It is recognized that the determination of the Transaction (including the Squeeze-Out Procedures) by the Company's Board of Directors is not disadvantageous to the minority shareholders of the Company.
5. The Company's Board of Directors should resolve to express its affirmative opinion to the Tender Offer. With respect to whether or not to tender in the Tender Offer, the Company's Board of Directors should resolve to recommend its shareholders to tender their shares in the Tender Offer and to leave the decision up to the Stock Acquisition Rights Holders.

(b) Reasons for the report

<Omitted>

<After Amendment>

A. Background of establishment, etc.

<Omitted>

In addition, upon the establishment of the Special Committee, the Board of Directors meeting of the Company resolved that (i) the Company's Board of Directors shall respect to the maximum extent the decision of the Special Committee upon making decisions regarding the Transaction and that (ii) the Company's Board of Directors shall not agree to the Transaction if the Special Committee determines that the purpose or transaction terms of the Transaction are inadequate, and also resolved to grant the Special Committee the following authorities: (a) authority to perform examination related to the Transaction (including making inquiries and requesting explanations regarding the matters necessary for reviewing the Consultation Matters to the Company's officers and employees related to the Transaction as well as the Company's advisors related to the Transaction) at the Company's expense, (b) authority to approve the Company's review system (including attorneys, valuation institutions, certified public accountants and other advisors), (c) authority to request for a timely report of the circumstances, and to express its opinion, give instructions and

make requests under material situations when the Company negotiates such matters as the transaction terms with the Tender Offeror, and (d) authority to independently appoint attorneys, valuation institutions, certified public accountants and other advisors at the Company's expense as well as to request professional advice to the Company's advisors as necessary.

Thereafter, on July 30, 2024, the Company received a proposal from the Tender Offeror to change the Tender Offer Price to JPY 2,800 per one (1) Company Share and to change the Tender Offer Period from August 13, 2024 to August 21 or August 28, 2024. (such proposal shall hereinafter be referred to as the "Proposal for Change of Tender Offer Terms").

With regard to the Transaction, the Company received the additional report on the Consultation Matters after considering the Proposal for Change of Tender Offer Term.

B. Process of the review

<Omitted>

- (xii) At the 11th Special Committee meeting held on June 6, 2024 and the 13th Special Committee meeting held on June 13, 2024, the Special Committee received an explanation from UBS Securities and Uryu & Itoga on the content of the draft of the "Notice of Expression of Our Affirmative Opinion regarding, and Recommendation to Tender in, the Tender Offer for the Company's Shares etc. by Kirin Holdings Company, Limited" scheduled to be announced on June 14, 2024 (the "Press Release"), held a question-and-answer session, and confirmed that complete information disclosure was planned to be made.

Upon making the additional report, during the period from July 29, 2024 to August 5, 2024, the Special Committee held a total of two (2) meetings for a total of approximately 4 hours as formal meetings. In addition, during each meeting day, the Special Committee carefully discussed and considered these Consultation Matters based on the Proposal for Change of Tender Offer Terms as outlined below, by performing such acts as reporting, information sharing, deliberation, and decision-making through gathering, e-mail, and other means from time to time.

- (xiii) On July 29, 2024, the Special Committee received a report from UBS Securities that the Tender Offeror decided to extend the Tender Offer Period till August 13, 2024, for a total of forty (40) business days and not to change the Tender Offer Price, and that the Company disclosed a press release to that effect.

- (xiv) At the 14th Special Committee meeting held on August 1, 2024, the Special Committee received an explanation from the Company that there were no material

changes to earnings status and investment plans in the Company's Business Plan which formed the basis of the Share Valuation Report (UBS Securities) and the Share Valuation Report (PLUTUS).

(xv) Upon receiving reports from the Company and the Company's advisors from time to time, the Special Committee discussed and reviewed, with advice from PLUTUS and MORI HAMADA MATSUMOTO, the negotiations with the Tender Offeror concerning the terms of the Transaction, including the tender offer price, and expressed the required views on the Company's negotiation policy as follows, and as a result of the negotiations with the Tender Offeror through UBS Securities, an agreement was reached at the tender offer price of JPY 2,800 per one (1) Company Share (hereinafter referred to as the "Tender Offer Price After the Change"). Specifically, the outline is as follows.

(a) The Special Committee received a report from UBS Securities that it had received a proposal dated July 30, 2024 from the Tender Offeror, setting the revised Tender Offer Price at JPY 2,800 and another extension of the Tender Offer Period that is until August 21 or August 28, 2024.

(b) In response, on August 1, 2024, the Special Committee expressed its opinion that, in light of the fact that the Company's share value was fluctuating significantly above the Tender Offeror's proposed price of JPY 2,800 on and after July 29, 2024, it is necessary to make extremely careful considerations as to recommending the Company's minority shareholders to tender in the Tender Offer on the premise of the proposal rendering the tender offer price as JPY 2,800, and it is reasonable to request to increase the tender offer price to a standard exceeding the Company's closing share price on the day preceding the date of announcement of the change to the tender offer terms at least. On the other hand, the Special Committee expressed its opinion that it approves the proposal to extend the Tender Offer Period till August 21 or August 28, 2024, from the perspective of ensuring the period necessary for minority shareholders to sufficiently consider tendering in the Tender Offer given the changes to the tender offer price.

(c) On August 1, 2024, the Special Committee received a report from UBS Securities that in accordance with the comments from the Special Committee in (b) above, on August 1, 2024, UBS Securities requested the Tender Offeror to reconsider the increase in the tender offer price and that it accepted the

proposal to extend the Tender Offer Period till August 21 or August 28, 2024.

- (d) On August 1, 2024, the Special Committee received a report from UBS Securities that the Tender Offeror seriously considered increasing the tender offer price and as a result, the Tender Offeror did not consider increasing the tender offer price to more than JPY 2,800.
- (e) At the 14th Special Committee meeting held on August 1, 2024, towards the reply from the Tender Offeror in (d) above, the Special Committee expressed its opinion that it is difficult at the present to determine whether or not to recommend the minority shareholders of the Company to tender in the Tender Offer on the premise of the proposal rendering the tender offer price as JPY 2,800, and that the Company should request again to reconsider the increase of the tender offer price.
- (f) The Special Committee received a report from UBS Securities that, in accordance with the comments from the Special Committee in (e) above, on August 2, 2024, UBS Securities requested the Tender Offeror to reconsider the increase of the tender offer price because it is difficult at the present to determine whether or not to recommend the Company's minority shareholders to tender in the Tender Offer on the premise of the proposal rendering the tender offer price as JPY 2,800.
- (g) During the meetings, the Special Committee received a report from UBS Securities that the Tender Offeror seriously considered again the increase of the tender offer price, and that the tender offer price of JPY 2,800 was the maximum evaluation amount that the Tender Offeror considered appropriate given such matters as the Tender Offeror's investment standards, and that it did not consider increasing the Tender Offer Price to more than JPY 2,800.
- (h) At the 15th Special Committee meeting held on August 5, 2024, the Special Committee approved to the change of the tender offer price to JPY 2,800.
- (xvi) At the 15th Special Committee meeting held on August 5, 2024, the Special Committee received an explanation from UBS Securities, the Company's financial advisor and third-party valuation institution and PLUTUS, the Special Committee's unique financial advisor and third-party valuation institution, that considering that there are no significant changes to the Business Plan received from the Company

at the 14th Special Committee meeting, there are no circumstances that would require a change in the conclusion of the Share Valuation Report (UBS Securities) and the Share Valuation Report (PLUTUS), and the Fairness Opinion dated June 13, 2024 obtained from PLUTUS even considering the current market environment.

C. Details of the decision

Under the process above, based on legal advice received from MORI HAMADA MATSUMOTO, advice received from PLUTUS, the Share Valuation Report (PLUTUS) and the Fairness Opinion received on June 13, 2024, the Special Committee submitted to the Company's Board of Directors on June 14, 2024 a Report with substantially the following contents under the unanimous agreement of all the committee members as a result of performing careful discussion and review regarding the Consultation Matters.

(a) Contents of the report

1. It is recognized that the Transaction contributes to the enhancement of the Company's corporate value and that the purposes of the Transaction are reasonable.
2. It is recognized that the appropriateness of the Tender Offer Price and the other transaction terms in the Transaction is ensured.
3. It is recognized that sufficient care for the interests of the minority shareholders of the Company is made through fair procedures in the Transaction.
4. It is recognized that the determination of the Transaction (including the Squeeze-Out Procedures) by the Company's Board of Directors is not disadvantageous to the minority shareholders of the Company.
5. The Company's Board of Directors should resolve to express its affirmative opinion to the Tender Offer. With respect to whether or not to tender in the Tender Offer, the Company's Board of Directors should resolve to recommend its shareholders to tender their shares in the Tender Offer and to leave the decision up to the Stock Acquisition Rights Holders.

Based on the circumstances from July 29, 2024 to August 5, 2024 as stated in the above "B. Process of the review", the Special Committee carefully discussed and reviewed the Consultation Matters after considering the Proposal for Change of Tender Offer Term, taking into account the legal advice received from MORI HAMADA MATSUMOTO and the advice received from PLUTUS. As a result of that, the Special Committee, with the unanimous consent of all committee members, submitted an Additional Report as of August 6, 2024 with the following summary to the Board of Directors.

1. through 4. shall not be changed.

5. The Company's Board of Directors should maintain the resolution to express its

affirmative opinion to the Tender Offer. We also do not consider that it is unreasonable for the Company's Board of Directors to maintain its opinion to recommend the Company's shareholders to tender in the Tender Offer and to leave the decision up to the Stock Acquisition Rights Holders as to whether or not to tender in the Tender Offer.

(b) Reasons for the report

<Omitted>

(c) Reasons for the additional report

1. Consideration as to Whether or not the Transaction Contributes to the Enhancement of the Company's Corporate Value

The implementation of the Transaction and the measures to enhance corporate value after the Transaction can both be evaluated to contribute to the enhancement of the Company's corporate value, and the Transaction can be recognized to contribute to the Company's corporate value even taking the dyssynergies, etc. by the Transaction into account, as described in the Report, and the changes to the Tender Offer Price After the Change and the Tender Offer Period based upon the Proposal for Change of Tender Offer Terms (the "Change of Tender Offer Terms") do not affect such consideration contents.

2. Consideration of the Appropriateness of the Transaction Terms of the Transaction

It is as described in the Report that (a) there do not exist any circumstances to doubt the fairness of the preparation process of the Business Plan which forms the basis of the Share Valuation Report (UBS Securities) and the Share Valuation Report (PLUTUS), and no unreasonable points can be found in the contents of the Business Plan, (b) no unreasonable points can be found in the calculation method or the calculation contents adopted by UBS and PLUTUS, and (c) the Tender Offer Price is considered to be appropriate given the calculation results of the Share Valuation Report (UBS Securities) and the Share Valuation Report (PLUTUS) as well as the premium analysis by PLUTUS; and neither is the change of the Tender Offer Period a circumstance which affects such consideration contents, given that there are no material changes to the information such as the earnings status and investment plans in the Business Plan, even after the time of receiving the Proposal for Change of Tender Offer Terms. In addition, as there is no circumstances that would require a change in the conclusions in the Share Valuation Report (UBS Securities), the Share Valuation Report (PLUTUS), or the Fairness Report even after receiving the Proposal for Change of Tender Offer Terms, the Tender Offer Price After the Change exceeds the maximum of the evaluation range under the market share price method and the comparable company analysis of

the Share Valuation Report (UBS Securities) and the Share Valuation Report (PLUTUS), and at the same time, it exceeds the median of the evaluation range under any of the DCF methods; therefore, it is recognized to be appropriate.

3. Consideration of the Fairness of the procedure of the Transaction

Considering that sufficient measures to ensure fairness are taken in the Transaction, such as the obtainment of the Fairness Opinion from PLUTUS, which is a third-party valuation institution and financial advisor unique to the Special Committee independent from the Tender Offeror and the Company, it is as described in the Report that fair procedures are implemented from the perspective of benefiting the minority shareholders and sufficient care is taken for the Company's minority shareholders through fair procedures, and the Change of Tender Offer Terms is not a circumstance which affects such consideration contents.

4. Summary

From the above, even given the Change of Tender Offer Terms, we do not consider that it is unreasonable for the Company's Board of Directors to maintain its resolution to express its affirmative opinion to the Tender Offer, and to maintain its resolution to recommend the Company's shareholders to tender in the Tender Offer and to leave the decision up to the Stock Acquisition Rights Holders as to whether or not to tender their Stock Acquisition Rights in the Tender Offer.

- (iv) Procurement of the Share Valuation Report and the Fairness Opinion from the Special Committee's independent financial advisor and third-party valuation institution

<Before Amendment>

As described in "(iii) Establishment of Special Committee at the Company and procurement of a report from the Special Committee" above, the Special Committee has appointed PLUTUS as a third-party valuation institution independent from the Company and the Tender Offeror, and has obtained a Share Valuation Report (PLUTUS) on June 13, 2024. In addition, the Special Committee has also obtained an opinion letter (fairness opinion) regarding the fairness of the Tender Offer Price from PLUTUS on June 13, 2024.

PLUTUS does not fall under a related party of the Company or the Tender Offeror, and does not have any material interested relationship in relation to the Transaction including the Tender Offer. PLUTUS's compensation related to the Transaction is said to be calculated by adding the fixed compensation to be paid regardless of the completion or non-completion of the Transaction to the number of hours worked multiplied by the hourly charge, and does not include any contingency fee paid on such terms as the completion or non-completion of the Transaction.

For a summary of the Share Valuation Report (PLUTUS) regarding the share value of the Company which the Special Committee obtained from PLUTUS, please refer above to “B. Summary of the calculation related to the Company Shares” of “(ii) Procurement of the Share Valuation Report from the Special Committee’s independent financial advisor and third-party valuation institution” of “(3) Matters related to calculation”.

<After Amendment>

As described in “(iii) Establishment of Special Committee at the Company and procurement of a report from the Special Committee” above, the Special Committee has appointed PLUTUS as a third-party valuation institution independent from the Company and the Tender Offeror, and has obtained a Share Valuation Report (PLUTUS) on June 13, 2024. In addition, the Special Committee has also obtained an opinion letter (fairness opinion) regarding the fairness of the Tender Offer Price from PLUTUS on June 13, 2024.

Upon considering to express its opinion on the Changes to Terms and Conditions of Tender Offer for Shares, Etc., based on the Company’s explanation that there are no material changes to information such as earnings status or investment plan in the Business Plan which forms the basis of the Share Valuation Report (PLUTUS), as the Special Committee was provided an explanation from PLUTUS that there are no circumstances that would require a change in the conclusions in the Share Valuation Report (PLUTUS), the Special Committee has not newly obtained a Share Valuation Report regarding the share value of the Company Shares or an opinion letter (fairness opinion) regarding the fairness of the Tender Offer Price.

PLUTUS does not fall under a related party of the Company or the Tender Offeror, and does not have any material interested relationship in relation to the Transaction including the Tender Offer. PLUTUS’s compensation related to the Transaction is said to be calculated by adding the fixed compensation to be paid regardless of the completion or non-completion of the Transaction to the number of hours worked multiplied by the hourly charge, and does not include any contingency fee paid on such terms as the completion or non-completion of the Transaction.

For a summary of the Share Valuation Report (PLUTUS) regarding the share value of the Company which the Special Committee obtained from PLUTUS, please refer above to “B. Summary of the calculation related to the Company Shares” of “(ii) Procurement of the Share Valuation Report from the Special Committee’s independent financial advisor and third-party valuation institution” of “(3) Matters related to calculation”.

<Before Amendment>

- (viii) Receipt of unanimous approval of all disinterested directors of the Company and the opinion of all disinterested Audit & Supervisory Board members of the Company that they have no objection

Based on the Share Valuation Report (UBS Securities) obtained from UBS Securities and the

legal advice from U&I, with respect to a maximum extent for the contents of the Report submitted by the Special Committee, the Company has carefully discussed and reviewed the terms and conditions of the Tender Offer. As a result, as described in “(iii) Decision-making process and the reasons that led to the Company’s decision in favor of the Tender Offer” of “(2) Grounds and reasons for the opinion on the Tender Offer” above, at the Company’s Board of Directors meeting held on June 14, 2024, the Company resolved to express its opinion in favor of the Tender Offer, and to recommend its shareholders to tender their shares in the Tender Offer, and to leave the decision up to the Stock Acquisition Rights Holders as to whether or not to tender their Stock Acquisition Rights in the Tender Offer.

In the resolution of the Board of Directors above, from among 9 directors of the Company, 7 directors excluding Shinro Fujita and Junko Tsuboi participated, and the resolution was unanimously adopted by all the directors who participated. Since, from among the Company’s directors, Shinro Fujita formerly belonged to the Tender Offeror and Junko Tsuboi concurrently serves as the Tender Offeror’s director, they did not participate in the deliberation and resolution in the Board of Directors meeting above from the perspectives of excluding to the extent possible any likelihood of the deliberation and resolution at the Board of Directors meeting being impacted by structural conflict of interest issues and information asymmetry issues regarding the Transaction, and did not participate in the discussion and negotiation with the Tender Offeror regarding the Tender Offer from the Company’s position.

From among the 5 Board of Company Auditors members of the Company, all 4 excluding Naoya Maruo attended the Board of Directors meeting above and all of the attending Board of Company Auditors members expressed their opinion that they have no objection to the resolution above. Since Naoya Maruo formerly belonged to the Tender Offeror, he did not attend the Board of Directors meeting above, and refrained from expressing his opinion, from the perspectives of excluding to the extent possible any likelihood of the deliberation and resolution at the Board of Directors meeting being impacted by structural conflict of interest issues and information asymmetry issues regarding the Transaction.

<After Amendment>

- (viii) Receipt of approval of majority of disinterested directors of the Company and the opinion of all disinterested Audit & Supervisory Board members of the Company that they have no objection

Based on the Share Valuation Report (UBS Securities) obtained from UBS Securities and the legal advice from U&I, with respect to a maximum extent for the contents of the Report submitted by the Special Committee, the Company has carefully discussed and reviewed the terms and conditions of the Tender Offer. As a result, as described in “(iii) Decision-making process and the reasons that led to the Company’s decision in favor of the Tender Offer” of “(2) Grounds and reasons for the opinion on the Tender Offer” above, at the Company’s Board of Directors meeting

held on June 14, 2024, the Company resolved to express its opinion in favor of the Tender Offer, and to recommend its shareholders to tender their shares in the Tender Offer, and to leave the decision up to the Stock Acquisition Rights Holders as to whether or not to tender their Stock Acquisition Rights in the Tender Offer.

In the resolution of the Board of Directors held on June 14, 2024 above, from among 9 directors of the Company, 7 directors excluding Shinro Fujita and Junko Tsuboi participated, and the resolution was unanimously adopted by all the directors who participated. Since, from among the Company's directors, Shinro Fujita formerly belonged to the Tender Offeror and Junko Tsuboi concurrently serves as the Tender Offeror's director, they did not participate in the deliberation and resolution in the Board of Directors meeting held on June 14, 2024 above from the perspectives of excluding to the extent possible any likelihood of the deliberation and resolution at the Board of Directors meeting being impacted by structural conflict of interest issues and information asymmetry issues regarding the Transaction, and did not participate in the discussion and negotiation with the Tender Offeror regarding the Tender Offer from the Company's position. From among the 5 Board of Company Auditors members of the Company, all 4 excluding Naoya Maruo attended the Board of Directors meeting above and all of the attending Board of Company Auditors members expressed their opinion that they have no objection to the resolution above. Since Naoya Maruo formerly belonged to the Tender Offeror, he did not attend the Board of Directors meeting held on June 14, 2024 above, and refrained from expressing his opinion, from the perspectives of excluding to the extent possible any likelihood of the deliberation and resolution at the Board of Directors meeting held on June 14, 2024 being impacted by structural conflict of interest issues and information asymmetry issues regarding the Transaction.

Thereafter, in response to the fact that the Tender Offeror had determined the Changes to Terms and Conditions of Tender Offer for Shares, Etc., as a result of careful discussion and review regarding the Changes to Terms and Conditions of Tender Offer for Shares, Etc., based upon the opinion of the Special Committee, at the Board of Directors meeting held on August 6, 2024, based on "(iii) Decision-making process and the reasons that led to the Company's decision in favor of the Tender Offer" of "(2) Grounds and reasons for the opinion on the Tender Offer" below, the Company resolved that the Company continues to maintain its affirmative opinion regarding the Tender Offer, as well as its opinion that the Company recommends its shareholders to tender their shares in the Tender Offer, and leaves the decision up to the Stock Acquisition Rights Holders as to whether or not to tender in the Tender Offer.

In the resolution of the Board of Directors held on August 6, 2024 above, from among 9 directors of the Company, 7 directors excluding Shinro Fujita and Junko Tsuboi participated, and the resolution was unanimously adopted by all the directors except for 1 director who participated. Since, from among the Company's directors, Shinro Fujita formerly belonged to the Tender Offeror and Junko Tsuboi concurrently serves as the Tender Offeror's director, they did not participate in the deliberation and resolution in the Board of Directors meeting held on August 6,

2024 above from the perspectives of excluding to the extent possible any likelihood of the deliberation and resolution at the Board of Directors meeting being impacted by structural conflict of interest issues and information asymmetry issues regarding the Transaction, and did not participate in the discussion and negotiation with the Tender Offeror regarding the Tender Offer from the Company's position.

From among the 5 Board of Company Auditors members of the Company, all 4 excluding Naoya Maruo attended the Board of Directors meeting held on August 6, 2024 above and all of the attending Board of Company Auditors members expressed their opinion that they have no objection to the resolution above. Since Naoya Maruo formerly belonged to the Tender Offeror, he did not attend each of the Board of Directors meeting held on August 6, 2024 above, and refrained from expressing his opinion, from the perspectives of excluding to the extent possible any likelihood of the deliberation and resolution at each of the Board of Directors meeting being impacted by structural conflict of interest issues and information asymmetry issues regarding the Transaction.

- (ix) Establishment of measures to ensure purchase opportunities from other purchasers

<Before Amendment>

While the shortest period provided by laws and regulations in relation to the Tender Offer Period is twenty (20) business days, the Tender Offeror is said to have set the period as forty (40) business days. By setting the Tender Offer period for a relatively long period of time in light of the shortest period provided in laws and regulations, it is said that the Tender Offeror is contemplating to ensure an appropriate decision-making opportunity for the Company's shareholders and Stock Acquisition Rights Holders as to whether to tender in the Tender Offer, and also to ensure an opportunity for parties other than the Tender Offeror to purchase, etc. the Company Shares, thereby ensuring the appropriateness of the Tender Offer Price.

<Omitted>

<After Amendment>

While the shortest period provided by laws and regulations in relation to the Tender Offer Period is twenty (20) business days, the Tender Offeror is said to have set the period as fifty-one (51) business days. By setting the Tender Offer period for a relatively long period of time in light of the shortest period provided in laws and regulations, it is said that the Tender Offeror is contemplating to ensure an appropriate decision-making opportunity for the Company's shareholders and Stock Acquisition Rights Holders as to whether to tender in the Tender Offer, and also to ensure an opportunity for parties other than the Tender Offeror to purchase, etc. the Company Shares, thereby ensuring the appropriateness of the Tender Offer Price.

<Omitted>

- (x) Establishment of measures to ensure opportunity for the Company's shareholders and Stock Acquisition Rights Holders to make an appropriate decision on whether to tender their shares in the Tender Offer

<Before Amendment>

<Omitted>

In addition, while the shortest period provided by laws and regulations in relation to such matters as purchase related to the Tender Offer Period is twenty (20) business days, the Tender Offeror is said to have set the tender offer period as forty (40) business days. By setting the Tender Offer Period for a long period of time in light of the shortest period provided in laws and regulations, it is said that the Tender Offeror is contemplating to ensure an appropriate decision-making opportunity for the Company's shareholders and Stock Acquisition Rights Holders as to whether to tender in the Tender Offer, thereby ensuring the appropriateness of the Tender Offer Price.

<After Amendment>

<Omitted>

In addition, while the shortest period provided by laws and regulations in relation to such matters as purchase related to the Tender Offer Period is twenty (20) business days, the Tender Offeror is said to have set the tender offer period as fifty-one (51) business days. By setting the Tender Offer Period for a long period of time in light of the shortest period provided in laws and regulations, it is said that the Tender Offeror is contemplating to ensure an appropriate decision-making opportunity for the Company's shareholders and Stock Acquisition Rights Holders as to whether to tender in the Tender Offer, thereby ensuring the appropriateness of the Tender Offer Price.

10. Others

<Before Amendment>

- (1) Revisions to the dividend forecast (no dividends) of the fiscal ending March 31, 2025 and abolition of the shareholders benefit system

<Omitted>

<After Amendment>

- (1) Revisions to the dividend forecast (no dividends) of the fiscal ending March 31, 2025 and abolition of the shareholders benefit system

<Omitted>

(2) Announcement of the “Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2025 [Japan Standard]”

The Company has announced the “Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2025 [Japan Standard]” dated August 2, 2024. The overview of such financial results is as follows. Such contents have not been subject to the quarterly review of an audit firm in accordance with the provisions of Article 193-2 Paragraph 1 of the Act. For the details, please refer to the contents of such announcement.

(i) Consolidated operating results

<u>Accounting period</u>	<u>First quarter accumulative period for the fiscal year ending March 31, 2025 (from April 1, 2024 until June 30, 2024)</u>
<u>Net sales</u>	<u>26,042 millions of yen</u>
<u>Operating income</u>	<u>2,621 millions of yen</u>
<u>Ordinary income</u>	<u>2,711 millions of yen</u>
<u>Net income attributable to owners of the parent company</u>	<u>1,673 millions of yen</u>

(ii) Status per share (Consolidated)

<u>Accounting period</u>	<u>First quarter accumulative period for the fiscal year ending March 31, 2025 (from April 1, 2024 until June 30, 2024)</u>
<u>Quarterly earnings per share</u>	<u>13.83 yen</u>
<u>Dividend per share</u>	<u>—</u>

[Regulation of Solicitation]

This press release is a press release relating to our expression of opinion regarding the Tender Offer and is not prepared for the purpose of soliciting applications for the sale, etc. of securities in connection with the Tender Offer or for the purchase, etc. of securities. When making an application for sales, etc., please be sure to read the Tender Offer Explanation relating to the Tender Offer and make such an application at the discretion of the shareholders and the Share Acquisition Rights Holders. This press release shall not constitute or be a part of an offer to sell or purchase securities or a solicitation of offer to sell or purchase securities, and the fact of this press release (or any part thereof) or the distribution thereof shall not be the basis for, and may not be relied upon in entering into, any agreement relating to the Tender Offer.

[Forecast]

This press release and the reference documents of this press release may contain forward-looking statements, including words such as “anticipate”, “forecast”, “predict”, “intend”, “will,” “believe,” “schedule”, “estimate”, “presume” and similar expressions. Such expressions are based on the tender offer related party or the Company’s current business outlook, and may change depending on future conditions. The tender offer related party or the Company, or any of their affiliates assume no obligation to present forward-looking statements about this information to reflect actual results, circumstances or developments or changes in conditions.

[U.S. regulations]

The Tender Offer covers common stock and the Stock Acquisition Rights of the Company, a company incorporated in Japan. The Tender Offer is made in compliance with the processes and information disclosure standards stipulated in the Financial Instruments and Exchange Law of Japan, however these procedures and standards are not necessarily the same as the procedures and information disclosure standards in the United States. In particular, the provisions of Article 13(e) or Article 14(d) of the Securities Exchange Act of 1934 of the United States (Securities Exchange Act of 1934, as amended, the “US Securities Exchange Act of 1934”) and the rules set forth thereunder shall not apply to the Tender Offer and the Tender Offer shall not be in accordance with these procedures and standards. The financial information included in this press release and in the reference documents of this press release is not based on U.S. GAAP. Because the Tender Offer and the Company is a corporation incorporated outside the United States and none of its officers are U.S. residents, it may be difficult to exercise or claim rights on the basis of U.S. securities-related laws. In addition, the Company may not be able to initiate legal proceedings in a court outside the United States against a corporation or its officers outside the United States on the basis of a violation of securities-related laws in the United States. In addition, a corporation outside the United States or its officers or related (affiliate) of such corporation may not be admitted to the jurisdiction of the United States courts.

All procedures relating to the Tender Offer shall be in Japanese unless otherwise stated. All or part of the documents relating to the Tender Offer shall be prepared in English. However, in the event of any

discrepancy between the applicable documents in English and those in Japanese, the documents in Japanese shall prevail.

This press release and reference documents to this press release contain “forward-looking statements” (forward-looking statements) as defined in section 27A of the Securities Act of 1933 of the United States (including any subsequent amendments) and section 21E of the US Securities Exchange Act of 1934. Known or unknown risks, uncertainties or other factors may cause actual results to differ materially from those expressed or implied by the forward-looking statements. No assurance can be given that the Tender Offeror, the Company or any related person will achieve the projections expressed or implied by the “forward-looking statements.” The “forward-looking statements” in this press release and the reference documents of this press release are prepared on the basis of the information of the Tender Offeror or the Company as of the date of this press release and the reference documents of this press release, and except as required by law, the Tender Offeror, the Company, or any of their affiliates are not obligated to update or modify the reference documents to reflect future events or circumstances.

The Tender Offeror, the Financial Advisors of the Tender Offeror and the Company and Tender Offer Agents (including their affiliates) may, within their normal scope and to the extent permitted by the laws and regulations relating to Japanese financial Instruments transactions related laws and regulations, and other applicable laws and regulations, make a purchase of the Company Shares for their own account or for the account of customers of the Company prior to the commencement of the Tender Offer or during the Tender Offer Period or take any action towards it, subject to the requirements of 14e-5 (b) of the US Securities Exchange Act of 1934. In the event that information relating to such purchase is disclosed in Japan, such disclosure shall also be made in the English language on the website (or other means of disclosure) of the person who made such purchase or any of its affiliates.

The Company may purchase its own shares in accordance with legal procedures during the Tender Offer Period from any shareholder who exercises the right under the Companies Act (Act No. 86 of 2005, as amended; the “Companies Act”) to require the Company to purchase shares constituting less than one unit.

As stated in the “Notice regarding introduction of performance-linked stock price-based compensation plan” announced by the Company on May 19, 2021, the Company has introduced a trust-type performance-linked stock compensation plan (the “Performance-Linked Stock Compensation Plan”) that includes Directors (excluding Outside Directors and non-residents of Japan) of the Company among the persons covered by the plan. Under the Performance-Linked Stock Compensation Plan, (i) each Director of the Company covered by such plan will be granted points at certain times of each year in accordance with his/her job position, number of months in office, and the degree to which his/her targets under the Medium-Term Management Plan have been achieved, (ii) the right (trust beneficial interest) of such Director to receive the delivery of the Company Shares in the number corresponding to such points will vest, and (iii) such Director will receive the delivery of the above-mentioned number of Company Shares. With respect to Mr. Kazuyuki Shimada, Mr. Tomochika Yamaguchi, Mr. Yasushi Sumida and Mr. Shinro Fujita, who are Directors of the Company, in accordance with the Performance-Linked Stock Compensation Plan on July

1, 2024, (a) the right to receive the delivery of 1,100 Company Shares (ownership ratio (as defined in “1. Purpose of Tender Offer,” “(1) Overview of the Tender Offer” of the Tender Offer Commencement Press Release; hereinafter the same): 0.00%), 700 Company Shares (ownership ratio: 0.00%), 600 Company Shares (ownership ratio: 0.00%), and 600 Company Shares (ownership ratio: 0.00%) (total: 3,000 shares, ownership ratio: 0.00%), respectively, vested during the Tender Offer Period, and (b) such number of the Company Shares was delivered to the above Directors on July 16, 2024, which also falls during the Tender Offer Period. After the delivery of each of the Company Shares stated above, the ownership ratio of each of the above Directors is less than 5%. The vesting of these rights and the delivery of the Company Shares were conducted in accordance with the service agreements that were entered into between the Directors and the Company prior to the date of public notice of commencement of the Tender Offer and in accordance with the Performance-Linked Stock Compensation Plan that applies to such Directors based on such service agreements. Accordingly, pursuant to the provision to Article 27-5 of the Act and Item 1 of the same article, the above-mentioned Directors, who are pro forma Specially Related Parties of the Tender Offeror, are entitled to the vesting of the right to receive the delivery of, and to actually receive delivery of, such Company Shares even during the Tender Offer Period without the application of the main clause of Article 27-5 of the Act, and, in accordance with the conditions of Rule 14e-5(b) (7) of the U.S. Securities Exchange Act of 1934, such vesting of the right and such delivery were conducted without the application of the provisions prohibiting purchases outside of a tender offer under Rule 14e-5. The vesting of the right to receive the delivery of the Company Shares and the delivery of the Company Shares have been conducted as a form of stock compensation to each of the above-mentioned Directors, and no money has been delivered by each of the above-mentioned Directors to the Company

[Other countries]

In some countries or regions, statutory restrictions may be imposed on the announcement, issue or distribution of this press release. In such a case, please pay attention to and comply with those restrictions. It shall not be regarded as soliciting applications for the purchase of share certificates or sales of share certificates in connection with the Tender Offer, but simply as distribution of materials as information.

END

For further information please contact:

Investor Relations Department
Tel. +81 45 226-1470
Email: 4921ir@fancl.co.jp